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# Mission vs. Budget in Times of Rapid Change:

Balancing Economic Realities vs Academic Mission

# How to Balance Clinical Work and Research in the Current Era of Academic Medicine

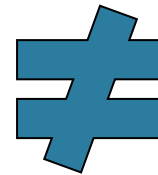
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Dr Martin Heinrich Fischer, a full professor of physiology and medicine and world-renowned physician at the University of Cincinnati from the age of 25 until his death at the age of 77 stated in 1962, "A doctor must work eighteen hours a day and seven days a week. If you cannot console yourself to

this, get out of the profession."<sup>1</sup> He is certainly not the only physician to express such a sentiment. Although this advice might support a life of celibacy let alone one filled with patient care alone, many of us continually wrestle with the conflicting yet important allegiances to our patients and our desire to do research. Is this an internecine battle? No—if you learn to blend the two, work with others, and maximize your efficiency.



# Needs, Expenses, & Revenue

- Individual

- Patient Care
- Research
- Education
- Citizenship

- Support

- Salary/Benefits
- Start-ups
- Bridge funding
- Clinical support
- TIME!

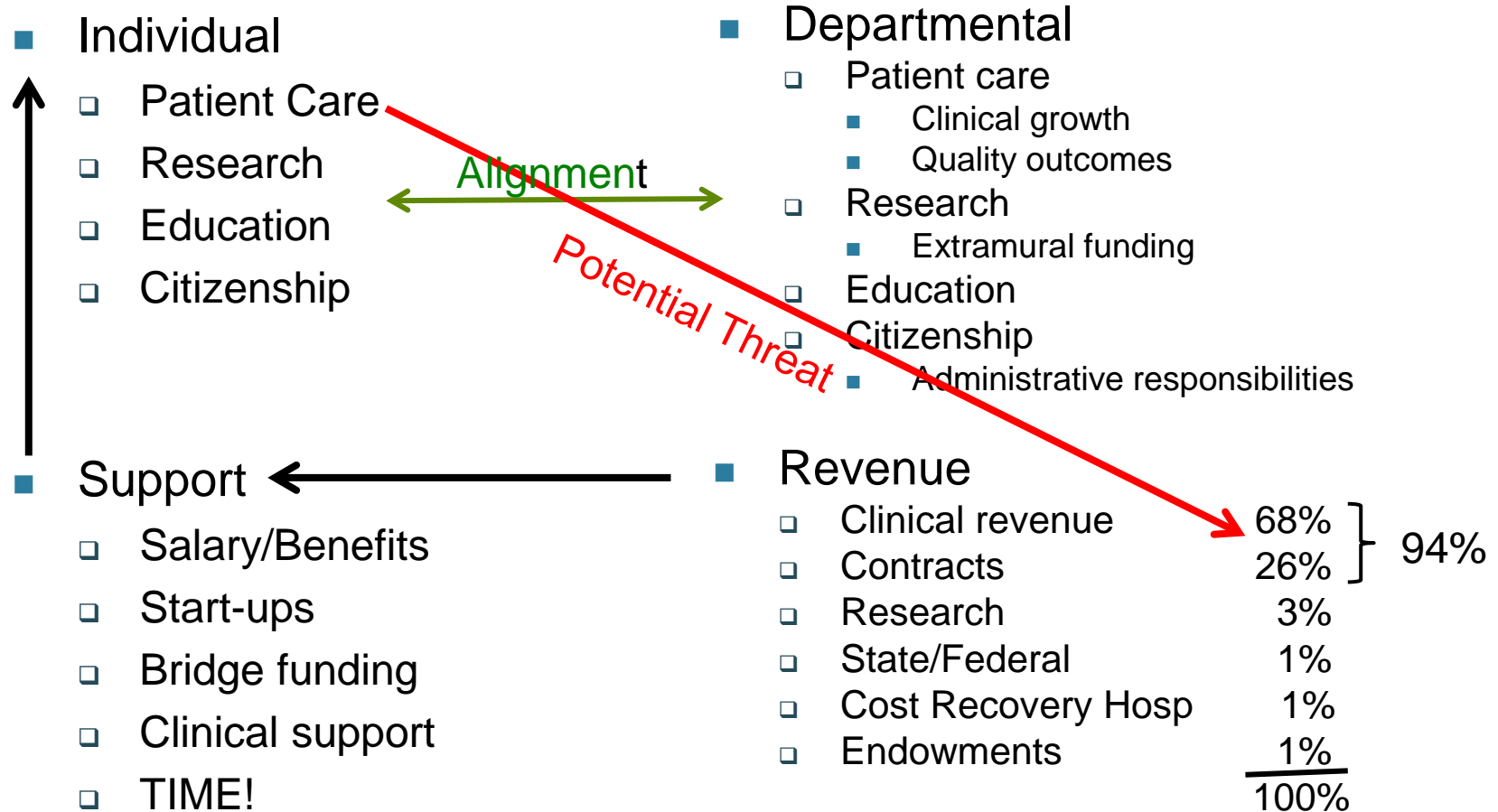
- Departmental

- Patient care
  - Clinical growth
  - Quality outcomes
- Research
  - Extramural funding
- Education
- Citizenship
  - Administrative responsibilities

- Revenue

□ Clinical revenue	68%	} 94%
□ Contracts	26%	
□ Research	3%	
□ State/Federal	1%	
□ Cost Recovery Hosp	1%	
□ Endowments	1%	
	<u>100%</u>	

# Needs, Expenses, & Revenue



# Impact of Clinical Revenue: UT Southwestern Participating Sites

Hospital	Payer Mix				
	Insurance	Managed Care	Medicare	Medicaid	Underserved
University Hospital	++	+++	+++	-	---
Children's	+	+	---	+++	++
Parkland	-	+	+	-	+++

- Which metrics should drive compensation?
  - Individual P/L
  - wRVU

# Impact of Clinical Revenue:

## Time dedicated to academic pursuits

- Clinical Care
  - Impact to Revenue
  - Clinical responsibilities
    - e.g. using lab time for clinical activity
- Academic time is at risk
  - Less academic productivity
  - Difficult to recover
  - Career differentiator
- How to protect?

Monday	Tuesday	Wednesday	Thursday	Friday
Clinic	Surgery	Research	Clinic	Research
Clinic	Surgery	Research	Research	Research

50% Research Example

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40% Research Example

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30% Research Example



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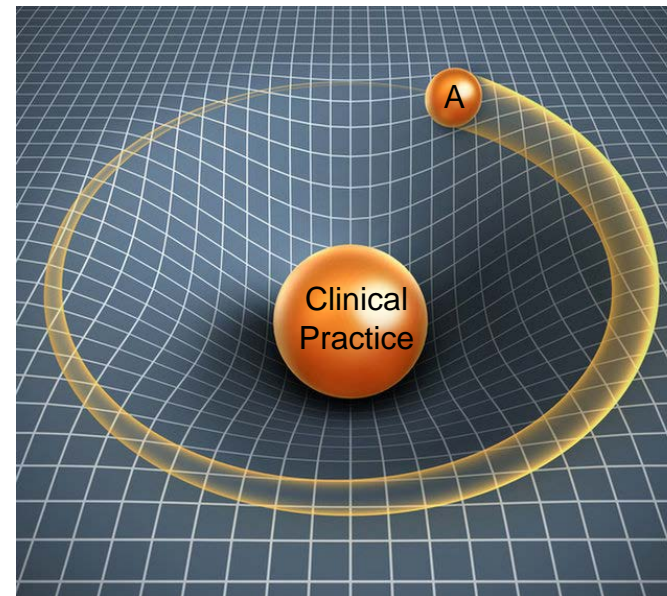
Monday	Tuesday	Wednesday	Thursday	Friday
Clinic	Surgery	Research	Clinic	Surgery
Clinic	Surgery	Research	Surgery	Clinic

20% Research Example

# Academic Objectives: *Controlling the Gravitational Pull*

- Objectives
  - Normalize work effort
  - Protect Time

Reality check:  
*No margin, no mission,  
but don't forget the mission!*



# Focus on Efficiencies

- Opportunity within our group practice
  - Departmental Vision
  - Tracks
    - Clinician Educators
    - Clinical Scholars
- Normalize work effort
  - wRVU benchmarks
  - Adjustments for non-clinical effort
  - Departmental 'buy backs'
- Efficient use of ceFTE: to protect non-ceFTE
  - Data-driven/Transparency
    - Benchmarks
    - Clinical expectations
    - RVU targets
  - Support
    - Dashboards
    - Practice advice

## Overview

### Our Mission

To advance patient care in otolaryngology through excellence in clinical practice, education, and research.

### Our Vision

To be a national leader in otolaryngology through excellence in patient care, education, research, and citizenship.

- Citizenship – Will provide timely, collaborative, and thorough care for patients within our institutional group practice and be a positive influence in our community.
- Patient Care – Provide exceptional medical care to patients and families seeking services including providing care to underserved patients and populations
- Education – To inspire and train the future leaders of Otolaryngology-Head and Neck Surgery
- Research – Conduct meaningful research in the area of Otolaryngology-Head and Neck Surgery; study-related illnesses and injuries; contribute to continued advances in the field through publications and collaborative research efforts

### Outstanding Faculty and Staff

The faculty of the Department of Otolaryngology – Head and Neck Surgery consists of 19 full-time physicians, two part-time physicians, four research scientists, 27 audiologists, three advanced practice providers, five speech-language pathologists, and 13 volunteer faculty, as well as many outside physicians who refer patients from all over the Dallas-Fort Worth area and beyond.

Our Department has trained nearly 200 physicians who practice worldwide.



UT Southwestern is nationally ranked in *U.S. News & World Report's Best Hospitals* list.

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- Clinical Effort assumptions:
  - Clinical effort will range from 80 – 90% for most faculty
  - Non-clinical effort will be set annually based upon:
    - Research activities
    - Administrative responsibilities
    - Educational responsibilities



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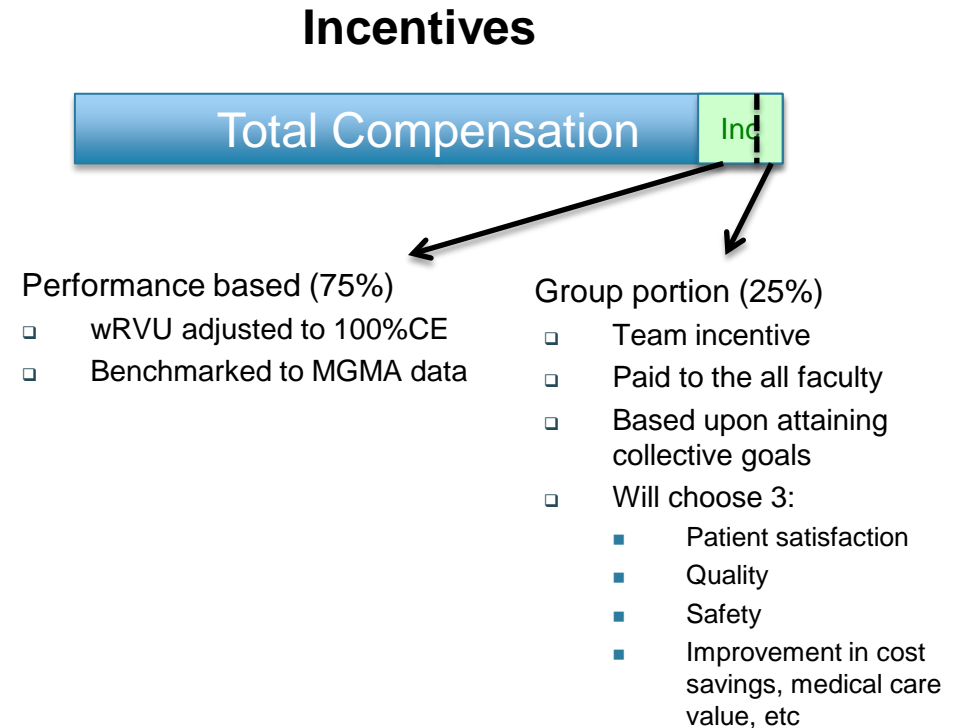
Benchmarks:  
-MGMA  
-AAMC

%le	Adult	Pedi	NP
10%	4,091	5,367	743
15%	4,939	5,544	1,162
20%	5,410	5,854	1,495
25%	5,823	6,092	1,781
30%	6,210	6,846	2,038
35%	6,616	7,193	2,275
40%	6,917	7,250	2,501
45%	7,454	7,357	2,719
50%	7,643	7,493	2,934
55%	8,244	8,198	3,128
60%	8,926	8,423	3,326
65%	9,539	8,608	3,530
70%	9,973	8,912	3,745
75%	11,294	9,436	3,977
80%	11,902	9,987	4,235
85%	13,207	11,839	4,537
90%	15,872	12,556	4,916
95%			4,972
100%			5,020

%le	K	Formula	Nurse Practitioner	Assistant Professor	Associate Professor	Professor
10%	1.900000	50%-(50%-25%)*K	72,849	198,712	239,590	232,674
15%	1.536600	50%-(50%-25%)*K	77,763	215,593	262,473	264,185
20%	1.247800	50%-(50%-25%)*K	81,670	229,009	280,659	289,227
25%	1.000000	50%-(50%-25%)*K	85,021	240,519	296,262	310,714
30%	0.777500	50%-(50%-25%)*K	88,030	250,855	310,273	330,007
35%	0.571300	50%-(50%-25%)*K	90,819	260,434	323,257	347,887
40%	0.375600	50%-(50%-25%)*K	93,466	269,524	335,580	364,856
45%	0.186300	50%-(50%-25%)*K	96,026	278,318	347,500	381,271
50%	0.000001	50%-(75%-50%)*K	98,546	286,972	359,231	397,425
55%	0.186300	50%+(75%-50%)*K	103,368	304,087	375,000	414,541
60%	0.375600	50%+(75%-50%)*K	108,267	321,479	391,024	431,932
65%	0.571300	50%+(75%-50%)*K	113,332	339,458	407,589	449,911
70%	0.777500	50%+(75%-50%)*K	118,668	358,402	425,043	468,855
75%	1.000000	50%+(75%-50%)*K	124,427	378,844	443,877	489,297
80%	1.247800	50%+(75%-50%)*K	130,840	401,610	464,852	512,063
85%	1.536600	50%+(75%-50%)*K	138,315	428,143	489,298	538,596
90%	1.900000	50%+(75%-50%)*K	147,720	461,529	520,059	571,982
95%	1.954000	50%+(75%-50%)*K	149,117	466,490	524,630	576,943
100%	2.000000	50%+(75%-50%)*K	150,308	470,716	528,523	581,169

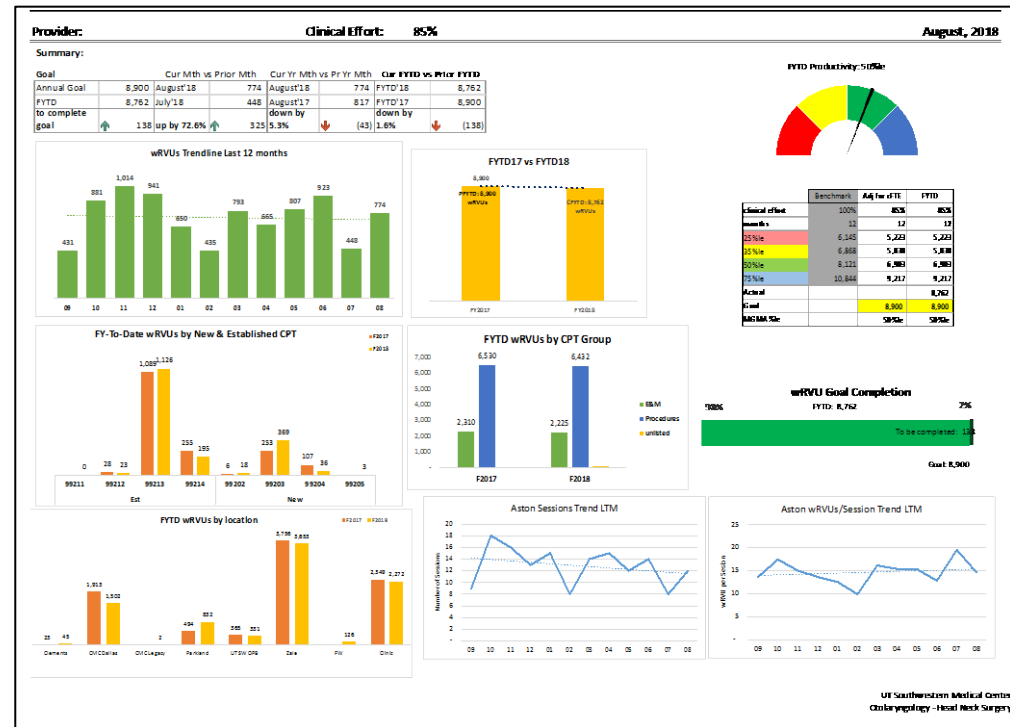
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Clinician Educator

# Institutional Alignment: Chair Incentive

UT Southwestern Medical Center				UT Southwestern - Clinical D Otolaryngology - Head and N					
Department Chair I									
Chair Name	Bradley Marple, M.D.	Department	Otolaryngology - Head and Neck Surgery	Fiscal Year	FY19	Person Number	14598		
Incentive Metrics									
Incentive Categories	Metric	Source of Information	FY18 Result	Tier 1	Tier 2	Tier 3	Tier 4	Metric Weig	
				FY19 Below Threshold	FY19 Threshold	FY19 Target	FY19 Stretch Target		
1	Clinical Growth	Total Ambulatory New to Clinic Appointment Encounters (Arrived and Completed)	My UTSW Health System Performance Tools: UTSW Hospital and Clinics - Appointment Encounters	8,945	8,945	9,258	9,571	9,840	20%
2	Patient Service	Press Ganey Score - Ambulatory Clinics Overall Assessment (Medical Practice)	My UTSW Health System Performance Tools: Amb. Clinics - Medical Practice Press Ganey Scores	94.31	TBD	TBD	TBD	TBD	20%
3	Research Growth	2018 US Medical Schools Ranking in NIH Funding (October 1st, 2017 to September 30th, 2018)	Blue Ridge Institute for Medical Research	29th	Ranked on List	Top 40 School	Top 25 School	Top 10 School	20%
4	Education	Timely Completion / Submission of Grades to meet Accrediation Requirements	MedHub	TBD	42 Days	28 Days	21 Days	14 Days	20%
5	Department Focused Metric	Pending Department Chairman Input	Pending						10%
6	Department Focused Metric	Pending Department Chairman Input	Pending						10%
									100%



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- Practice Advice

- Available for all faculty
  - Proactive
  - Reactive
- Departmental financial officer provides analysis and recs
  - Simple target changes

	cFTE 64%	cFTE 75%	Difference
29			
30	wRVUs	5,182	5,182
31	add 1 session per week:		
32	cFTE	64%	75%
33	avg wRVU per session:		22.72
34	46 weeks		1,045.12
35	Total wRVUs Produced per 1 year:	5,183	6,227
36	MGMA %le @ current Clinical Effort	36%le	50%le
37			

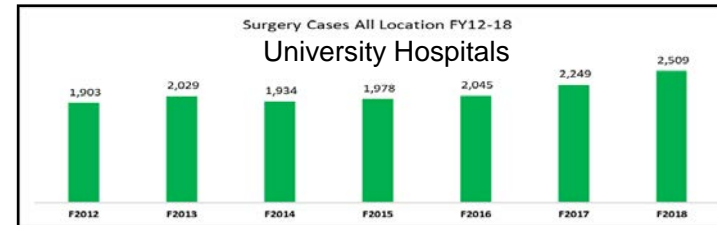
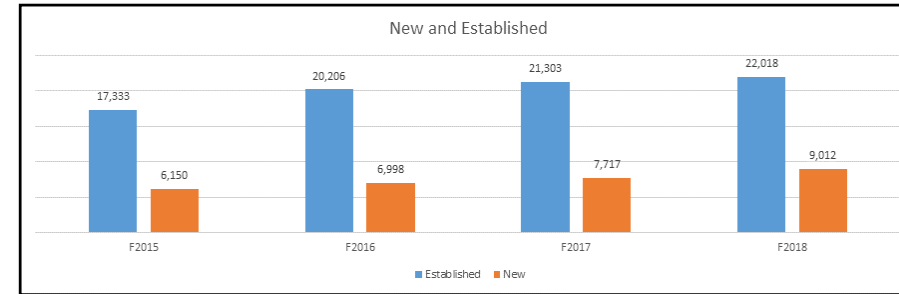
  

	cFTE 64%	cFTE 75%	Difference
37			
38	1 per wRVU (12 min average)	361	361
39	Gross Billed Coll	834,434	1,000,595
40	CSA Tax	391,520	230,507
41	Billed Coll less 23% CSA	442,914	270,088
42	Less Clinic 20% Ch	138,569	154,400
43	Net Billed Collections	304,345	415,688
44			
45	Base Salary	250,000	280,000
46	SAC	20,000	30,000
47	Incentive Tier 3 (5%)	22,470	30,723
48	Incentive Tier 4 (7.5%)		30,723
49			
50	Total Compensation	292,470	331,721
51	AMNC 2018 Rate		40%
52			
53	Fringes 22%	67,268	71,466
54			
55	Fixed Non salary Expenses	150,000	150,000
56			
57	Total Expenses	309,738	332,187
58			
59	Net Income	4,214	81,138



# Summary

- Inherent conflict
  - Clinical Revenue
  - Academic Mission
- Potential Solutions
  - Protect time
  - Provide opportunity
  - Work as a group
  - Eliminate barriers



Metric	FY 2015	FY 2016	FY 2017	FY 2018	Var % FY15 to FY18
<b>Research</b>					
Research Expenditures	\$ 1,005,437	\$ 850,073	\$ 1,399,782	\$ 1,631,149	62.23%
NIH Department National Rank (Blue Ridge)	38	42	34	29	-23.68%
Direct Research Dollars Expended per Research ASF	\$ 372	\$ 292	\$ 501	\$ 560	50.54%
Indirect Research Dollars Expended per Research ASF	\$ 36	\$ 53	\$ 70	\$ 105	191.67%