



"Choices and Challenges: The Future of the University of Minnesota Academic Health Center"

Presentation to the University of Minnesota Academic Health Center Community
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Thank you for joining me today.

President Mark Yudof often talks about defining moments in the life of the University, those points that history will remember as hallmarks of the institution and its faculty. Defining moments can be positive--such as launching the new molecular and cellular biology building--or negative--the ALG situation comes immediately to mind. They can either happen quickly or, like the Glaxo-Wellcome settlement, represent years of hard work.

We in the health sciences are clearly facing a defining moment. The time has come for us to find answers to two important questions--where are we going, and what are the right choices for our faculty, our students, and for the people of Minnesota?

I have been reflecting on those questions--and arguing with myself about the options--for the past few months. During that time, I have sought out the best thinking of the faculty and leadership of the University. As you know, I have had meetings with all of the departments in AHC schools and colleges; I have had dozens of one-to-ones; we have had discussions in regular meetings and in faculty governance meetings. I have also been meeting regularly with the heads of the health systems and individually with leaders in government, business, labor, health care, communities of color, and education. You have all talked and I have tried to listen carefully.

What follows are my observations and personal views. I struggled with how to present them, e.g., lecture format, lots of data, and whether or not to be very prescriptive. But rather than delivering a very formal presentation, I decided just to share my thoughts with you, in the hope of engaging in a dialogue and process that will define the issues and develop a plan for addressing them.

To begin, I want to tell you I have learned from our discussions.

- **Although the dark days of the past are gone, their ghosts still haunt us.** We have preserved our schools and professional identities with clear roles for deans and department heads, yet I still hear the word "reengineering" from time to time. We have settled with the Department of Justice over the ALG matter, but remain criticized for the amount we had to pay. We are still subject to the NIH exceptional status. And, most importantly, our financial future remains an unanswered question, especially for the Medical School. We have managed thus far by selling the hospital, spending our reserves, and securing additional legislative support through the tobacco endowment, funding for annual AHC grants, and funding for the new MCB building. As good as these latter gains are, we can't continue this patchwork of fiscal solutions. We must understand and fix the structural financial problem.
- **The faculty and staff have suffered from the dramatic changes of the past few years, but still fight to maintain high quality programs and services.**
The talent here in the Academic Health Center is amazing, but we are all tired. I am reminded of playing "Tug of War" when I was a kid--a team on each end of a rope struggling to pull the other team over a line drawn on the ground or, worse, a mud pit. I can remember digging in and hanging on--despite the pain and despite the temptation to let go. We'd make progress; then we'd get pulled and yanked. There was always the urge to let go--to give up. If we all let go, the other team fell backward. We wouldn't win, but they wouldn't either. These days, we are all feeling the urge to let go, to give up, to go away. But we can't, because if we let go of the rope, we, and the people who rely on us, fall backwards. The health of Minnesota would be the real loser.
- **Minnesota's health depends on us.**
It is safe to say that there has never been a time when we have been needed more. The people of Minnesota need us to educate their health providers and to take care of their families; the state needs us to help build a life sciences industry to complement Minnesota's medical device industry; the world needs the research that is conducted here. As the population ages, these needs will grow. We must be ready to respond.
- **Virtually everyone asks, where are we going as an AHC?** What are the questions? What is the plan? What is my role in the plan?

Together, we have made tremendous progress over the last four years. We have faced seemingly insurmountable obstacles and overcome them. While we may be a bit bruised; nevertheless, we made it.

I could recite a long list of tangible changes--from the sale of the hospital to the integration of the practice plans--but you know the list well. You have had the courage to make many painful decisions; you have had the commitment to do what we knew was right. As an aside, I laughed when I read *Corporate Report's* October interview with Mike Bonsignore, the CEO of Honeywell, and thought about the merger with Fairview. Mr. Bonsignore was talking about the merger with Allied Signal and said, "Once a merger is approved, we'll move ahead with the implementation of the plan with the goal of having it completed within 90 days." Little does he know how difficult these mergers are--90 months is a better estimate of the time it will take for the merger to begin to take hold.

So, what have we really accomplished? We have:

- delivered the highest quality research, education, and clinical services.
- improved service to faculty and industry through the Research Services Office.
- opened the doors to communication and collaborative decision-making.
- begun to establish a different marketplace position through Fairview and University of Minnesota Physicians.
- become better known for our contributions to science and to the health of the people of Minnesota.
- become leaders in interdisciplinary education and research.
- implemented new programs such as the Center for Spirituality and Healing, the Rural Health School, the National Institute of Health Policy, and the on-line Pharm.D. degree for practitioners.
- invested in facilities and technology.
- strengthened curriculum and taught new skills and knowledge.
- successfully funded graduate medical education--unlike other states.
- become more accountable to taxpayers and to the students by implementing new oversight models and management systems.

- begun the process of delivering education where the care is delivered.

Schools, programs, departments, individual faculty also had big wins. Every week there are multiple newspaper and television stories locally and nationally about the accomplishments of the faculty. The Cancer Center received comprehensive designation by the National Cancer Institute. New faculty and department heads were recruited. We have held our own in research funding and continue to make major contributions to science and therapeutics. Students were graduated. And the life of the University continued.

I am proud of this progress we have made together.

Even so, our greatest challenges lie ahead of us.

- **The swirling and rapidly evolving health care marketplace** continues to challenge our development. Burdened by its own issues and increasingly less able to support education and research as it has in the past, the market is the primary cause of our financial problems. The market also fails to recognize that education and research are as much a part of our identity as expert clinical care. We encourage the players in the marketplace to set their own interests aside and help stabilize the state's public, land-grant health professional education system and research engine. Who pays for health professional education is a public policy problem that needs a solution. This patient is in intensive care, and if this doesn't change, the infrastructure of education and research will crumble. The patient may not survive.
- **The U.S. Congress and the Minnesota Legislature are unlikely sources of solutions to our serious financial dilemma.** At the federal level, it appears as if Congress will starve medical education, or choke it with regulation. Congress has already declared its opposition to using Medicare funds to continue support for graduate medical education. At best, we will be able to compete for this funding during every appropriation cycle. Our situation here in Minnesota is better, but still not reliable enough. Last year in the Minnesota Legislature, with 4 billion additional dollars to spend, we ended the session with a recurring increase of \$8 million--despite a massive educational and promotional campaign by the Academic Health Center. Legislators support us, believe in us, respect our research, and commend us for providing 70 percent of the state's health professionals. Yet, when placed up against other priorities, we seem unable to compete with K-12 education, corrections, and human services. We are going to have to create our own opportunities and forge our own partnerships to move ahead.
- **The biological revolution presents both opportunities and threats.** It is blurring the lines between medicine and agriculture, and between the basic and clinical sciences. In some ways, it is our greatest opportunity, promising new treatments, new cures, and a new industry for Minnesota. It appears at this point that we will prioritize human and translational/ functional genomics, stem cell research and bioengineering, supported on a platform of bioinformatics. This will require an expanded infrastructure. It could draw resources from other important programs. And it could fail as Minnesota attempts to compete with states that have already invested heavily in the new science.
- **The University's traditional role as a primary source of knowledge and fount of solutions is being challenged.** Information technology and an increasingly electronic marketplace have made it possible to get expert advice elsewhere, to engage in world-wide conferencing, and to earn a degree, at home.

There are also some realities that we must face head-on.

- **We aren't as good across the board as we used to be.** Our rankings have slipped even though we have one of the finest faculties in the world. Thanks to their dedication, we still have dozens of highly regarded programs and many more that remain nationally ranked. Unfortunately, we do not have enough faculty to regain that stature. Faculty recruitment--and retaining our own--must be a top priority.
- **If we are to succeed, we must get out and create the opportunities and partnerships ourselves.** We won't be able to rely on the Minnesota Legislature, Congress, or the health systems to solve our problems for us while we sit passively and wait. We will need to mobilize all of our creative energies to bring together the right parties--including our friends in politics and managed care--to negotiate solutions. We will need to use our best thinking to develop creative financing mechanisms for new buildings, programs, and services.

The recently announced University of Minnesota capital campaign presents us with immediate opportunities to secure financial support. Many of you have helped articulate the goals and the needs for gifts. Now is the time to support the fundraising initiatives of the Minnesota Medical Foundation and the University of Minnesota Foundation.

- **Our partnership with Fairview is important, but it cannot be the sole source of resources for us to grow.** We need to develop an effective arrangement with Fairview that maintains a world-class hospital with flagship programs on our campus. We also need relationships with other care delivery systems in the provider community to meet the needs of our mission.
- **The future requires us to "hang together"** rather than "hanging separately," as Benjamin Franklin said. We have had some great successes in interscholastic efforts. We need more! I know that every change--large or small--creates tension among us. I know that painful decisions create emotional chaos. We are not through the worst yet, but I remain optimistic. By working hard and making good choices, I am confident that our future will be bright.
- **Success is dependent as much on external factors as on internal ones.** One bad media story can seriously damage our reputation. One decision by the NIH or the Department of Justice can set us back years. One lawsuit can cause serious financial setbacks. We can disagree all we want to about University issues, administrative services, and internal politics, but we need to remain focused on our clients--students, patients, stakeholders, and regulators. We must continue to deliver the highest quality and most ethical research and service to strengthen our national reputation. We must also maintain the environment of creativity and innovation within which we can all grow and develop as individuals.
- **The end--good or bad--is not near.** We are in this for the long haul, and it will take months to define where we are going and years to deliver it. At the same time, life is not ending as we know it. We are educating students, delivering world-class patient care, and making major discoveries. This is our purpose; this is why we are here. We, in fact, are in a lot better shape than a lot of places, some very prominent, around the country who are just beginning to face the problems that managed care has created for health professional education and research.

To succeed, we need to answer several defining questions with specific strategies. There are no right or wrong answers, but the choices are difficult ones. We must answer these questions to move ahead; we must develop internal and external support for our choices.

1. What is our role in the health of Minnesotans--our land grant mandate?

- Can we continue to train two-thirds of Minnesota's health professionals? Do we focus on specialists or primary care? Are we ready to care for an aging

population? How do we pay for it?

- In addition to how to care for the sick and injured, what do we teach? Wellness/prevention with treatment? Complementary therapies? Business skills? Team care?
- How do we deliver education where the care is delivered--in the community?
- Will we be able to maintain the essential connection between innovation and education?

2. Will we lead or follow in the marketplace?

- Will UMP become truly integrated and compete effectively? Metro area and/or statewide?
- What is the optimum relationship with Fairview? With community partners?
- How full does FUMC need to be, and what are the implications for the composition of the faculty? Of UMP?
- How do we develop a service culture that meets the benchmarks?
- How do we provide the education base today that prepares the leaders of the care delivery systems tomorrow?

3. How will we support research?

- Can we be top ranked nationally in all areas? If so, how do we support it? If not, how do we choose our priorities?
- What is the future of clinical research and industry partnerships? Will there be an interest in funding initiatives for economic development?
- How do we build infrastructure and an environment that rewards innovation?
- How do we build Biomedical Alley?

4. Will we meet the challenges of the electronic age?

- What courses and degrees should be on-line or web-based?
- How are education, research, and clinical services strengthened (or weakened) by communication technology? How do we pay for it?
- Do we want high-tech or high-touch education and care?
- How do we build life-long learning and self-education into our programs and support systems.

5. How do we develop a culture of accountability in an environment of good communication and consultative decision-making?

- What are the right formulas for effective communication and collaborative decision-making?
- How can we be certain that the governance processes are representative of the opinions and principles of the constituencies?
- Are we willing to engage in responsible decision-making and be accountable for our actions?

I would like to tell you that I have at least some of the answers to these questions. I don't, but I have some ideas about where we want to be down the road. Our tasks--together--are to define that vision more precisely and to make the choices necessary to reach the goals.

How do we get answers? There is only one way I know of: harness our collective energies and focus on defining and solving the problems. We will also have the added benefit of a new committee of the University Board of Regents that has been organized to help us chart our course.

- I will work with faculty governance at several forums to determine whether the questions I have posed are the right ones and to further define the planning approach. Please give an hour to participate.
- In early 2000, we will organize work groups of faculty and staff to discuss the questions and to articulate options. We need our best thinking about the choices we will need to make. At the same time, we need to pose these same questions to our friends in the community and to public policy makers. Their voices will help shape our final agenda.
- In mid-2000, I would propose a faculty-administrative partnership that will be entrusted with the development of a vision for the Academic Health Center by June 30, 2000. This will require a review of the information developed by the work groups, making choices among the options, discussing those recommendations widely, and returning to the deans and me with an agenda that will meet the challenges over the next several years.

So, let's look to the future for a moment. If we answer the questions--given our realities--how will we know we have made the right choices?

In my mind, we will know we have succeeded when

- the University of Minnesota is listed in the top 20, all the health professional schools are in the top 10 on any list, and our research programs are in the top 10.
- health professional education balances outstanding, well-funded core programs with interdisciplinary education and training that meets the needs of the people and the providers, especially those of an aging population.
- education is delivered where the care is delivered and is paid for with designated resources.
- all parties--public and private--invest in medical education and recognize its public value.
- high-tech is combined with high touch to strengthen curriculum and care, and we are viewed as a resource for self-education for life.
- faculty and staff are challenged, motivated, and appropriately supported financially.
- Fairview Health Services is our primary partner, but University clinical services are widely available through other community partnerships.
- University of Minnesota Physicians competes effectively in the marketplace and is able to generate revenue consistent with its needs and the needs of the Medical School.
- we are providing leadership in the care delivery marketplace.
- the University continues to educate two-thirds of Minnesota's health professionals.
- the best students and faculty in the nation consider us among their top three choices when making education or career choices.
- Minnesota has a growing life sciences industry sector to complement our success in medical devices.

Let me now close by expressing my gratitude to you for your advice, insights, candor, and contributions. Samuel Johnson, the British lexicographer, once said that second marriages are the victory of hope over experience. In many ways, the Academic Health Center is in a "second marriage" --the second major phase of our evolution. I, like Samuel Johnson, am hopeful, but I need you to make it work. You represent the best in health education, research, and patient care. I am proud to be your colleague. Thank you.

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