



# UMHS in the 21<sup>st</sup> Century

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# Today's Presentation

- **Provide an overview of UMHS**
- **Discuss the changing landscape of health care**
- **Talk about how UMHS is well-positioned for the future**

# UMHS: Power of 3



# Research



**Research Expenditures: \$446M of U-M's total \$1.1B**

**NIH Funding: \$366M (2.71% market share)**

**8<sup>th</sup> highest NIH-funded medical institution**

**Tech Transfer:**

- 118 Discoveries (290)
- 57 Patent applications (153)
- 31 Patents issued (82)
- 3 start-ups (10)
- \$13.2M in royalties (\$39.8)

# Education



- One of the top public medical schools in the nation
- Medical School: 6 out of 133 (USNWR)
- Medical Students: 5 by residency directors (USNWR)
  - Top 4: Johns Hopkins; Harvard; Washington University; Duke
- Largest GME program in MI; One of best in nation



# Clinical Patient Care

- **MI's only nationally-ranked academic medical center**
- **HHC: Honor Roll 16 consecutive years (USNWR)**
- **Mott: One of Nation's Best Children's Hospitals (USNWR)**
- **5<sup>th</sup> highest (tie) overall rating of care compared to 14 USNWR Honor Roll Hospitals (HCAHPS)**
- **Highest overall rating of care for MI hospitals (HCAHPS)**
- **Largest public hospital in Michigan**
- **Never refuse a patient based on ability to pay**

# C.S. Mott Children's & Von Voigtlander Women's Hospitals

- Opening 2011, one year early!
- \$754M complex; 1.1M sq. ft.
- 500 new jobs
- 16 operating and 4 procedure rooms
- Private pediatric and birthing rooms
- Floor dedicated to pediatric cancer care and adult bone marrow transplant
- Floor dedicated to congenital heart
- Only children's hospital in MI to:
  - Co-locate women's & children's services
  - Provide intra-operative MRI for children
  - Offer all single patient rooms
  - Seek LEED certification



# Health Care Industry: Changes & Challenges



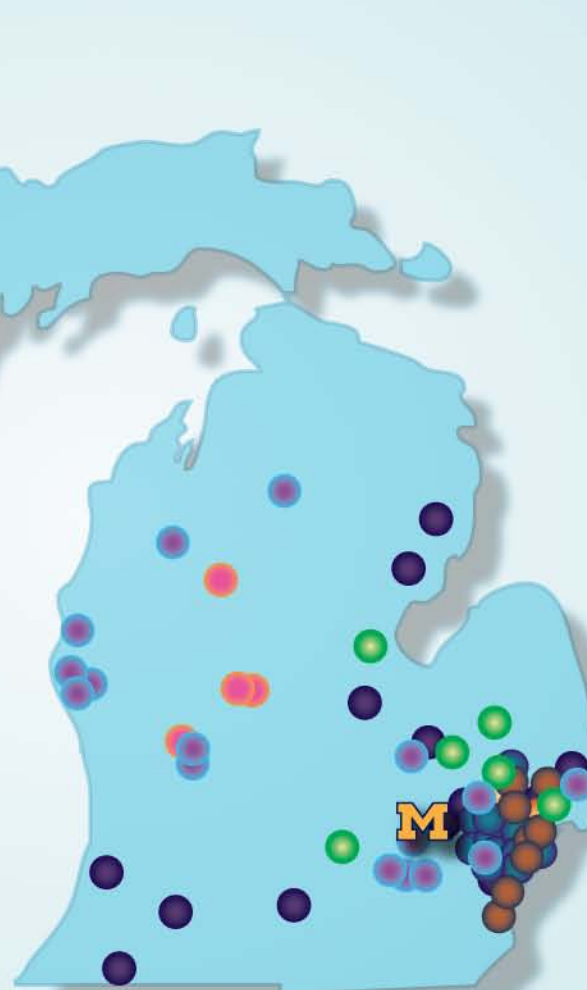
# MI Economy

- **Changing industrial landscape (Auto to ?)**
- **13.1% Unemployment (Sept.)**
- **>3.8M (~39% of population) uninsured or covered by public program**
- **MI businesses dropping coverage at faster rate than U.S. overall**
- **Uncompensated care in hospitals increased to \$2B in 2008, a 94% increase since 2004**

# Competition/Consolidation in MI Market

**M** UMHS

- Trinity Health - Michigan
- Spectrum Health
- McLaren Health Care Corporation
- Henry Ford Health System
- Detroit Medical Center
- Beaumont Hospitals
- Ascension Health






# Changing MI Population

- **Growth Rate**
- **Aging**



# Implications of Health Care Reform

- Focus on:  **Quality**       **Access**       **Costs**
- Changing reimbursement models
- New business models: Accountable Care Organizations (ACOs)
- Increased information management
- More accountability placed on hospitals and providers

*Are we ready?*

*Can we compete?*

# Yes!

...and we are  
well-positioned  
for success!



# UMHS Character



- A community of nearly 25,000 faculty, staff, students and residents, as well as caregivers, learners and educators in Medicine, Nursing, Pharmacy, Social Work, Dentistry and other health areas
- Donors, volunteers and supporters of the American Red Cross, AHA, JDRF and many others!



# UMHS Character



- Providers of more than \$310M in community benefits and support
- 5,110 Active U participants who “walked” the “talk” about healthy choices
- Champion environmental stewards and winners of the *Practice GreenHealth Environmental Leadership Award* 9 years in a row and counting!





# UMHS Character



- 900+ people willing to drop everything to help victims of the Haiti earthquake
- Galens Medical Society raised \$121,000 and donated it to several community programs
- Students excited to travel to China, Ghana, Ecuador, Taiwan and other nations to learn, teach and gain awareness about global health



# Financial Strength

- **\$3B in revenue**
- **3.2% operating margin for FY10 (HHC)**
  - **8% growth from FY09**
- **AA Bond Rating**
- **54% of U-M Budget**
- **1<sup>st</sup> in research spending at public universities (National Science Foundation)**

# Expertise Across U-M Campus

## U.S. News & World Report Rankings

- Business: 12
- Biological Sciences: 20
- Dentistry: 3
- Engineering: 8
- Health Management: 1
- UMHHC: 14
- Law: 9
- Mathematics: 8
- Medicine: 6
- Nursing: 5
- Pharmacy: 5
- Public Health: 5
- Social Work: 2

# ACO Platform & Successful Prototype

- **Integrated Health System**
  - Hospitals & Health Centers
  - Faculty Group Practice
  - U-M Medical School
- **Medicare Demonstration Project**
  - Saved Medicare >\$23M (3 yrs)
  - Earned shared savings: \$6.8M (3 yrs)
- **Statewide and national collaborations to improve quality, decrease costs and streamline processes**



# Michigan Footprint



# Global Footprint





# U-M North Campus Research Complex

➤ 28 buildings

➤ 174 acres

➤ 1.98M GSF

➤ 1.2M GSF research space



# NCRC Overview

- **Extraordinary transformative opportunity to**
  - Spark revolutionary research and discovery
  - Establish U-M as #1 translational research institution in the nation
  - Drive the resurgence of the MI economy
- **Co-location to inspire collaboration and leverage interdisciplinary expertise and technologies**
  - Mix departments, schools, government, industry
  - Mix technology-inventors & technology-users
- **Hub for Public-Private Partnerships**
  - Seeking industry, government partners for projects that spur transformative research
  - GMP facility to be placed on commercial market



# NCRC: The First Year of Activation



- **Dr. David Canter assumes Executive Directorship**
- **400 employees working onsite with more moves planned**
- **First research teams: Health Services Research, Cardiovascular Research, Translational Oncology, Distributed Health Technologies & Interdisciplinary Energy**
- **BoroPharm, first onsite public-private partner**
- **U-M Business Engagement Center and Office of Tech Transfer onsite for acceleration of bench to business**

# Moving Forward





**The greater danger for most of us lies not in setting our goals too high and falling short....But in setting our goals too low, and reaching them.**

**~Michelangelo**

# Strategic Planning

- **Create a roadmap that charts our future direction**
- **Prioritize our finite resources to maximize return on investment**
- **Facilitate institutional alignment around common goals**

**Creating the future  
of health care  
through discovery**