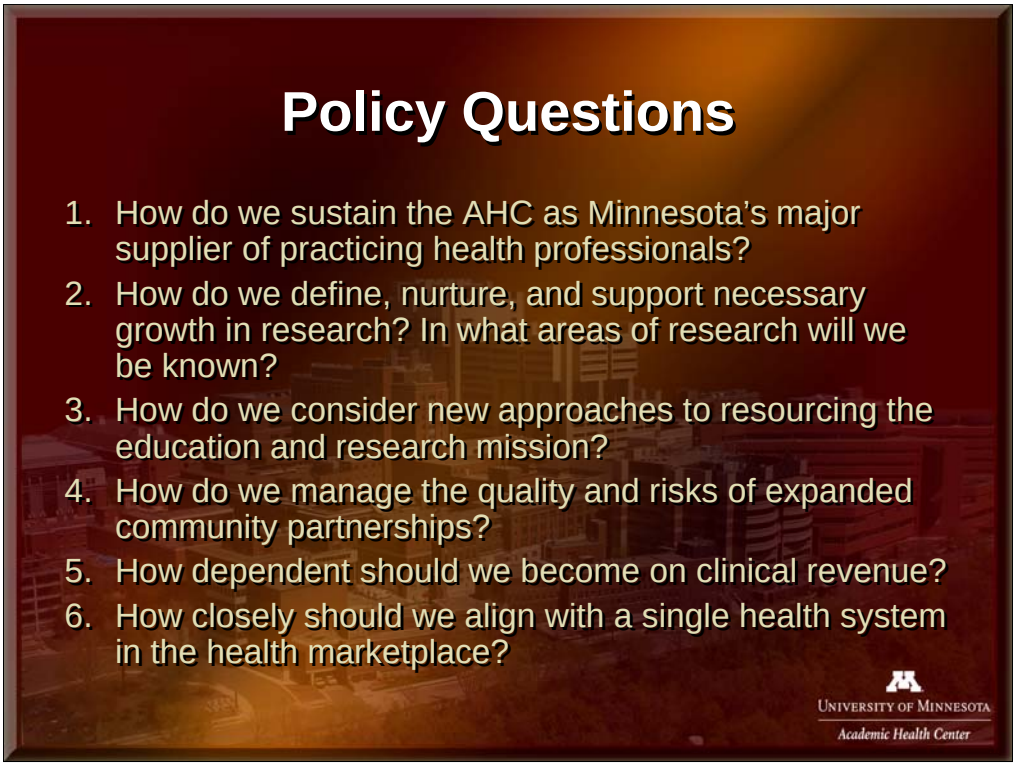
JOINING ME TODAY ARE DEB POWELL, DEAN OF THE MEDICAL SCHOOL, AND DAVID PAGE, PRESIDENT AND CEO OF FAIRVIEW HEALTH SERVICES WILL BE SHARING THIS PRESENTATION.

THE GOALS FOR TODAY ARE:

1. TO FOLLOW UP ON LAST JUNE'S WORK SESSION WHILE FOCUSING ON THE ROLE OF CLINICAL SCIENCES AND THE PARTNERSHIPS IT REQUIRES, IN THE SUCCESS OF THE ACADEMIC HEALTH CENTER AND THE UNIVERSITY.

2. TO EXPLAIN THE NEED FOR THE ALIGNMENT OF THE MEDICAL SCHOOL WITH ITS PARTNERS IN FAIRVIEW AND UMPHYSICIANS

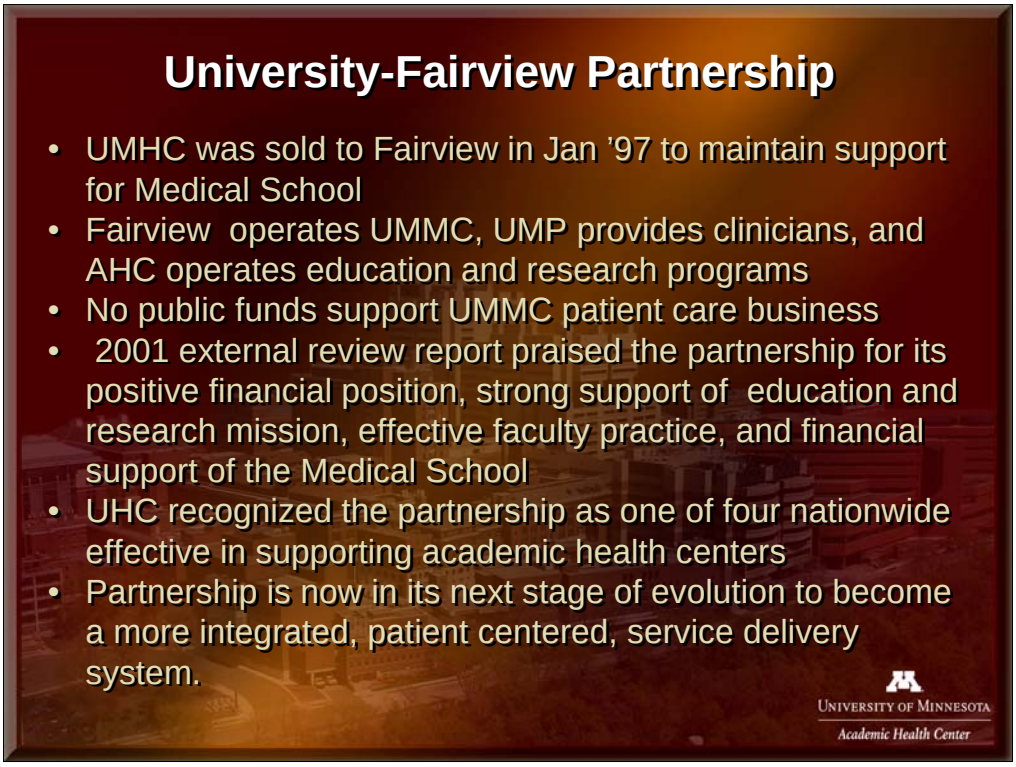
3. AND TO SHARE THE CRITICAL NEED FOR CLINICAL EXCELLENCE THAT REQUIRES TOP CLINICAL FACULTY AND FACILITIES. AS MY COLLEAGUE ROBY THOMPSON SO CLEARLY STATES IT – "CLINICAL EXCELLENCE IS THE ROUTE TO ACADEMIC PROMINENCE IN THE HEALTH SCIENCES.



HERE ARE THE POLICY QUESTIONS THAT WERE RAISED IN THE PRESENTATION TO YOU IN JUNE 2006. THEY HAVE NOT CHANGED

TODAY WE WILL BE CONCENTRATING ON POLICY QUESTIONS 4,5 AND 6.

THERE ARE THREE TAKE HOME MESSAGES IN TODAY'S PRESENTATION.



SPEAKING OF FAIRVIEW, I WOULD LIKE TO START THIS PRESENTATION WITH A BRIEF REVIEW OF THIS RELATIONSHIP.

FIFTEEN YEARS AGO, ACADEMIC MEDICINE NATIONWIDE HIT A ROUGH PATCH. THE HEALTH CARE MARKETPLACE WAS CHANGING – AND UNIVERSITIES AROUND THE COUNTRY WEREN'T CHANGING WITH IT – INCLUDING THIS UNIVERSITY. BY 1997, UNIVERSITY HOSPITAL WAS BEING OUT COMPETED AND WAS DEEPLY IN THE RED.. WE FORMED A PARTNERSHIP TO PRESERVE THE EDUCATION AND RESEARCH MISSION OF THE MEDICAL SCHOOL. FAIRVIEW PURCHASED THE U HOSPITALS IN 1997 – THE MEDICAL SCHOOL FACULTY WERE NOT PART OF THE DEAL, BUT DID COMBINE TO FORM UNIVERSITY OF MINNESOTA PHYSICIANS. WHAT WE PIONEERED OUT OF NECESSITY 10 YEARS AGO HAS NOW RECEIVED NATIONAL RECOGNITION AS A MODEL FOR SUCCESSFULLY SUPPORTING AN ACADEMIC MEDICAL CENTER. A 2001 EXTERNAL REVIEW PRAISED THE PARTNERSHIP FOR TURNING AROUND THE FINANCIAL POSITION OF THE HOSPITAL AND SUPPORTING THE EDUCATION AND RESEARCH MISSIONS OF THE MEDICAL SCHOOL. AND THE NATIONAL UNIVERSITY HEALTHSYSTEM CONSORTIUM RECOGNIZED THE UNIVERSITY/FAIRVIEW PARTNERSHIP AS ONE OF FOUR IN THIS COUNTRY THAT ARE EFFECTIVE IN THEIR WORK. GETTING HERE HAS NOT BEEN WITHOUT ITS CHALLENGES – BUT THIS PARTNERSHIP'S FOCUS ON KEEPING ACADEMIC MEDICINE AND MINNESOTA IN THE FOREFRONT OF HEALTH CARE KEEPS US MOVING FORWARD TOGETHER. THE NEXT STAGE OF EVOLUTION IS TO BECOME A MORE INTEGRATED, PATIENT CENTERED, SERVICE DELIVERY SYSTEM.

THIS NEXT STAGE OF EVOLUTION OF THE PARTNERSHIP IS REFLECTED IN THE NEW FHS VISION:

OUR PASSION FOR EXCELLENCE FOR OUR PATIENTS DRIVES US, IN PARTNERSHIP WITH THE UNIVERSITY OF MINNESOTA, TO BE THE BEST HEALTH CARE DELIVERY SYSTEM IN AMERICA

AND IN THE NEW VISION FOR THE ACADEMIC MEDICAL CENTER ENDORSED BY UMMC, UMP AND THE MEDICAL SCHOOL/AHC

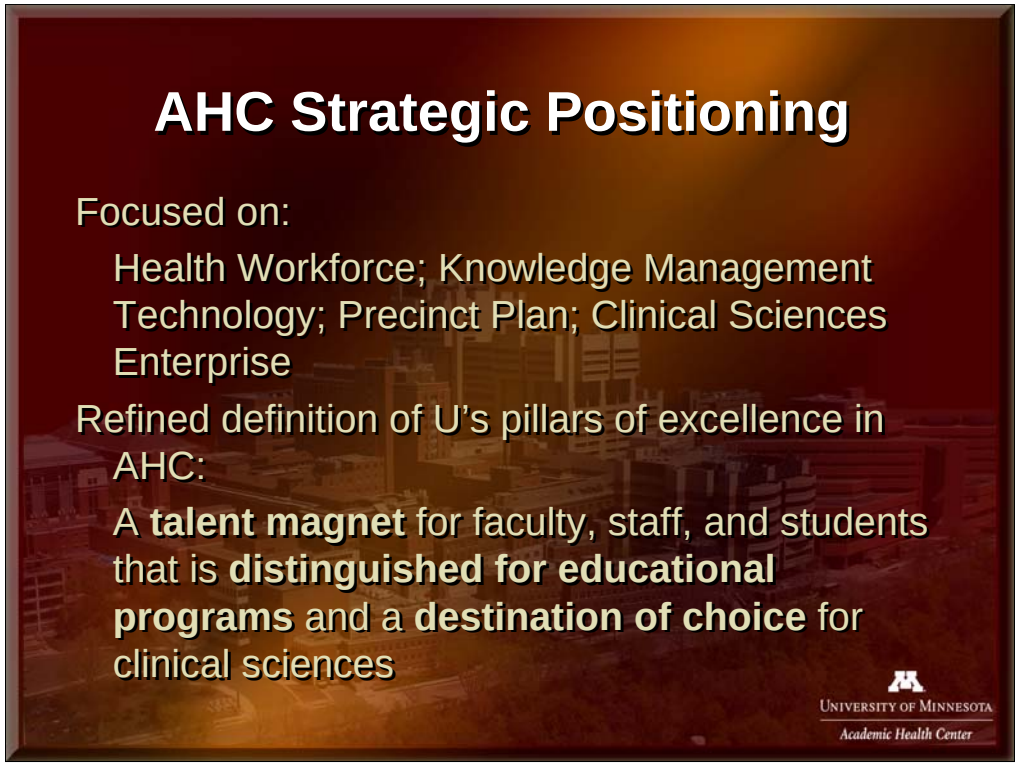
HERE IS THE UNIVERSITY VISION, MISSION, GOAL AND PILLARS OF SUCCESS. AS WE MOVE AHEAD IN THIS PRESENTATION, HOW THE AHC CONTRIBUTES TO THESE AND THE UNIVERSITY BECOMING A TOP THREE PUBLIC RESEARCH UNIVERSITY WILL OCCUR.

THE ACADEMIC HEALTH CENTER CONSISTS OF SIX HEALTH PROFESSIONAL SCHOOLS, ALLIED HEALTH PROGRAMS AND INTERDISCIPLINARY CENTERS. THIS COMPREHENSIVE ARRAY OF SCHOOLS AND PROGRAMS HAS CRITICAL COMMUNITY PARTNERSHIPS WITH THE STATE, FAIRVIEW AND OUR OTHER AFFILIATED PRIMARY TEACHING PROGRAMS, MAYO CLINIC, AND 1700 OTHER COMMUNITY CLINICS, HOSPITALS AND HEALTH CARE ENVIRONMENTS.

IN ALL OF THESE SCHOOLS, CENTERS, PROGRAMS, AND PARTNERSHIPS – OUR PRIMARY MISSION REMAINS


Mission
To prepare the next generation of health professionals who will care for our families and communities; to discover and deliver new treatments and cures; and to contribute to the economic vitality of our health industries in Minnesota.
University of Minnesota
Academic Health Center

Read -



DURING STRATEGIC POSITIONING, OUR TASK FORCES FOCUSED ON

HEALTH PROFESSIONAL WORKFORCE

KNOWLEDGE MANAGEMENT TECHNOLOGY

RENEWED FACILITIES THROUGH THE AHC PRECINCT PLAN, AND

THE CLINICAL SCIENCES ENTERPRISE

THIS WORK AND THAT OF THE OTHER UNIVERSITY STRATEGIC POSITIONING TASK FORCES HELPED US REFINE THE U'S PILLARS OF EXCELLENCE IN THE AHC –

TO BECOME A TALENT MAGNET FOR FACULTY, STAFF AND STUDENTS THAT IS DISTINGUISHED FOR EDUCATIONAL PROGRAMS AND IS A DESTINATION OF CHOICE FOR CLINICAL SCIENCES.

OUR ROLE IN SUPPORTING THE U'S DRIVE TO TOP THREE STATUS REQUIRES FOCUSED VISION AND DISCIPLINED DRIVE.

BY 2011, WE WILL HAVE INTERDISCIPLINARY PROGRAMS OF DISTINCTION THAT ARE

SUCCESSFULLY MEETING THE HEALTH WORKFORCE NEEDS OF THE STATE

WE WILL BE MORE EFFECTIVELY DISSEMINATING NEW KNOWLEDGE INTO COMMUNITIES, CLINICS, AND HOSPITALS

AND –

E-EDUCATION, AND E- HEALTH WHERE PATIENTS AND OUR GRADUATES SEEK MORE INFORMATION – MORE DATA – ELECTRONICALLY. E-HEALTH – WHERE PATIENTS AND PROVIDERS WORK TOGETHER TO IMPROVE HEALTH STATUS – WILL BE CORE TO OUR SUCCESS…

SO – SUCCESS FOR THE FUTURE WILL REQUIRE THE FOLLOWING –

INVESTMENTS IN TECHNOLOGY AND TRAINING

COMMUNITY PARTNERSHIPS FOR EDUCATION

DIFFERENT KINDS OF FACILITIES AND SERVICES

CREATION OF A FLEXIBLE LEARNING ENVIRONMENT

OUR VISION FOR THE FUTURE IN RESEARCH IS TRULY TO BE A TALENT MAGNET –

WE WILL BE SUCCESSFUL AS A COMPETITOR FOR SPONSORED PROJECT FUNDING, AND

ABLE TO RECRUIT THE FACULTY WE NEED – AND RETAIN THOSE FACULTY

WE WILL HAVE NATIONAL RECOGNITION IN FOCUSED AREAS OF EXCELLENCE IN INTERDISCIPLINARY RESEARCH

AND WILL BE DEMONSTRATING A NATIONAL MODEL FOR EFFECTIVE RELATIONS WITH BUSINESS AND TECHNOLOGY COMMERCIALIZATION.

SUCCESS FOR OUR RESEARCH FUTURE REQUIRES –

INVESTMENTS IN FACULTY AND STAFF
INVESTMENTS IN FACILITIES TO HOUSE TOP PROGRAMS
FOCUSING OF OUR RESEARCH EFFORTS
COMMITMENT TO COLLABORATE AND LEARN TOGETHER

NOW – I WANT TO SHARE WITH YOU A NEW CONCEPTUAL MODEL WE'RE USING TO HELP EXPLAIN THE PROCESS OF BIOMEDICAL RESEARCH AND THE IMPORTANCE OF CONVERGENCE, OR BRINGING TOGETHER, OF BASIC AND TRANSLATIONAL RESEARCH INTO NEW WAYS OF IMPROVING HEALTH BY PREVENTING, TREATING OR CURING DISEASE

WE'RE CALLING THIS THE CORRIDORS OF RESEARCH AND DISCOVERY.

THE TALENTED STEVE JOHNSON OF MMF HELPED US DEVELOP THIS ANIMATED MODEL I'D LIKE TO SHARE WITH YOU NOW….

(To VIDEO)

Next slide – after video

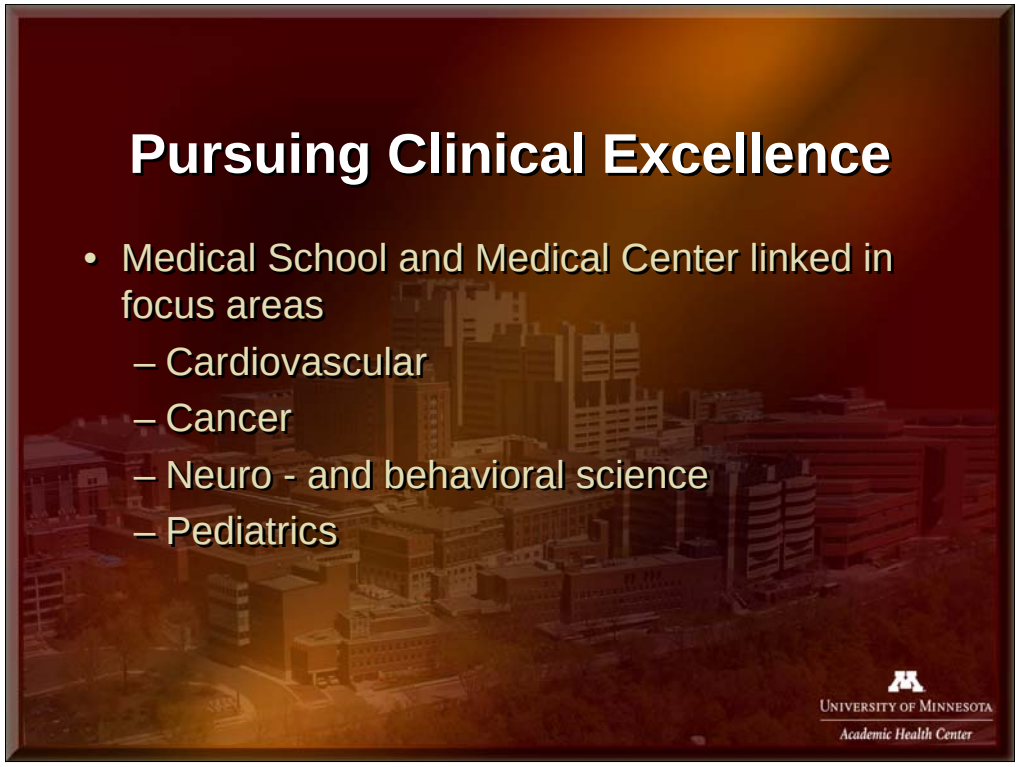
THE FINAL COMPONENT OF A VISION FOR OUR SUCCESSFUL FUTURE INVOLVES WHAT WE CALL CLINICAL SCIENCES –

IT'S WHERE THE KNOWLEDGE OF ACADEMIC MEDICINE TOUCHES POPULATIONS AND DISEASE TO ENHANCE HEALTH STATUS THROUGH PREVENTION, TREATMENT OR CURE.. MUCH OF OUR HEALTH SCIENCE EDUCATIONAL AND RESEARCH PROGRAMS OCCUR IN AND DEPEND ON CLINICAL CARE.

TO BE SUCCESSFUL WE WILL HAVE EXPANDED CLINICAL PRACTICES FOR ALL DISCIPLINES AND HEALTH NEEDS, SUCCESSFULLY IMPLEMENTED THE RIGHT INFORMATION TO THE RIGHT PLACE AT THE RIGHT TIME FOR THE BEST DECISION MAKING, AND ENHANCED THE EFFECTIVENESS OF OUR DECADE-LONG PARTNERSHIP WITH FAIRVIEW.

NOW I'D LIKE TO TURN THIS OVER TO DEAN DEBORAH POWELL – DEAN OF THE MEDICAL SCHOOL.

Insert Debbie's New Slide -



Following off of the video that begins to describe our evolving Corridors of research and discovery – I wanted to share with you the areas where we are partnering with Fairview to pursue clinical excellence.

We stand on a strong heritage in cardiovascular excellence – it was this medical school working in the University hospital and clinics that transformed what was once extreme in the care of heart problems into routine heart care today. Repairing heart defects; implanting pacemakers; transplanting hearts – all pioneered here – and that heritage requires a strong focus for future investment and excellence – The Medical School has just announced the recruitment back to Minnesota of Dr. Dan Barry from Southwestern Medical School in Dallas. Dan is a physician and a scientist who will lead the Lillehei Heart Institute and also serve as director of our clinical cardiology programs.

If you are the parent of a child with leukemia or aplastic anemias, then the University of Minnesota is where you come to seek care. In 1968, we pioneered blood and marrow transplantation – and today, (as you saw in the video) we continue to pursue better outcomes for people with cancer.

The Medical School's neuroscience faculty that are focused on understanding how the brain works are already leading to better care delivered to patients in the Medical Center.

Example – stroke guidelines –

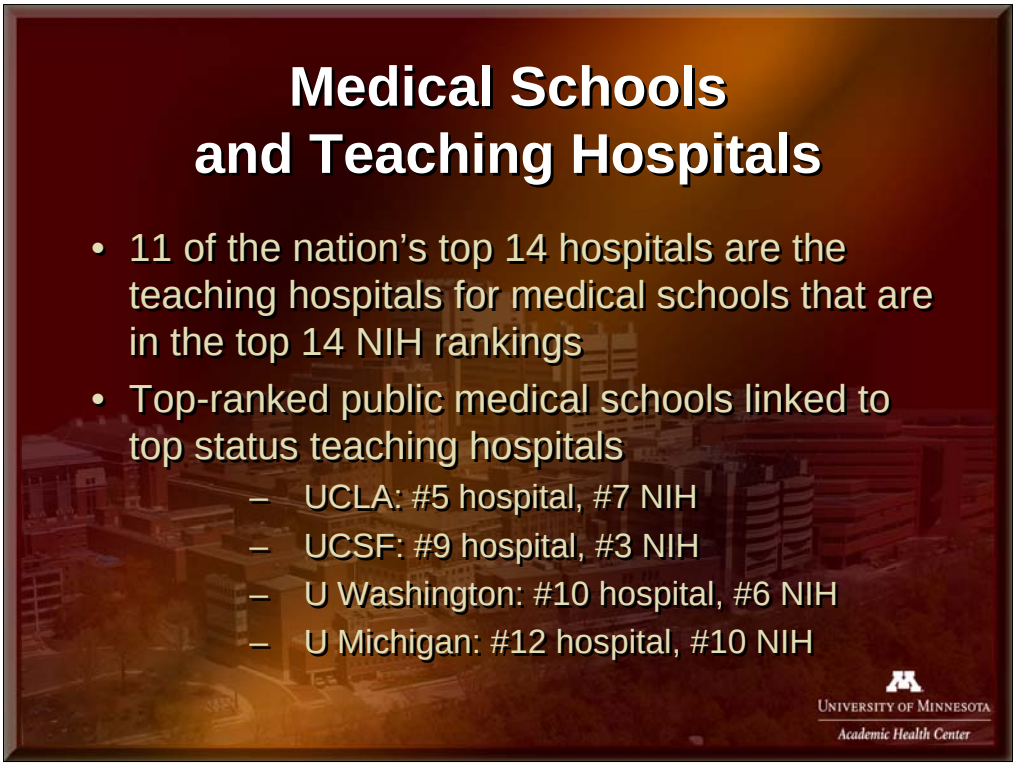
Finally – pediatrics - we have worked to further advance our program in pediatrics – both academically, and clinically. The recent announcement that a renovated children's hospital will be the first step in a comprehensive facilities revitalization plan by Fairview marks a critical juncture – It's a recognition that excellent care for children is based on having excellent teaching, research – and clinical care programs that are linked in that braided model of academic medicine. And new facilities are critical to that future.

NOTE – Debbie – please check this copy…)

Our current facilities do not adequately support the education of the next generation of health professionals, clinical research, and clinical practice.

> Our outpatient clinics were built in 1976 – nearly 30 years ago -- and visits exceed capacity. Traffic patterns are difficult, and patient satisfaction is low.
>
> Facilities for adults: A major investment in the physical plant is required. We need private rooms, and facilities with different design – because new approaches to care – such as cardiac services -- require it.
>
> Fairview's pediatrics hospital, where our faculty practice, is the largest single facility providing inpatient care for children in the area, with abut 250 inpatient beds. It needs to be renovated, consolidated, and made a more appropriate space for delivering quality care to children. I'd like to show you a brief video that will provide some context.

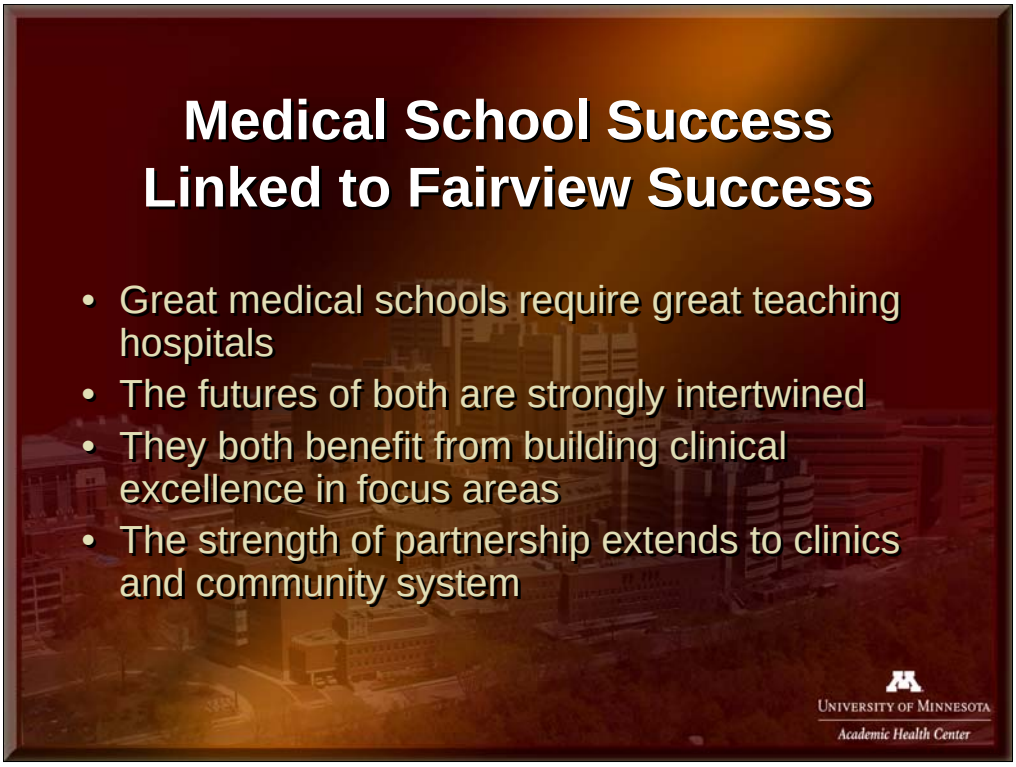
A major investment in facilities is required for us to have a position of sustained competitiveness in the health marketplace: for efficiency of service; to provide consumer-centered care and appropriate support of specialty services -- such as cancer, cardiac disease, women and children; to support the clinical sciences; recruit the best faculty and students; achieve excellence as a University Hospital with our partners in Fairview – all to support the health of Minnesotans.



Having a strong teaching hospital isn't just nice for the Medical School, it's directly linked to top rankings…

This slide shows also the link between clinical excellence and research excellence - the nation's top 14 hospitals from US News and World Report are the teaching hospitals for medical schools in the top 14 NIH rankings.

Teaching hospitals and clinics feed our success in achieving our goals in research and education. Medicine still requires a sort of apprenticeship – to become a doctor, you need to work alongside practicing doctors to learn the skills. That means that our faculty must practice medicine in order to teach. For us to have a successful medical school requires us to have a successful hospital and clinic – you cannot disentangle the pursuit of excellence in research and education from the pursuit of excellence in care, which is the basis of our partnership with Fairview.



I want to make a strong point that may sound repetitive – the success of the University of Minnesota Medical School is linked to the success of Fairview. Because – again, great medical schools require great teaching hospitals. That idea deserves some comment –

Why are great medical schools linked to great teaching hospitals?

Great research medical schools create scientific discoveries that lead to new ways to treat – and cure – disease.

Patients want the latest treatments – the experimental drug that promises to cure cancer, the newest way to treat diabetes on the chance to reverse the memory loss of Alzheimer's. They also want to be treated in a setting where great care is standard and expected. So our mission is to produce great research and to deliver great care. That's the environment where great education flourishes. Our mission is all of these and just like we need great laboratories for research – we need great hospitals and clinical facilities for care.

Fairview Health Services
in
Partnership
with
The University of Minnesota's Academic Health Center

March, 2007

FAIRVIEW

3 Key Points

- Unique and Successful Partnership
- Confluence of Organizational Goals
- Replacement – Not a New Children's Hospital

FAIRVIEW

Our Vision

- Our passion for excellence for our patients drives us, in partnership with the University of Minnesota, to be the best health care delivery system in America.

FAIRVIEW

University of Minnesota

- To be recognized as one of the top three public research universities in the world within ten years.

Academic Health Center

- To be nationally recognized for focused areas of excellence in interdisciplinary research.
- To be known for effecting dissemination of new knowledge into the community.

Fairview Health Services

- To lead the nation in clinical excellence.

FAIRVIEW

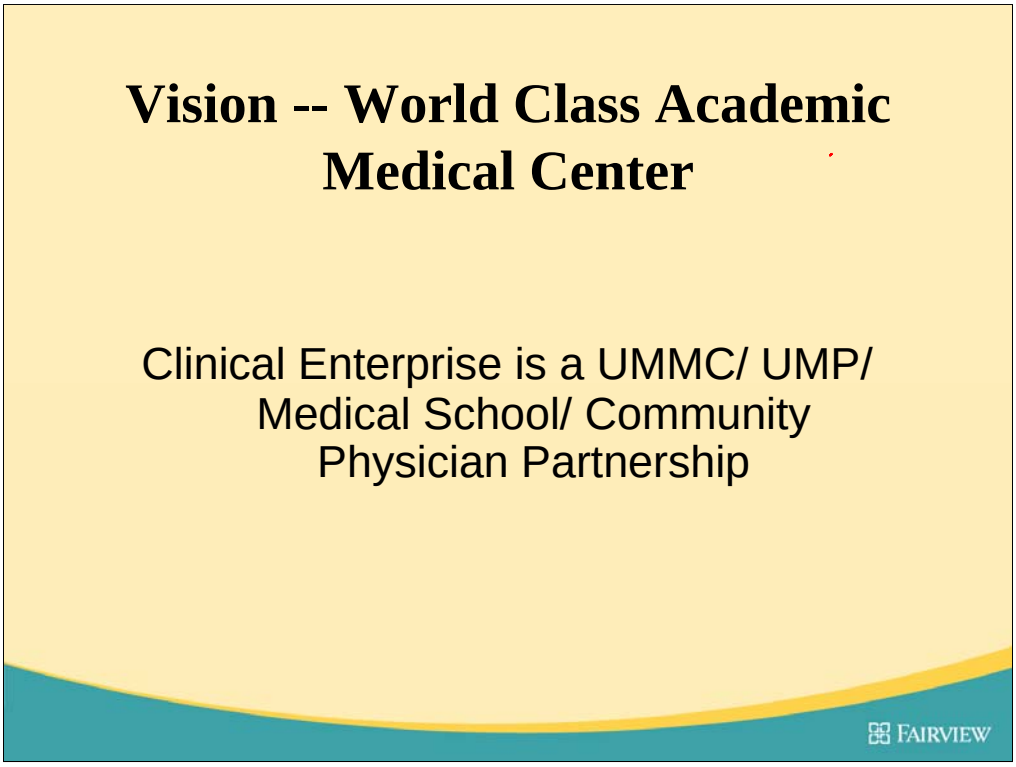
•The challenges of the University medical Center and where to put programs actually started before the merger. In 1994 the NICU and the obstetrical program for the medical School were moved to Riverside for space, for market visibility, and to combine with a community presence.

•Since 1997 at the time of the acquisition and merger – two things have been on managements mind – performance and regeneration to become a WCAMC. A lot of progress made except on long term facility neeeds

•Size of the Mall of America and 10 -11 buildings create large inefficiencies

•Old buildings are very expensive to run and to refurbish

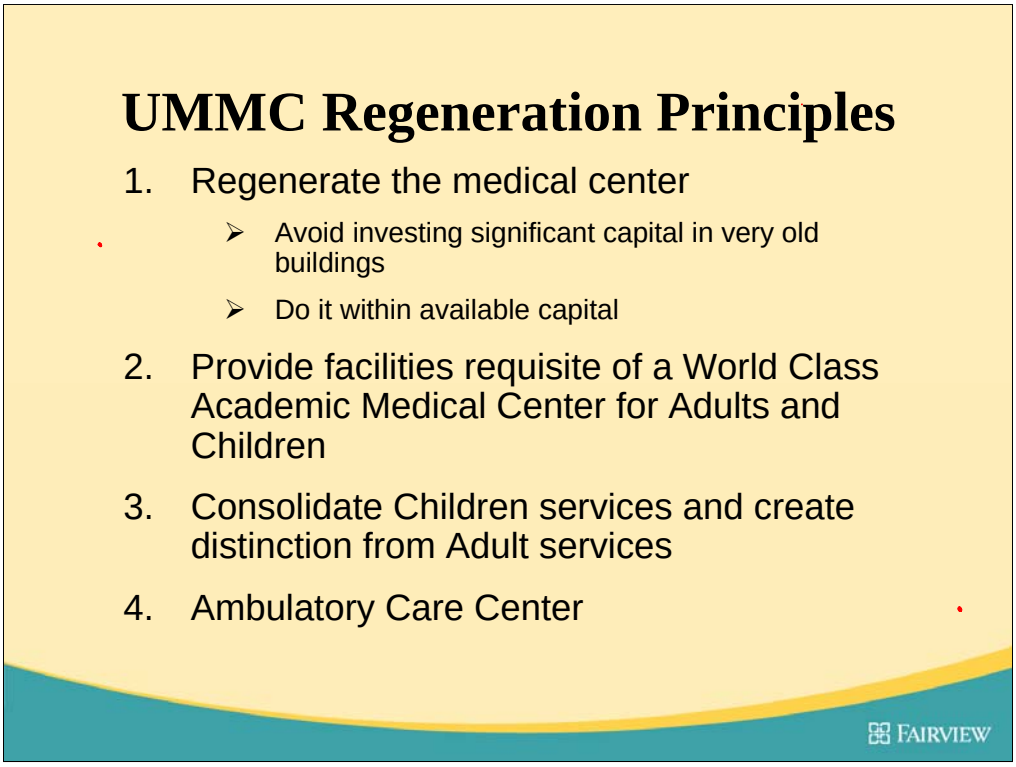
•We have worked with the faculty through UMP and the medical school, the University and community physicians over the past 5 -6 years to finish this planning (P&W, Hines/Lawco/HGA, Clinics –KSA)



•The vision has been the same and as we have moved beyond survival to success and vitality – the discussion have turned to a future that seems bright – the vision has been increasingly articulated

•Community physicians are a welcome part of many academic medical centers including this one. An open medical staff is critical to our future

•There are distinguishing features to an academic medical center that distinguishes it from a community hospital – neither are inherently better, they are inherently different

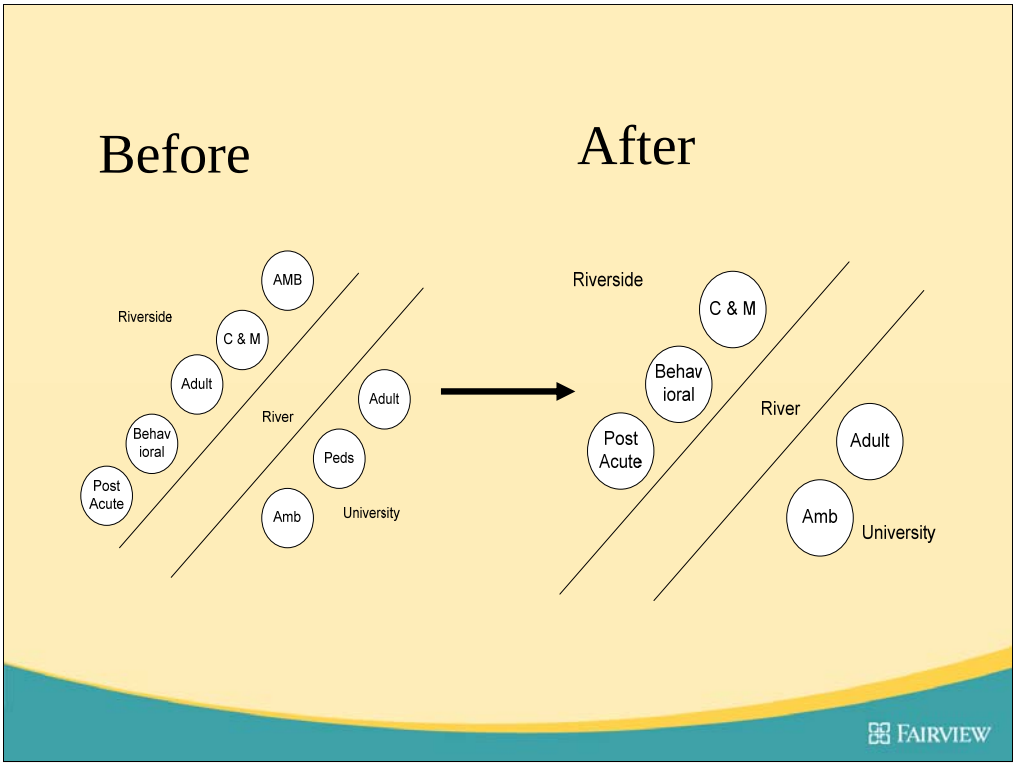


•The first idea was to bring everything to one side of the river – the University site was chosen, but the cost was $ 1.5 Billion. Obviously this was a long term goal, but, even if the money could be found, the land was a huge problem and the staging was very problematic. The first need (the removal of a dorm) was a challenge and brought the issues into clear focus.

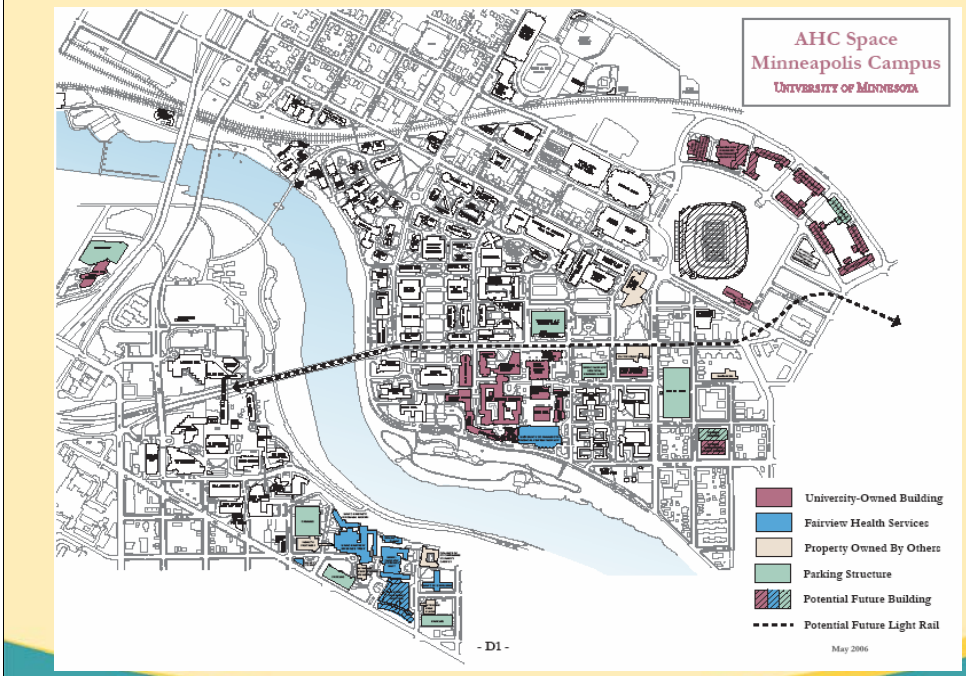
•When the single site was redefined – single site for Peds, single site for Adults, single site for behavioral, the project got more doable and the staging was possible.

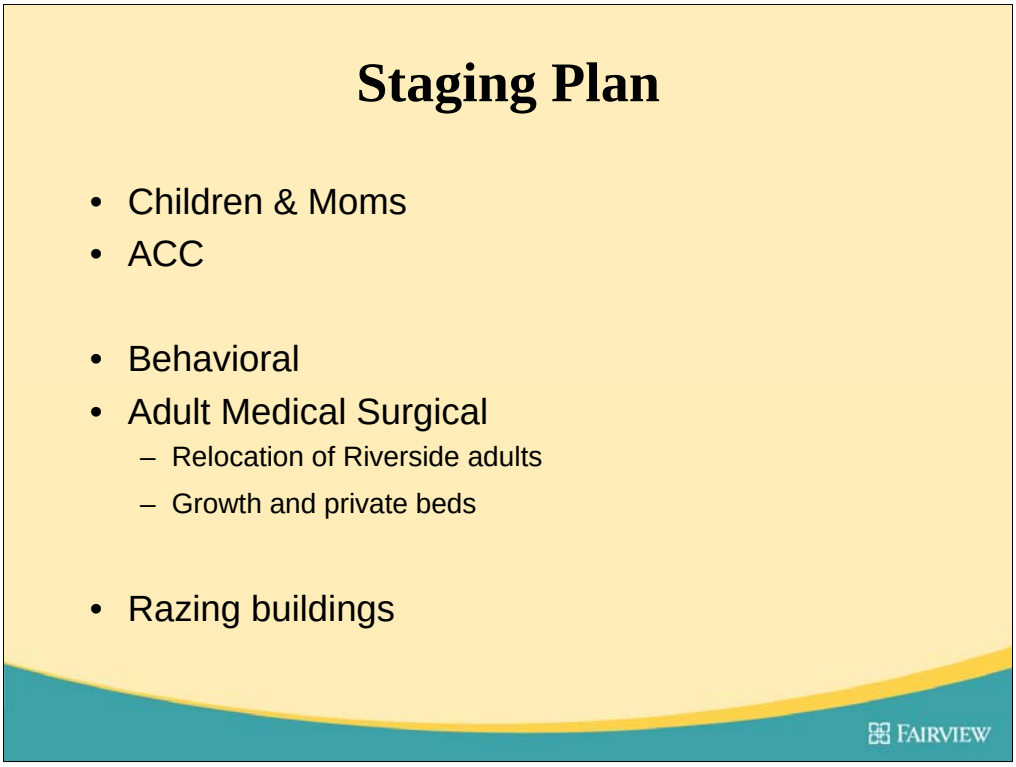
•Although this was a total medical center plan, common wisdom suggested the initial stage should be around children's and mom's for three reasons – those services were most fragmented, the size of the services (about 25% of UMMC) made it a package that could be swallowed, and there was a belief that philanthropy was more available for Children that it was for adults and behavioral.

•The plan in mind now came in at a little over $ 500 million.



•In addition to the multiple buildings, the split of various services by the River (pediatrics and adult med surg) creates inefficiencies for physicians and unnecessary duplication of infrastructure


AHC Space
Minneapolis Campus
University of Minnesota
University-Owned Building
Fairview Health Services
Property Owned By Others
Parking Structure
Potential Future Building
Potential Future Light Rail
May 2006
- D1 -
FAIRVIEW



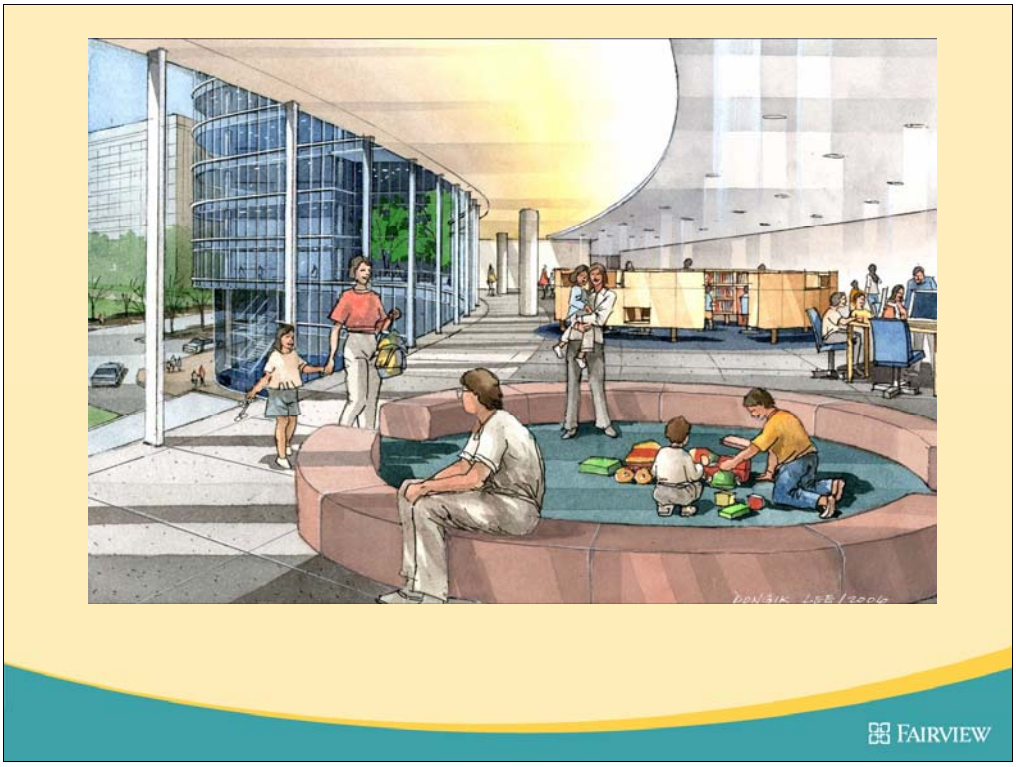
•There is great value to razing buildings – refurbishing savings, efficiencies and creation of new space while addressing additional parking needs.

•These costs represent the best estimate of the total costs including the staging and the phasing.

•Operating expenses appear to be manageable with appropriate improvements and continued focused growth. Due diligence will be completed prior to the final presentation of the capital projects.

•The partners have approached smaller investments like this with great success.

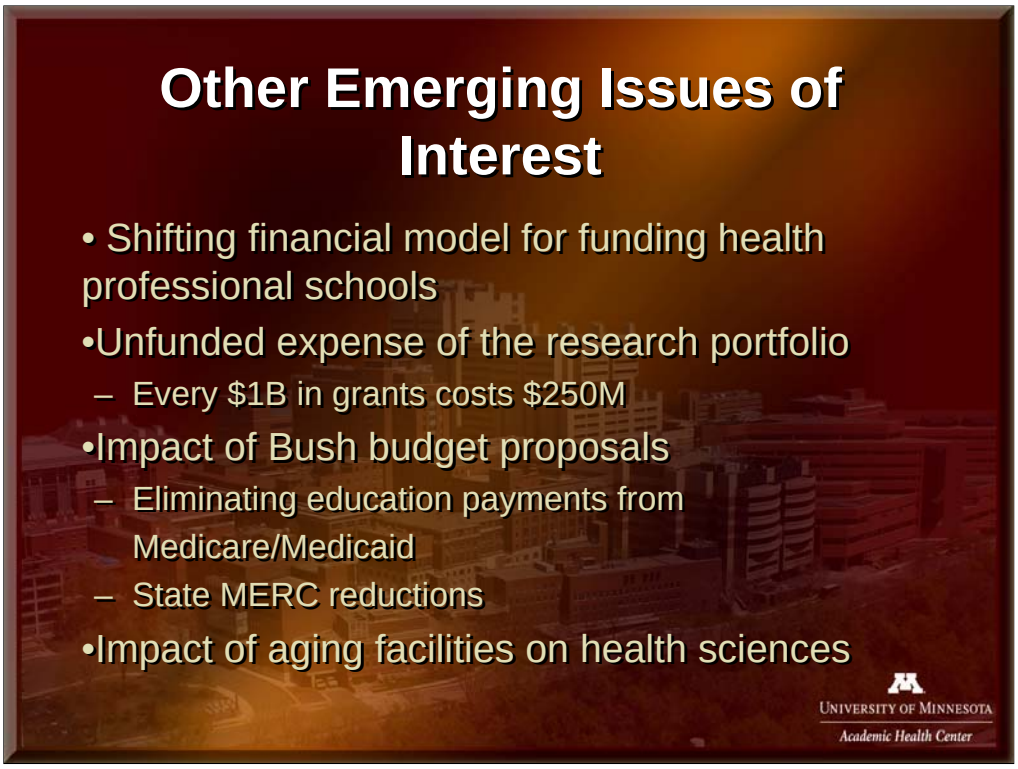
•We do have a picture – this is the children's bed tower in front of Riverside East – the old St Mary's Hospital. The bed tower would put on a parking lost – and the infrastructure of the older facility would be used extensively (labs, Ors, imaging, pharmacy). This is the one old building that all have agreed is worthy of building onto and in.



•An early artist rendition of the Children’s and Moms lobby.

Today's Take Home Messages

- Partnerships are critical to the success of the AHC.
- Clinical Sciences is where the research, education and service mission converge
- Fairview is our principal partner for Clinical Sciences; our success is critical to the future of the AHC, and the University



(Back to Frank)

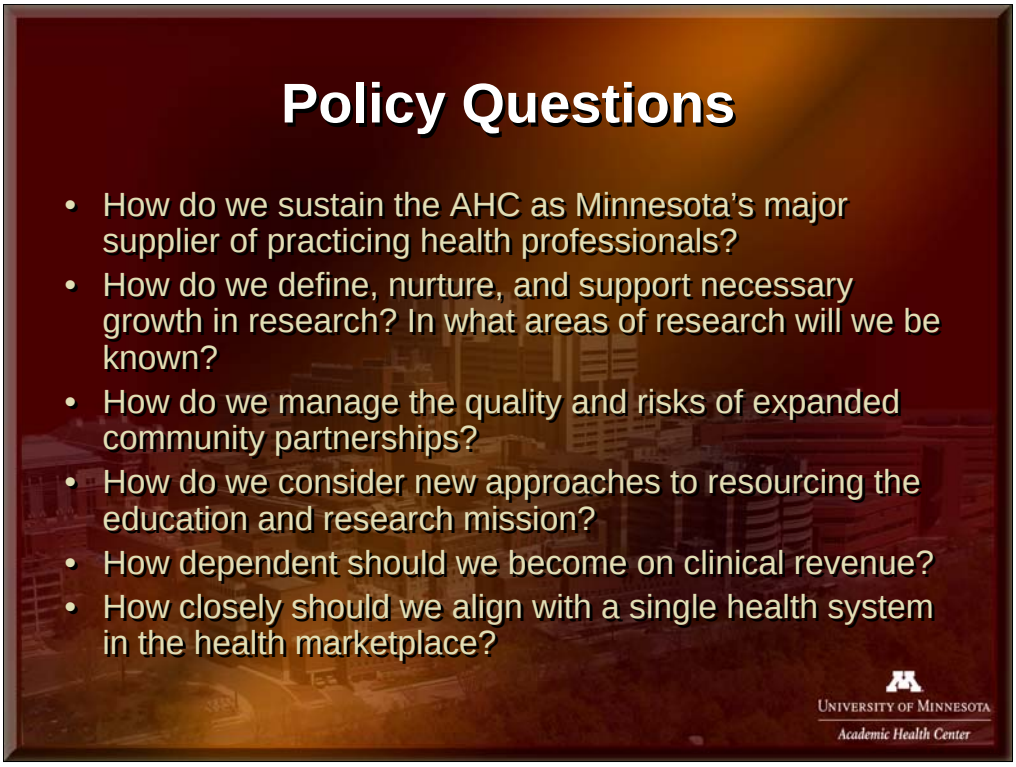
For today's session – we've worked to focus on the impact of the clinical enterprise on the future success of the University – but I would like to offer a placeholder of sorts about other emerging issues that will affect the future of the University's Academic Health Center

List -

Conclusions

- Future success requires new funding sources for facilities, faculty, and programs
- Today's academic health environment requires partnerships for success.
  - With other disciplines, other institutions, public, and private
- University's challenge is to manage those relationships in order to maintain our mission and public trust.

UNIVERSITY OF MINNESOTA
Academic Health Center



And now we return to the overarching policy questions -

Discussion Slide-

Let's take a look at the sources of AHC funding support currently –

This pie chart definitely demonstrates the importance of our primary sources of funding –

First point - For every dollar of state funding – we leverage – or earn – seven dollars from other sources

Tuition - high by national standards – contributes just less than seven percent of the overall budget

A significant source is sponsored projects – that's our research funding of $304 million – primarily NIH dollars, but also other research sponsors are included here –

A slice growing in significance is that of endowment income and gifts – it's an area where Minnesota Medical Foundation and the University of Minnesota Foundation are stepping up their activity.

And the final large slice reflected is the revenue generated by University of Minnesota Physicians – when combined with clinics in dentistry and vet med – the clinical activity of our faculty generates nearly as much revenue as the research portfolio.

This is a key point to remember as we move forward – the dependence of the enterprise on the clinical work of our faculty. The relationships represented by this pie chart represent a mosaic of partnerships – requires sharing of responsibilities, accountabilities, and ultimately control to be successful.

I'll finish by introducing you to the university's practice plan for faculty physicians -- University of Minnesota Physicians.

UMPhysicians is the multispecialty practice plan of the University's Medical School, founded nearly nine years ago – it's where the faculty practice and take care of patients. The clinic exists to ensure faculty can teach – remember, you can't teach what you don't do – and it provides opportunities for students and residents to work alongside faculty as they learn to practice medicine.

UMPhysicians is the mechanism that allows us to get where we want to go. It's where the medical school comes in most direct contact with the community – the rest of the university talks about their outreach activities. Well, this is a core part of our outreach – we provide health care to people – that's our community engagement.

And finally – as you saw on the pie chart earlier, revenues from the practice plan pay the clinical salaries of the faculty who teach our students, as well as funding core programs of the Medical School.