



Town Hall
January 10, 2013
Ronald A. DePinho, MD
President

THE UNIVERSITY OF TEXAS

MDAnderson
Cancer Center

Making Cancer History®

We are MD Anderson

- **We aspire to eradicate cancer globally through the excellence of our people**
- **We are the #1 cancer hospital that cared for 115,892 patients (only 30% local)**
- **We are 5th best place to work**
- **We are a \$648M research powerhouse: #1 in NCI grants + \$343M institutional**
- **We continually invest in our people and infrastructure: Pavilion, IT, GSBS, etc.**

The Landscape

- **We face massive changes in health care delivery models and reimbursement**
- **We have lost money from operations in 6 of the last 9 months**
- **We face a harsh external grant climate**
- **We have to either increase revenue or cut back/redirect/eliminate**
- **87% of our revenue comes from clinical operations.**

Retreat – Division Heads, Department Chairs and Administrators

- **5 hour meeting on January 4**
- **More than 150 participants**
- **Extremely valuable and we will hold more such meetings**
- **Sense of frustration: where are we going, how are we getting there, and how do changes impact me?**
- **Faculty and executive leaders are committed to working together**

Major Themes from Retreat

- **Discussion, clarity and definitions needed for**
 - ◆ **Financial information**
 - ◆ **Productivity metrics**
 - ◆ **Priorities – clinical, research**
 - ◆ **Percent clinical effort**
 - ◆ **New patients, existing patients**
 - ◆ **Appointment/clearance waiting times**
 - ◆ **Business hours and work weeks**

Retreat Outcome

- **Each EVP area developed a list of action items from retreat**
- **Two most critical needs:
Communications and Trust**
- **Need common language; don't talk past one another**
- **Do not lose momentum and engagement from the retreat**

President's Action Items

- **Enhanced communications to and from faculty (IFAC priority) and to and from administrators, nurses, staff...**
- **Intense listening**
- **Assure meetings lead to actions**
- **Inclusion and empowerment of department chairs in decision-making**
- **Develop clarity around vision and strategy**

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Enhancing Efficiencies Business Affairs

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Leon Leach, Ph.D.
Presidential Town Hall
January 10, 2013



Leadership Retreat Follow-Up

- **Produce transparent data, communicate it and foster understanding**
- Regulatory burden
- Grants submission process
- Technology enablement
- Administrative efficiencies

FY 2013 Statement of Operations

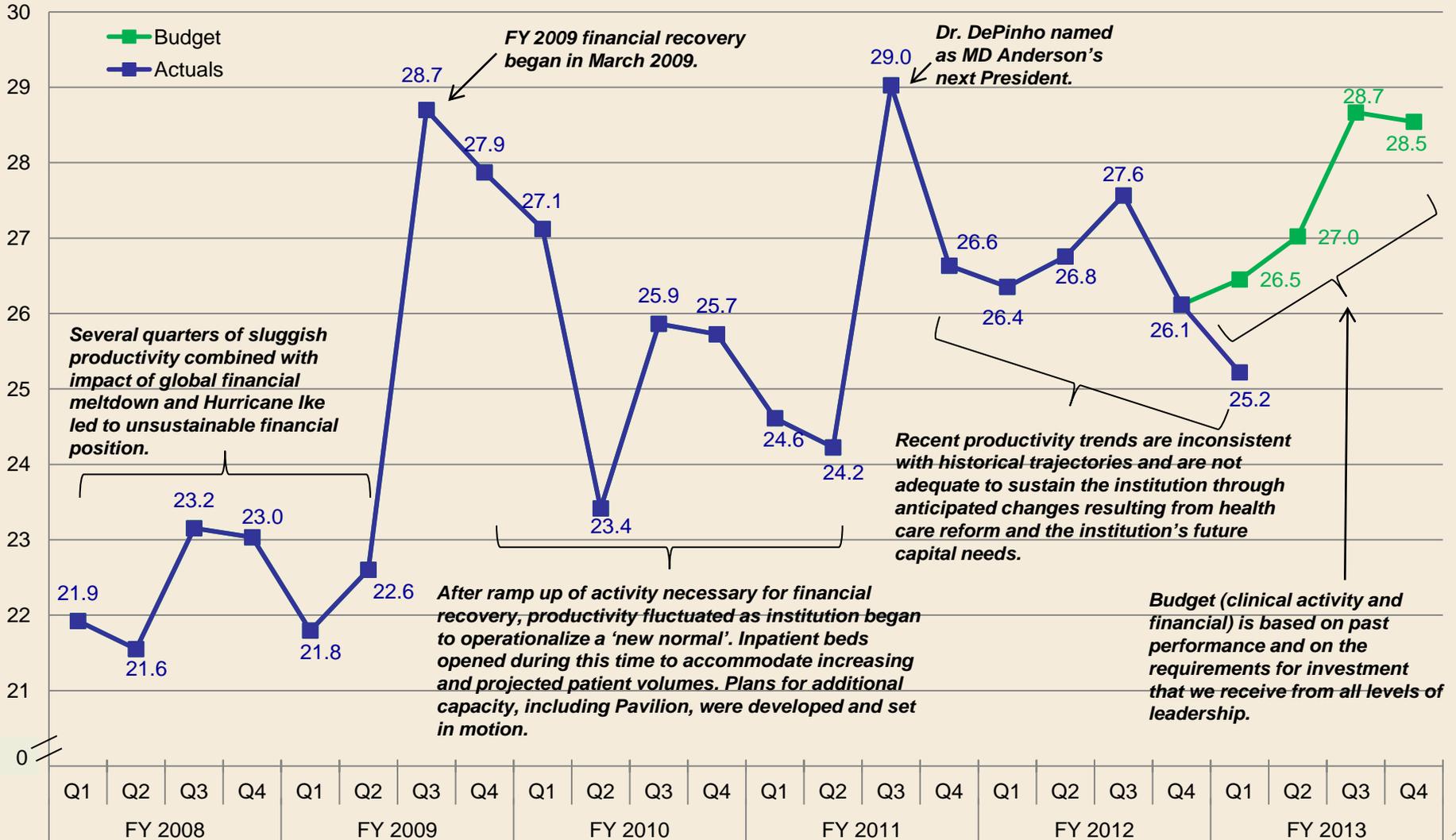
Actual vs. Budget

In Millions

	Actual FY 2013 Nov YTD		Budget FY 2013 Nov YTD		Variance Favorable (Unfavorable)	% Favorable/ Unfavorable
Total Net Patient Revenue	\$ 731.1		\$ 784.4		\$ (53.3)	-6.8%
Total Other Operating Revenue	119.5		119.3		0.2	0.2%
Total Operating Revenue	850.6		903.7		(53.1)	-5.9%
Personnel Expense	507.1		513.9		6.8	1.3%
All Other Operating Expense	362.1		368.3		6.2	1.7%
Total Operating Expense	869.3		882.3		13.0	1.5%
Total Operating Income/(Loss)	(18.6)	-2.2%	21.5	2.4%	(40.1)	-186.7%
State Appropriations/Tobacco Settlement	40.8		40.7		0.0	0.1%
Restricted & Designated Gifts	27.1		14.1		13.0	92.4%
Investment Income	22.8		19.6		3.1	16.0%
Change in Market Value	16.6		18.4		(1.8)	-9.9%
Total Non-Operating Revenue	107.2		92.9		14.4	15.5%
Net Income/(Loss)	\$ 88.6	9.3%	\$ 114.3	11.5%	\$ (25.7)	-22.5%

Provider Productivity

New Patient & Consult Visits per Provider per Quarter



Some of What We Want to Do

- Pavilion – surgery expansion
- Diagnostic Imaging expansion
- Genomic testing
- Chair package recruitments
- Expanded research space
 - South Campus Research Building 3 build-out
 - Life Sciences Plaza lease hold improvements (lab space)
- Moon Shots initiative
- EMR strategy
- Research IT initiatives



Leadership Retreat Follow-Up

- Produce transparent data, communicate it and foster understanding
- **Regulatory burden**
 - **A matter of risk (patient safety, financial, reputational)**
 - **Launch ad hoc multidisciplinary task force to review regulatory requirements impacting faculty**
 - **Generate plan of action**
- Grants submission process
- Technology enablement
- Administrative efficiencies



Leadership Retreat Follow-Up

- Produce transparent data, communicate it and foster understanding
- Regulatory burden
- **Grants submission process**
 - **Launch ad hoc multidisciplinary task force to review grant submission process**
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- Technology enablement
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Leadership Retreat Follow-Up

- Produce transparent data, communicate it and foster understanding
- Regulatory burden
- Grants submission process
- **Technology enablement**
 - We are “behind in IT” for a variety of reasons
 - Continue aggressive implementations of industry-leading, off-the-shelf, comprehensive, integrated products where they exist (e.g., EMR, ERP); minimize customization; maximize **standardization → prepare for change!**
 - When off-the-shelf products are not available, develop or partner to develop novel, differentiating technologies (e.g., massive data analytics, decision support systems)
- Administrative efficiencies



Leadership Retreat Follow-Up

- Produce transparent data, communicate it and foster understanding
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- Technology enablement

- **Administrative efficiencies**
 - Institutionally, we have ~6,000 administrative positions and spend ~\$710M of ~\$3.5B/year on administrative expenses
 - ~60% in Business Affairs; ~40% in clinical, research and other administrative areas
 - Significant levels of redundancy
 - Leverage expertise; allow faculty to focus on clinical and academic endeavors and administrators to focus on administration
 - Estimated savings could be as much as \$100-200M/year over time
 - Enhancing revenue is critical for long-term sustainability

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Clinical Access, Clinical Activity, Metrics and Related Issues

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Dr. Tom Burke

Faculty Town Hall
January 10, 2013



Leadership Retreat: **Access**

- **How can we enhance new patient access?**
 - **Identify and utilize one point of access for each center**
 - **Consider “prioritized” entry rules**
 - **Revisit medical acceptance criteria**
 - **Evaluate front door access personnel expertise**
 - **Manage referring physician needs**
 - **Identify, standardize, monitor and implement strategies and corrective activities to address total NP access time**



Leadership Retreat: Operational Efficiencies

- **How can we better manage day-to-day to make it easier to see patients in our clinics?**
 - **Smooth activity to leverage capacity Monday - Friday**
 - **Explore opportunities for greater weekend operations**
 - **Increase flexibility in faculty and clinical staff work schedules (work weekend shift/off during the week)**
 - **Automate appointments as quickly as possible**

Leadership Retreat:

Operational Efficiencies (cont'd.)

- **How can we reduce variability in our patient activity?**
 - **Understand causes of variability**
 - **Absence of faculty during PTO, extramural time**
 - **Monday – Friday operations**
 - **Meetings during clinic hours**
 - **Implement strategies to address variability**
 - **Philosophical change – same day/next day visits**
 - **Manage faculty absences**
 - **Manage templates**
 - **Consolidate staff and faculty meetings**



Leadership Retreat:

Faculty Effort/Productivity

- **Identify transparent effort and productivity parameters.**
 - **Standardize definition of effort within departments**
 - **Identify the meaning of the various components (clinical, research, education, administration)**
 - **Routinely monitor and share faculty progress toward goals; individually and within departments**
 - **Perform a critical evaluation of productivity metrics (e.g. NP f/u, other metrics)**
 - **Evaluate faculty provider mix [clinical effort] within departments**
 - **Revisit promotion and tenure criteria**

Leadership Retreat:

Division/Department “Ask”

- Reconcile current/actual patient activity levels with budgeted activity levels
- Design and implement a plan that will meet budgeted activity targets over the next 5-6 months
- Review and develop an understanding of template activity
- Identify and implement mechanisms to level out activity, reduce large fluctuations in volumes
- Review faculty travel and extramural time and impact on clinical productivity
- Communicate faculty expectations, monitor progress, and institute early course corrections as needed

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Enhancing Engagement, Communications and Leadership and Improving Efficiencies

Tom Buchholz, M.D.
Provost and Executive Vice President *ad interim*

Presidential Townhall
January 10, 2013

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Engagement

How can we better engage our chairs and faculty in important institutional decisions?

- **Increase involvement in decisions**
 - **Promote more two-way dialogue with chairs and faculty:**
 - Leadership retreats to openly discuss issues
 - Two-way discussions at leadership meetings (Clinical Chairs Meeting, Basic Science Chairs Meeting, Research Council)
 - New executive committee-faculty committee
 - Executive visits to department faculty meetings
 - Open forums with audience interactions
 - Increased executive committee visibility in hospital/clinics and labs

Communication

How can we enhance our communication with faculty?

- **Enhance faculty leader communications with their faculty**
 - Provide monthly slides from leadership meetings to be discussed with faculty at department meetings
- **Enhance the flow of information up the organization**
- **More open forums to interact with executive leadership**
- **Consistency in our messages**

Faculty Morale

How can we optimize faculty morale?

- **Communicate better**
 - Proactively engage
 - Listen
 - Consider other perspectives
 - Explain the rationale behind decisions
- **Minimize administrative burden**
 - Critically evaluate our processes
 - Eliminate well-intentioned but burdensome steps
- **Greater clarity on important career path milestones**
 - Greater clarity on promotion requirements
 - What happens if requirements aren't achieved

Chair Roles

How can we better define expectations/best practices?

- Optimize best practices of chairs
 - Definition of clinical and academic expectations
 - Recruitment and onboarding
 - Faculty evaluations and promotions
 - Communications with faculty
 - Representing their faculty needs/perspectives
 - Mentorship programs
 - Facilitation of career development

Faculty Efficiencies

Improve efficiencies to enhance faculty productivity.

- **Executive committee**
 - Identify regulatory burdens where cost > benefits
 - Identify IT solutions to existing problems
 - Form working groups to pick out “top 10” issues
- **Chairs and faculty**
 - Critically review departmental requirements vs time commitment: prioritize high value items
 - Identify and change inefficiencies in your local environment

Action Items: Executive Committee

- **Increase institutional visibility, attend faculty meetings**
- **Engage Division Heads and Chairs and in decision making**
- **Clearly define Chair responsibilities and share best leadership practices**
- **Implement a required faculty mentorship program**
- **More clearly define funding responsibilities**
- **More clearly define promotion requirements**
- **Form task force to minimize processes that create inefficiencies for faculty**

Action Items:

Division/Department leaders

- **Regularly attend their leadership meetings**
- **Communicate with and represent the needs and perspectives of their faculty**
- **Clearly define faculty clinical, research and educational responsibilities with accountability**
- **Manage clinical commitments of your faculty**
- **Optimize the department faculty mentorship program**
- **Focus on facilitating career development**
- **Create a team environment that enhances morale**
- **Enhance efficiencies at the local level**

Action Items: Faculty

- **Be engaged: learn about the institutional issues**
- **Attend faculty forums, faculty events**
- **Share your perspectives**
- **Provide efficiency suggestions to your chair**
- **Create a team environment, Focus on being a team player**

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