MINUTES
University of Minnesota Medical School
Faculty Advisory Council

November 3, 2009

The meeting of the Medical School Faculty Advisory Council (FAC) was held on Tuesday, November 3 at 4:00 p.m. in Room B646 Mayo Memorial Building and 146 School of Medicine Duluth (via ITV). James Carey, Vice Chair of the FAC presided.

Members Present: Drs. Kumar Belani, Catherine Bendel, Susan Berry, Peter Bitterman, Paul Bohjanen, James Boulger, Joseph Brocato, Colin Campbell, James Carey, Paul Cleary, Esam El-Fakahany, Sean Elliott, John Fenyk, Eric Gross, Kalpna Gupta, Tina Huang, Gerhard Johnson, Walter Low, Teresa Nick, James Pacala, Teresa-Rose-Hellekant, David Rothenberger, Yoji Shimizu, Brian Sick, and Gregory Vercellotti.

Dean's Office Staff Present: Dean Frank Cerra, Executive Vice Dean Mark Paller, and Associate Dean Roberta Sonnino. Guest: Brian Isetts, Chair of the ACH-FCC.

Introductions and Welcome
Dr. Carey, Vice-Chair of the FAC, called the meeting to order at 4:05 p.m., and welcomed the group.

AHC-FCC Activities and Interactions with FAC
Brian Isetts, Chair of the AHC-FCC, updated the FAC on the activities of the FCC. The AHC-FCC recently hosted a Fall Faculty Forum, devoted to valuing clinical scholarship in the Academic Health Center. Professor Isetts informed the FAC that a Task Force on Clinical Scholars would be appointed by the AHC-FCC to better value the work of our clinical scholars, and to help align mission appropriate funding streams for clinical scholar faculty who are doing research. He also stated that we need to better define clinical scholarship so that the requirements and criteria for advancement are clear.

Dr. Sonnino clarified that there are clearly defined Clinical Scholar statements for each clinical department in the Medical School, which state the department-specific criteria required for appointment and advancement of clinical scholars. Dr. Berry added that we already value clinical scholarship in the Medical School, and we would be taking a step back if we made the assumption that we don't. Dr. El-Fakahany mentioned that the definition of pure "scholarship" is evolving, which further impacts the definition of "clinical scholarship". Scholarship used to simply mean NIH funding, publications, etc. It now implies the transmission of knowledge, and can take many different forms.

Professor Isetts told the FAC that in order to make a change to University policies, it will be necessary to go to various Senate Subcommittees, including the Academic Freedom and Tenure Committee, the Provost, and the Board of Regents. He added that if that is the desire of this group, he would be happy to help facilitate this process. But the work of the Task Force would be essential to help compile the evidence to make a compelling case to these groups.

Adjunct Faculty Policy
Dr. Paller presented the Adjunct Faculty Policy, which was written by Dr. Sonnino. This policy better defines the role of adjunct faculty and provides uniformity across the departments. As a result of this policy, each department will have to develop department-specific criteria for their adjunct faculty appointments and promotions, have term limits for renewal of appointment, and reviews of adjunct faculty at the times of renewal. Additionally, this policy outlines a section for Financial Considerations (page 3, Part 11). This section allows departments to use their discretion to pass along costs to adjunct faculty that are associated with their appointment. Because each adjunct appointment costs the Medical School and the departments approximately $1700, in some circumstances it may be appropriate to ask a

private practice group or a physician to help cover these fees. This is not appropriate when an adjunct faculty member is heavily involved with teaching medical students and residents – these adjunct faculty provide an invaluable service to the School, and the School could not function without their donation of expertise and time. But it may be appropriate in the case of adjunct faculty members who request their appointment so that they can do research, using the University research infrastructure, or for adjunct faculty who train fellows, as the fellows may increase their productivity and in turn provide a serious advantage to their practice.

The FAC asked whether or not all of the faculty at international institutions, where students can have rotations, are required to have adjunct faculty appointments. Drs. Sonnino and Paller explained that those schools have institutional agreements with the Medical School, which cover their faculty. The FAC also suggested that the definition of external adjunct faculty could be better defined.

Medical School Financial Model

Dr. Paller explained to the FAC that the Dean's Office allocates $80 million (M) in tuition and State dollars to the departments annually for teaching and research. A new allocation method has been researched to provide a more rational and transparent way to distribute the funds. Four and a half years ago, Dean Powell wanted to apply Mission Based Management (MBM) to determine how funds were allocated. While the original plans have been modified to fit the current University budget model and needs of the School, a similar methodology will now be utilized for FY2011.

Dr. Paller wanted to first stress that while the $80M distributed annually is not enough to cover all teaching and research in the School, the allocation should reflect the priorities of the School and departmental performance. To support faculty teaching effort, 30% of tuition revenue will be allocated to the departments for their contributions to medical student teaching, and 80% of tuition received by the Medical School will be allocated for graduate and undergraduate teaching. Graduate medical education (GME) teaching is not supported by Dean's allocation. A total of $14M is allocated for teaching effort to the departments.

To support faculty research effort, research "units" will be allocated to each department, with approximately $55,000/unit, and 250 units total (approximately $14M total). One hundred units will be allocated to basic science departments, 150 units allocated to clinical science departments. The units are not attached to specific faculty and will be allocated to the department. In the basic science departments, a unit will be assigned for every tenured and tenure-track faculty member, with the unit reverting back to the Dean's Office if a faculty member departs. The units assigned to the clinical science departments are based on their share of total clinical department faculty salary recovery on grants averaged.

An additional $5.6M is being allocated to support faculty administrative service, which covers Department Head administrative augments, as well as administrative support that faculty provide to the Medical School.

To support infrastructure costs, the Medical School will continue to return 75% of ICR back to the departments, and retain 25% to support infrastructure of the Medical School. Approximately $29M supports infrastructure. Dr. Berry mentioned that there is a decreasing tendency of ICR availability, and asked if that was being accounted for in this model. Drs. Paller and Cerra stated that this methodology does not factor in the percent of ICRs, and stated that departments may need to be selective about grants and not approve grants that have limited or no ICR. Dr. Cerra also mentioned that we need to do a better job of defining things as "direct costs". Additionally, the issue of ICR is now a University issue. The University has a research portfolio of approximately $600M, but the average ICR is only 30%.

Finally, funds are allocated to support the Administrative Center infrastructure and space ($4M), and funds are allocated to a special pot to cover temporary departmental shortfalls ($8M). There is a small amount of funding ($5M) that is specifically allocated to graduate student stipends, MNCare, etc. These specific allocations cannot be changed.

Dr. Carey asked if departments could accrue reserves with this methodology, and more specifically, if departments do not use up their entire allocation during a fiscal year, would it be taken away? Dr. Paller explained that this is not really a "use it or lose it" policy. It is the expectation that every department balance their budget. The FAC asked if there are portions of the allocations that would be taken away if not used annually, and Dr. Paller explained that there are different pieces of the allocations, which include base and discretionary, and it would depend on which piece is being affected. Generally speaking however, this would not happen in most instances.

An advantage to this methodology is that it allows basic science departments to have more control over their departmental allocation, and potentially have more of a margin in their budgets with an incentive to teach. The FAC requested specific departmental allocations (including Duluth). Dr. Paller expected to have these available at the January meeting. Dr. Pacala suggested that this can be made even more transparent. It will be important to see specific dollar amounts. He also asked when the discussion surrounding support for GME teaching will occur, because departments need more support and control over this. Dr. Bitterman also mentioned that the GME discussion is very important, because most clinical faculty only do their teaching through GME. Dr. Paller stated that will be a separate discussion, but it will need to happen, and will be included in the next iteration of this methodology. Dr. Berry then mentioned that if you use a revenue rationale for determining fellowship programs, you end up not choosing to train fellows in cognitive programs because they do not create profit margins, and only train in subspecialties because they make money. The School therefore does not fulfill its mission to train the future physicians to the State of Minnesota. Dr. Cerra answered that these are all decisions that are under the purview of the departments, and must be made at that level.

Clinical Integration Planning – Discussion with Medical School Administration

Dr. Cerra distributed revised slides regarding "Evaluating Integration of the Clinical Enterprise", which he presented to the AHC Assembly on October 29, 2009. Dr. Cerra explained that we are evaluating a model to achieve integration, and then we will assess how long it will take us to get there using the model. We first need to define what an integrated health system is, and what its attributes are. We need to determine what integration will look like, what will work and what won't work, and how we can protect the mission of the School. By the end of December, there should be drafts available that can be distributed to the FAC for comment.

Dr. Paller added that whatever we come up with should be better suited towards our academic mission than what we currently have. We have made progress in developing service lines and we need to ask ourselves if we can take this to another level so that research and service is not an afterthought of clinical activity.

Dr. Berry asked what will happen with the existing Fairview medical staff physicians. Will they become faculty? Many of them are not interested in the activities of faculty, and they are paid more then the Medical School faculty. How do we make this equitable for all to work side by side? Dr. Cerra responded that we may need to give our faculty raises, which we could afford with the integration. This will affect our academic practice of doing research, teaching and clinical care, but put us in a position to do these better. Dr. Vercellotti said that we have never really fully tapped into our potential of becoming a great clinical provider, and it would be most effective to frame it that way. Dr. Cerra affirmed that we cannot do this without partnering with the Fairview doctors. This has the potential of being an environment of innovation with a larger, more stable patient base. These are the opportunities, what will it take to attain it? Dr. Vercellotti responded that we need to be convinced that we can trust Fairview. Dr. Cerra agreed, but added that we have been a leadership partner with Fairview, and we need to move into a model where care systems exist with a Chief Medical Officer. There is a trust question, but the leadership at Fairview has taken a stance to move forward with integration, and it is just a matter of time before that viewpoint is adopted system-wide. Dr. Cerra has also added that we have not adequately marketed our "University" brand. The main criteria for clinical contracts are patient satisfaction, quality clinical care, and per capita cost of care. University of Minnesota Physicians needs to be community competitive on

those three things. Dr. Belani added that Park Nicollet has recently advertised that they have the lowest mortality rate for acute M.I. in the Twin Cities, an advertisement that ranks the University of Minnesota Medical Center, Fairview as having the highest mortality rate on the list.

Dr. Bitterman asked how close the Fairview leadership is to adopting this idea? Will education and research be considered a mandatory cost, not a margin? These costs need to be built into the budget as mandatory expenses. Dr. Elliott asked if the community physicians understand the value of our brand. Citizens look at UMP as well-known and trustworthy. Maybe there needs to be more research to evaluate our brand.

Drs. Paller and Cerra requested that the FAC considers what defines an integrated academic health center. They also requested that the FAC members go back to their departments to share this information.

University FCC Nomination
Dr. Susan Berry announced that the Medical School has two members on the University FCC. This important committee is used as a sounding board by University leadership on pertinent issues, but it is very time consuming. This committee meets once per week (two hour meetings), and is a three year time commitment. If you are interesting in being nominated, please contact Dr. Berry.

FAC Member Discussion; RE: Integration Issues
CLOSED SESSION (FAC members who were present during this session may request a hard copy of these minutes)

The meeting was adjourned at 6:05 p.m.

Respectfully submitted,
Jeni Skar
Staff to the FAC