Financial Empowerment
for Leaders in Academic Medicine
Pediatrics Department Finance Office: “Here is your current budget info. We need to meet soon to plan for FY19.”

New Interim Division Chief of Pediatric Cardiology: “OK, but first I have a few questions…”

A Real World Example
Scope of the Problem

Survey Monkey: LIAM + Pediatrics Division Chiefs = 25 respondents

Problems with Financial Decisions?

Prepared When New to Role?

Prepared Now?

Interested in More Training?
Chief Financial Officer Conversation

• Program would be unique, and innovative. Unsure of available resources that help educate health science academics on financial topics
• Helps align/motivate “newbies” in a common mission that affects bottom line productivity
• Makes HSC more productive and helps provide angled views that allow for innovation
Innovation: Financial Empowerment

Current State

Financial Knowledge

GAP

Detailed Operational Knowledge

Push
‘Financial Knowledge’
down to the level of
‘Detailed Operational Knowledge’

Financial Knowledge

EVPHA

Dean,
School of Medicine

Chairman,
Department of Pediatrics

Chief,
Division of Pediatric Cardiology

Faculty Member
Leader Benefits of Financial Literacy

For the Leader

- Enhances confidence and competence and reduces stress in financial decision making due to increased understanding of financial language
- Provides platform for informed decision making
- Enhances ability to operate within budget restraints
- Increases skill in assessing financial performance and need
- Supports justification for obtaining additional resources to accomplish team mission
Organization Benefits of Financial Literacy

- Aligns resources with the priorities of the team and the School of Medicine
- Enhances credibility and investment potential of the SOM (i.e. equipped leaders making financial decisions → enhances growth and security of organization)
- Elevates the “company culture” → more productive environment
- Promotes employee wellness due to empowered financial decision making
Financial Empowerment Course

• Delivery Module:
  • SOFT CHALK – 7-9 online modules
  • LIVE CLASS – 1-2 face-face instruction sessions

• Course Director/s: Master Educator

• Budget: $3,000-5,000
  • IT support, honorarium for guest speakers, space utilization, materials, etc...

• Enrollees:
  • Extended to any new Faculty
Economic Empowerment Curriculum

1) Economics for University Health Sciences Campus
2) Patient Economics
3) Physician Economics
4) Research Faculty/Professor Economics
5) Chief Economics (Department Heads, Program Directors, Chairmans)
6) Risk Management
7) MIPS & MACRA and UofL Health
8) Larger Health System Economics
9) Reflection and Wrap Up Session
Clinical, research, and education leaders

Financial decisions?

Financial Empowerment Curriculum

Empowered, competent, financially-literate leaders

• Create a financially responsible culture in leadership across the SOM
  • Promote growth, credibility, and investment potential of SOM

Informed financial decisions
Next Slide in case it is helpful for ‘questions’.
Economics for HSC: the big picture

• Where does the money come from?
• Why is there not an endless supply?
• Where do we fit in to the puzzle?
• Who ultimately reviews our productivity?
• Etc....
ULP
Gross Revenue = $170M

Patient Care = $110M
Other = $14M

UMC
Gross Revenue = $557M

Patient Care = $517M
Other = $40M

ULRF
Gross Revenue = $355M

Medicaid IGT = $12M
Purchased services = $21M
Other = $4M

UofL
Gross Revenue = $136M

Tuition = $68M
State Appropriations = $13M
Gifts = $28M
Grants = $78M
Other = $11M

Patient Care/Service
Medicaid Revenue = $92M
(Includes IGT Funds)
Contracts/Other = $127M

Purchased Services = $2M
PSA = $7M
Mission support = $13M
Residents = $19M
PSA = $21M
Other = $21M

Flow of Revenues
Amounts Reflected In Millions
Patient economics: the flip side

The Patient Experience

- Introduce Lean Management Principles
- Access to Demographics across specialities
- Expectation of Copay collection
- Identify “wasted movements”
- Identify effective space utilization
Physician economics: “Show me the money”

• Hardcore Revenue Cycle Discussion
• Understanding your own Dashboard/Productivity
• Understanding the Denial Process
• RVU?
• Coding Resources
• Know your CBO!
Research faculty/professor economics
So much more than teaching!

• Preparing a budget for a Grant Proposal
• Understanding Overhead for your Research Team
• Effective Grant dollar utilization
Risk Management

• How does ULH protect me?
• How do I protect ULH?
• Liability concerns in office and at ULH
• Medical Malpractice Claims: dollars and cents
• Cost to HSC/Individual
Macra and mips: and black holes

• Comprehensive overview of what MACRA is
• How does this affect our Academic Health Center?
• How will this affect reimbursement to the individual, department, ULP, ULH?
• What must be done to be compliant on the physician end and academic medical center side?
Larger health system economics

• Models for Success
• Collaborative Interdisciplinary Institutes
• Learning from Our Mistakes
What form of training or help regarding financial decision making would be best for you?

Answered: 24   Skipped: 1
Economics for chiefs/heads/chairs:
Da big boyz and girlz

• Brian and Adrienne would help more if you put your thoughts in this category.
• I also have a few ideas I can gain from my own chair about the finances of this section.