

HEALTH POLICY CORNER: PART II

Redefining the Value of Medical Faculty

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A “perfect storm” of dwindling resources is threatening the education and research missions of academic medical centers and forcing them to redefine the value of medical faculty. This was the theme of discussion at the recent national meeting of the Council of Faculty and Academic Societies (CFAS) of the Association of American Medical Colleges (AAMC). AAMC seeks to represent the diverse interests of faculty in academic medical centers and scientific societies, including SGIM. Last year, AAMC reorganized its governance structure creating CFAS, formerly known as the Council of Academic Societies, to achieve broader representation of both medical educators and scientists. This council previously consisted of only two representatives from each academic society but now includes two representatives from each AAMC member medical school as well. To ensure representation from both senior and junior faculty, term limits have been enacted, and each organization’s representatives to CFAS must now include one junior faculty member. Of the 344 CFAS members, 221 are from medical schools and 121 are from 72 academic and scientific societies. Forty-four percent of the membership is assistant and associate professors, where previously only a small number were “junior” faculty.

The days of volume-based reimbursement are over, and insurers are increasingly unwilling to pay premium prices. Federal health reform, economic recession, and market pressures are also pushing health care providers to increase ef-

iciency while trying to maintain or increase quality. Public financial support for higher education has not changed since 1987, according to Mark Yudof, former president of the University of California. This has led to sharp increases in tuition and reflects a growing trend toward the privatization of public academic institutions and biomedical research. According to AAMC, extramural grants have not covered the full costs of doing research at academic medical centers and have consequently required cross-subsidization from clinical revenue—reportedly as much as 30 cents on the dollar for NIH-funded grants. Thus, declining clinical reimbursements, along with tight federal and state budgets, also threaten the research mission of academic institutions. According to Darrell Kirch, MD, president and CEO of AAMC, loss of revenue to major teaching hospitals will amount to \$2.5 billion for FY2015 and is predicted to grow to \$4 billion in 2022. In short, academic medical centers are experiencing substantial external pressures to change the way they achieve their primary missions.

Like many other institutions, Vanderbilt University Medical Center (VUMC) has felt these pressures and made changes to adapt. Jeffrey Balser, MD, vice chancellor for health affairs and dean, spoke at the CFAS meeting to describe how their institution has responded through a major restructuring of the entire enterprise. After examining workflows of the institution, most of the cuts were to support staff and services and were achieved by centralizing

administration, with the primary goal of maintaining clinical and research faculty who generate revenue for the institution. Ultimately, VUMC downsized by 800 staff, reducing costs by 15% and eliminating \$100 million in expense for FY2015.

These changes will have a profound impact on the value and role of academic medical center faculty. Janis Orłowski, MD, senior director of clinical transformation at the AAMC, reported on the results of the AAMC’s Advisory Panel for Health Care, titled “Advancing the Academic Health System for the Future.” According to this report,¹ academic medical centers will need to be transformed into care “systems” that will require new clinical leaders. New roles will be required such as a system chief medical officer, chief medical information officer, and group practice president. CFAS has convened the Faculty Identity/Value Task Force, which has been working to define what a faculty member is. This definition has a fixed and variable component: “Medical school faculty have an academic focus (meaning they contribute to scholarship in either education or research) which is embedded in their role (fixed portion of the definition) and their respective contribution to their local environment (variable portion of the definition) in domains such as: teaching, creation and dissemination of knowledge (scholarship), quality and safety, innovation, curriculum development, mentoring, service to community, contributions to the development of clinical disciplines...and others.” A white paper

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by this working group is forthcoming that will be jointly published with the AAMC Group on Faculty Affairs.

The role of primary care physicians within academic medical centers will also be challenged. CFAS membership includes a wide range of faculty, including clinician-educators from various specialties and investigators across the spectrum of biomedical science. Primary care faculty represent a small percentage of the membership and are thus one among many interests groups at

AAMC. Many issues that AAMC identifies as being important to the future success of academic medical centers, such as improved quality, greater efficiency, comprehensive systems of care, and population health, have long been the concern of SGIM and other primary care specialties. This perfect storm may represent an opportunity for SGIM members and other primary care faculty to take greater central leadership roles within their academic medical centers.

Reference

1. https://members.aamc.org/eweb/DynamicPage.aspx?Action=Add&ObjectKeyFrom=1A83491A-9853-4C87-86A4-F7D95601C2E2&WebCode=PubDetailAdd&DoNotSave=yes&ParentObject=CentralizedOrderEntry&ParentDataObject=Invoice%20Detail&ivd_formkey=69202792-63d7-4ba2-bf4e-a0da41270555&ivd_prc_prd_key=F0C60C8A-96F1-4334-B90B-5748E942E95D

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