Panel on Medical Education and Research

Recommendations

September 30, 2007

Introduction

The Panel on Medical Education and Research was formed by the Detroit Regional Chamber and Detroit Renaissance in cooperation with Governor Jennifer M. Granholm in May, 2007 to assess the medical education and research capabilities and indigent health care needs in Southeast Michigan. The Panel was chaired by the Honorable Joseph Schwarz, M.D. and former U.S. Congressman and Michigan State Senator. Other members of the Panel included:

Randy Agley, chairman and CEO, The Talon Group
Vernice Davis Anthony, president and CEO, Greater Detroit Area Health Council
Jon Barfield, chairman and president, The Bartech Group
Richard Blouse, president and CEO, Detroit Regional Chamber
Richard M Gabrys, retired vice chairman of Deloitte and Touche and dean of the School of Business Administration of Wayne State University
Mark Gaffney, president, Michigan State AFL-CIO
Alfred Glancy, chairman, Unico Investment Group, L.L.C.
Dr. Robert Kelch, executive vice president for medical affairs, University of Michigan
Daniel J. Loepp, president and CEO of Blue Cross/Blue Shield of Michigan
Florine Mark, president and CEO, the WW Group
Leslie Murphy, group managing partner, Plante Moran
Janet Olszewski, director, Michigan Department of Community Health
Cynthia J. Pasky, president, CEO and founder, Strategic Staffing Solutions
Daniel F. Ponder, CEO, Franco Public Relations Group
Doug Rothwell, president, Detroit Renaissance
Richard Russell, CEO, Amerisure Insurance Company
Dennis R. Toffolo, deputy county executive, Oakland County

Charge to Panel

The panel was charged with reviewing and providing recommendations on the following:

- Identify opportunities to **maximize graduate medical education** programs to meet the region's need for more doctors;

- Identify recommendations to **support and grow the region's medical education and research cluster**;

- Identify recommendations to **increase collaboration throughout the region** among health care providers, systems and education and research facilities;

- Identify recommendations to **address primary care issues for the uninsured/indigent.**

The Panel's primary focus and recommendations contained in this report are centered on the core tri-county region of Wayne, Oakland and Macomb Counties. However, some of the data and research used to complete the report were based on the broader seven or ten county statistical area.

The Detroit Region's Strengths

- The medical education and research sector represents one of the most promising opportunities to grow the region's economy.

- There are multiple, high quality hospital systems throughout the region with adequate capacity to serve residents.

- The region has tremendous assets that can be leveraged to promote economic growth:
  - world class medical education programs
  - excellent medical centers
  - The University of Michigan is one of the largest medical research centers in the country (University of Michigan ranked #10: US News and World Report)
  - Wayne State University is the largest urban-based medical education program in the country
  - a growing cluster of life science companies
  - one of the nation's top 25 centers for workers employed in biosciences. (Batelle Technology Partnership)
  - a high concentration of workers in the pharmaceutical industry and medical devices sectors. (Batelle Technology Partnership)

The Detroit Region's Challenges

Despite the region's assets, there are several significant challenges:

1. Projected shortage of nurses
   - Southeast Michigan hospitals (DMC, St. John Health System, Trinity, Henry Ford Health System, Beaumont and Oakwood) will be 10,500 RN's short by 2012 for hospital inpatient services alone (Watson Wyatt 2006). This does not include the additional shortfall in community health, outpatient settings and other in patient settings.
   - A contributing factor in the nursing shortage is the difficulty attracting nurses to fill college faculty positions. Nurses working as college faculty generally earn as much as 40% less than nurses working as hospital nurse administrators (Mellon, 2006; Oakland University).

- For the 2005/2006 school year, Michigan nursing education programs turned away over 4,000 qualified applicants (Michigan Center for Nursing Survey of Nursing Education Programs, 2005/2006 school year).

2. <u>Physician shortage and misdistribution by both specialty and geography</u>
    - Physicians are choosing to not work in central cities, leaving a gap in medical care providers for the uninsured/indigent due to inadequate Medicaid reimbursement rates and a low income population that limits earnings potential.
    - There is an increasing shortage of primary care physicians who are essential to the provision of early preventive care to forestall or manage chronic disease, which is responsible for a significant portion of the increase in health care costs.
    - Many private practicing physicians don't accept Medicaid and many Detroit residents are on Medicaid or are uninsured and can't pay for care.

3. <u>Lack of collaboration</u>
    - The Detroit region has experienced a series of announcements about planned new health care facility investments, education partnerships, facility relocations and organizational changes and realignments that were a surprise to many key stakeholders.
    - Health care is one of the fastest growing sectors of the economy due to changing demographics and the rise in medical technology. Many regions are implementing strategies to grow their health care sector to take advantage of potential economic growth. The Detroit region has recognized this opportunity as many economic development organizations have identified the medical sector as a primary target for economic development. The region's health care institutions provide a platform for a vibrant life sciences industries sector. Thus, the region's economic development potential will be hindered by a lack of collaboration and partnerships among these institutions.
    - While the panel recognizes that federal and state antitrust laws provide some limitation for collaboration, there is room for significant improvement.

4. <u>Focus on institutional versus community interests</u>
    - Other than the Certificate of Need (CON) process, there is no forum with broad public and private sector participation to identify regional health care needs and opportunities on behalf of the community. The lack of such a forum has resulted in institutions making decisions in their own interest without a mechanism in place to optimize resource allocation to better align with overall community needs.

5. Preparing for the growth of the aging population
    - Southeast Michigan is aging: According to the Southeast Michigan Council of Governments' 2030 regional economic development forecast by age group, those aged 65 and older will increase by over 550,000 to almost 1.2 million people by the year 2030. Baby boomers will live longer, placing tremendous demands on healthcare that cannot be met unless we begin to plan and change the way health care is delivered, and implement strategies to reduce the cost and improve the effectiveness of care.
    - There is a need to improve care and reduce costs for the last 6 months of life, better utilizing hospice care and community based approaches.

6. Improving the overall health status of the region
    - The mortality rate for metro Detroit adults between 45 and 59 is over 136% higher than adults in other Michigan cities (Greater Detroit Area Health Council (GDAHC).
    - One in every 4 southeast Michigan residents is obese (GDAHC).
    - Economic health is related to general health status, access to health care and health care costs.
    - Worker health and productivity has a direct impact on our ability as a region to grow and attract new business and talent.
    - Poor health status and unhealthy people add to our overall health cost burden, which further impedes our economic health.

Key Findings and Recommendations

I. Maximize Graduate Medical Education

The Panel believes that a concentrated effort should be made to ensure the Detroit region's health care systems have enough health care providers to meet the region's medical care needs.

Recommendations

1. The medical community should increase efforts to **attract and recruit students into primary care and to recruit medical residents to practice in central cities**. Central city residency programs are more likely to produce physicians with interest in practicing in urban settings.

2. The public and private sectors should consider **offering incentives for attracting more primary care physicians to work in central cities**.

3. **Programs that will ease the nursing shortage** in Michigan, especially those that will train more nursing faculty, **should be encouraged and supported**. Programs such as the Governor's Nursing Corps should be implemented.

4. Urge the region's health care and higher education institutions to respond more aggressively to **address the nursing shortage by endowing scholarships and faculty** positions.

II. Grow the Medical Education and Research Sector

To better understand the competitive position of the Detroit region's medical education and research sector, the Panel commissioned a benchmarking study.

- The study reviewed best practices used by other regions to grow their medical education and research sector, and offers insights into how other regions are supporting the growth of this vital sector.
- The study reviewed programs in Baltimore-Washington, Boston, Cleveland, Los Angeles, New York, Philadelphia, Raleigh-Durham, San Diego, San Francisco and Seattle.
- The full report is found at Appendix A.

Recommendations

Based on the benchmarking study, the panel recommends the following actions to accelerate the growth of this sector:

1. Complete an **asset map and economic impact study** of the region's life sciences sector. Publicize the results of this research and use it to promote the sector within and outside the region.

2. Continue efforts to **enhance and promote technology transfer from universities to business** and recognize the importance of this process to economic development.

3. Expand opportunities to **co-locate life sciences research assets and technology companies,** including through university partnerships. This could include expanding business accelerators that specialize in the unique needs of the life sciences sector.

4. View **health care as a critical economic sector**, not just a supplier or product of population growth or demographic shifts, and **include it in the region's business leadership structure.**

5. Expand efforts to **connect the sector to regional economic development and business acceleration initiatives** to maximize the opportunity to develop new technologies or niche sectors.

6. Create a program or centralized source of information that facilitates the growth of the industry by **providing a "one stop shop**" with data, technical assistance, access to university research, connection to talent and identification of common industry needs.

7. Develop a strategy to **attract additional risk capital to grow businesses in the sector and provide a portal to access this capital**, perhaps through the program described above.

8. The **importance of this sector must be well-defined and quantified** in order to attract support and resources.

9. Legislators and the public must view the life sciences industry as an important activity and must understand that the **industry results in jobs and has a positive economic impact on the region.**

The Panel recommends that a Detroit Regional Health Care Economic Development Council be formed to implement these recommendations. It should be led by the Detroit Regional Chamber and Detroit Renaissance and include key local economic development officials, the Greater Detroit Area Health Council, health care experts and university officials.

III. <u>Increase Collaboration</u>

The Panel believes the lack of collaboration is a fundamental weakness of the region's health care sector and is the major barrier to the region's growth of medical education and research. Too many Detroit region health care institutions are taking actions that reflect their institution's self-interest rather than optimizing investments in the community's best interests. Their actions may improve their balance sheets and grow their market shares, but they don't always consider the impact such actions may cause in the community on patients, students and medical staff. A lack of regional collaboration:

- Makes it harder to recruit and retain staff and students due to the uncertainty of long-term relationships
- Hinders the ability to attract federal grants to grow medical research as federal awards are increasingly based on the existence of a regional strategy
- Limits economic development as the region's assets are diluted and not fully leveraged
- Leads to unnecessary duplication of services and increasing costs

The Detroit region's ability to provide excellent patient care and economic growth is predicated on leveraging the unique strengths and roles of individual components of its health care system. In particular:

– It is critical for the Detroit region's health care providers to collaborate to address health care issues on a regional basis.

– Collaboration between providers and educators is critical to ensure that citizens continue to have access to care and that the industry continues to thrive.

– Collaboration leverages the region's health care assets more effectively, minimizes the need for unnecessary expenditures and supports economic development efforts.

Recommendations

The Panel believes it is imperative for each health care institution in the region to recognize a responsibility to the region and community they serve. As non-profit institutions, health care organizations have a larger responsibility than just to their individual institution. Therefore, it is incumbent on the boards and executives of these institutions to ensure that they maximize opportunities for collaboration and minimize adverse impacts of business decisions on their local community. The Panel believes the Greater Detroit Area Health Council (GDAHC) is an appropriate organization to facilitate such relationships, ensure more timely communication of facility and program plans and resolve future disputes.

The Detroit Regional Chamber and Detroit Renaissance should support GDAHC to secure health care CEO and board participation in this process by securing the active participation of business leadership in this process. In addition, GDAHC should facilitate regular meetings of the region's health care system boards and executives to develop closer working relationships and collaboration between institutions.

There are several additional actions the Panel believes could foster increased collaboration:

1. The region's medical institutions **should jointly apply for NIH and NSF grants;** opportunities for funding are greater when multiple institutions are represented.

2. The region's health care institutions should work together to **increase awareness about the industry's economic benefit to the region.**

3. The state should **review the current Certificate of Need (CON) process** and determine the need to revise and strengthen it.

IV. Primary Care

One of the impetuses for the formation of the Panel was the dispute between the Detroit Medical Center (DMC) and Wayne State University (WSU). The partnership between these two institutions is critical to the overall strength of the region's health care system due to the traditional role the DMC has played in providing primary care to the region's most economically disadvantaged and needy citizens and Wayne State's role as the nation's largest urban medical education center.

After reviewing this matter for the past five months, the Panel believes both institutions are on a path toward increased autonomy and lack of exclusivity in their partnership. The Panel believes that, even if a formal contract is signed between the two institutions, it is a short-term solution. The lack of trust between the institutions' leaders, the lack of intervention by their boards to reflect community interests, and the divergent business plans of the two organizations will perpetuate the continued weakening of this historic partnership.

The Panel recognizes that both institutions are pursuing business plans that reflect their organization's self-interests and are entirely logical in those regards. But the Panel is concerned that Wayne State's continued regionalization of their medical education programs and the DMC's reduction of the size of their medical education partnerships may result in a reduction in health care to the City's uninsured and indigent population.

In particular, the panel believes:

- The lack of availability of primary care for residents of the City of Detroit will continue to grow and strain the existing systems, without a change in the current structure of how that care is provided.

- There is a critical need to provide access to care to the uninsured, and Wayne State University medical school residents play a critical role in meeting that need. (Over 280,000 Wayne County residents are uninsured or underinsured).

- The greatest benefit to the community is a strong working relationship between the DMC and WSU. Jointly, they have delivered the highest level of specialty care for the poor and others in southeast Michigan. This collaboration has resulted in cutting edge, state of the art care for urban residents, the highest levels of trauma care, and continuous education for physicians, nurses, and other health care professionals. For the DMC, this relationship has resulted in professionals that are more likely to continue to serve in urban locations.

- The value of learning in the urban setting such as that provided by the relationship between the DMC and WSU cannot be duplicated in suburban settings where the demographics, needs and culture are very different.

- In addition, in spite of the fact that Detroit has many medically underserved areas and Health Professions Primary Care Shortage Areas, it still remains the most under-funded urban area in terms of federal primary care dollars. (Michigan Dept. of Community Health, 2007)

The Panel recognizes it has no power to rectify the relationship between the DMC and WSU. Only the boards and leaders of these two institutions can solve this problem. But given this situation, the Panel believes there are several steps that could be taken to mitigate some measure of the negative consequences.

<u>Recommendations</u>

1. The **Detroit Wayne County Health Authority (DWCHA) should develop a comprehensive, long range plan for an effective delivery system that meets the health care needs of the region.** If the Authority is unable to perform this role, an alternative mechanism should be established. At a minimum, the Authority should be reconstituted to become a regional entity that addresses similar needs for greater primary care in the surrounding tri-county area.

2. The work of the DWCHA should include a concentrated effort to **establish additional Federally Qualified Health Centers (FQHCs**) to help provide primary care. A concerted effort should be made by the state and our federal delegation to attract the resources needed to fund these centers

3. **Adopt the recommendations called for in the Graduate Medical Education Section** above.

4. **Identify model programs adopted in other central cities** to address the needs of primary care delivery. The Panel recommends the GDAHC conduct this research and make appropriate recommendations.

5. Support efforts to **make quality health care coverage affordable and accessible**.

6. **Expand the use of primary care Nurse Practioners** as a way to both increase access and improve quality in underserved areas.