
AGENCY OVERVIEW**232 UND Medical Center****Date:** 12/23/2014**Time:** 12:14:19

Statutory Authority

ND Constitution Articles VIII and IX; North Dakota Century Code Chapter 15-52.

Agency Description

The University of North Dakota School of Medicine and Health Sciences (SMHS) is recognized nationally as one of the outstanding community-based medical schools in the nation and is a model for high-quality educational programs, efficiently delivered, with an emphasis on primary care. In addition to medical student and resident education, the SMHS provides educational opportunities for a wide variety of allied health service professionals including medical lab science, athletic training, physical therapy, occupational therapy, physician assistant program and public health. Further, the SMHS is acknowledged for its leadership in providing education in health professions through its commitment to American Indians.

Agency Mission Statement

The primary purpose of the University of North Dakota School of Medicine and Health Sciences is to educate physicians and other health professionals and to enhance the quality of life in North Dakota. Other purposes include the discovery of knowledge that benefits the people of this state and enhances the quality of their lives.

Agency Performance Measures

NDUS has published annual accountability measures reports, in response to the "flexibility with accountability" expectations of SB 2003 passed by the 2001 Legislative Assembly. Organized according to the five cornerstones of the Roundtable Report, which served as the basis for the Board's previous strategic plan, the report has evolved from a written annual report to an online report. A wrap-up report is being compiled in anticipation of the launch of the Board's 2015-2020 strategic plan. Future reporting on the new strategic plan and accountability is expected to not only be online but also in a contemporary, interactive format. The information may include information on graduation and retention rates, enrollment, peer comparisons, financial aid and tuition, degrees awarded and composite financial index information for the 11 campuses, although final measures have not yet been determined.

Major Accomplishments

1. Implemented the Healthcare Workforce Initiative and new SMHS building on-time and on-budget. The new SMHS building will be open on July 15, 2016.
2. Recognized by the American Academy of Family Physicians (AAFP) as having the nation's highest percentage of graduating seniors select family medicine as their specialty choice.
3. Ranked by U.S. News & World Report as one of the best in the nation, ranking 3rd for its commitment to rural medicine.
4. Implemented the RuralMed program to mitigate medical student debt and encourage the choice of a rural family medicine practice location for graduating medical students. The program has become very popular to the medical students.
5. Increased grant proposals from \$72.9 million in 2011 to \$80.2 million in 2014 (a 10 percent increase).
6. Continued a strong program in eating disorders in the department of Clinical Neurosciences.
7. Progressed in building research infrastructure with INBRE and COBRE grants.
8. Supervised the Tobacco Quitline, which is a successful behavior modification tool to reduce health risks.
9. Provided services, on a variety of rural health issues, to all 53 counties and all 33 rural hospitals by the Center for Rural Health and Rural Assistance Center.
10. Improved school governance by emphasizing participatory and engaged faculty involvement, with open discussion and opportunity for input.
11. Enhanced bidirectional school communication through multiple approaches, including weekly column by dean in electronic newsletter from the school, ENews.

Future Critical Issues

Vice-President for Health Affairs & Dean, Joshua Wynne, M.D. lists the following issues as Concerns, Challenges and Priorities.

- North Dakota's population is increasing rapidly, due to an increasing elderly population and the dramatic "oil patch" developments. The SMHS, in conjunction with its Advisory Council, has developed the Healthcare Workforce Initiative (HWI) to address health care provider needs now and in the future, including: 1) reducing disease burden; 2) increasing retention of graduates for practice in the state; 3) training more practitioners; and 4) improving the efficiency of the state's health care delivery system.
- The implementation of the HWI, including increasing class sizes, expanding residency programs and recruitment of additional faculty and administrative positions.

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- Successful completion of the new SMHS building, on-time and on-budget.
- Grant awards totaled \$20.7 million in 2014. Increase awards to \$25.0 million per year.
- The continued heavy dependence on volunteer faculty leaves the SMHS vulnerable to changes in availability of qualified and willing individuals.
- The increasing medical school loan debt for graduating students creates an additional challenge to recruiting needed physicians to rural areas. The RuralMed program is helping to alleviate the overall medical student debt load.
- A continued need for more diversity throughout the institution.
- Increasing Faculty/Staff Salaries.

Fundamental Concepts

There is a looming North Dakota health care workforce shortage that is getting closer each day. Because of the long pipeline (>10 years from college entry until ready to practice medicine), we need to act now rather than later. The SMHS and its Advisory Council has developed an the Healthcare Workforce Initiative (HWI) plan that addresses multiple workforce educational issues and associated needed capital investment, and stresses its impact on economic development for North Dakota. The SMHS has received state funding, through the Healthcare Workforce Initiative (HWI), to increase annual class sizes by 16 medical students and 30 health sciences students (occupational therapy, physical therapy, athletic training, physician assistants, medical laboratory science) and 17 Resident Physicians each year. In four years, 205 additional students will join our more than 1,300 students in all eight of our academic programs (Athletic Training, Basic Sciences, Medical Laboratory Science, Medical Doctor, Occupational Therapy, Physical Therapy, Physician Assistant, and Public Health).

The projected shortage of physicians will be exacerbated by:

- Increased demand due to an aging population.
- Dramatic economic development created by the “oil patch”.

Assuming that the projections are correct, action is required now to alleviate the impending shortage.

Priorities:

- The implementation of the HWI, including increasing class sizes, expanding residency programs and recruitment of additional faculty and administrative positions.
- Raising endowments for student financial aid and faculty positions.
- Maintaining LCME accreditation standards for the medical student curriculum and all other academic programs.
- Completion of new building for the SMHS in Grand Forks.
- Continued research emphasis and focus on modifiable behaviors such as smoking, obesity, drug abuse (methamphetamine), and alcohol use.
- Recruit and retain more diversity within the faculty, staff and students in the SMHS.
- Generational change in time devoted to the practice of medicine.

REQUEST SUMMARY

232 UND Medical Center
Biennium: 2015-2017

Bill#: HB1003

Date: 12/23/2014

Time: 12:14:19

| Description | Expenditures 2011-2013 Biennium | Present Budget 2013-2015 | Budget Request Change | Requested Budget 2015-2017 Biennium | Optional Budget Request |
|-----------------------------|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| By Major Program | | | | | |
| UND-Medical Center | 47,847,971 | 60,177,396 | (5,291,600) | 54,885,796 | 18,514,806 |
| Total Major Program | 47,847,971 | 60,177,396 | (5,291,600) | 54,885,796 | 18,514,806 |
| By Line Item | | | | | |
| Operating Expenses | 47,847,971 | 60,177,396 | (5,291,600) | 54,885,796 | 18,514,806 |
| Total Line Items | 47,847,971 | 60,177,396 | (5,291,600) | 54,885,796 | 18,514,806 |
| By Funding Source | | | | | |
| General Fund | 47,847,971 | 60,177,396 | (5,291,600) | 54,885,796 | 18,514,806 |
| Federal Funds | | | | | |
| Special Funds | | | | | |
| Total Funding Source | 47,847,971 | 60,177,396 | (5,291,600) | 54,885,796 | 18,514,806 |
| Total FTE | 156.55 | 163.58 | 0.00 | 163.58 | 21.00 |

REQUEST DETAIL

232 UND Medical Center
Biennium: 2015-2017

Bill#: HB1003

Date: 12/23/2014

Time: 12:14:19

| Description | Expenditures 2011-2013 Biennium | Present Budget 2013-2015 | Budget Request Change | Requested Budget 2015-2017 Biennium | Optional Budget Request |
|------------------------------|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| Operating Expenses | | | | | |
| Operating Fees and Services | 47,847,971 | 60,177,396 | (5,291,600) | 54,885,796 | 18,514,806 |
| Total | 47,847,971 | 60,177,396 | (5,291,600) | 54,885,796 | 18,514,806 |
| Operating Expenses | | | | | |
| General Fund | 47,847,971 | 60,177,396 | (5,291,600) | 54,885,796 | 18,514,806 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Special Funds | 0 | 0 | 0 | 0 | 0 |
| Total | 47,847,971 | 60,177,396 | (5,291,600) | 54,885,796 | 18,514,806 |
| Funding Sources | | | | | |
| General Fund | 47,847,971 | 60,177,396 | (5,291,600) | 54,885,796 | 18,514,806 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Special Funds | 0 | 0 | 0 | 0 | 0 |
| Total Funding Sources | 47,847,971 | 60,177,396 | (5,291,600) | 54,885,796 | 18,514,806 |

CHANGE PACKAGE SUMMARY

232 UND Medical Center
Biennium: 2015-2017

Bill#: HB1003

Date: 12/23/2014

Time: 12:14:19

| Description | Priority | FTE | General Fund | Federal Funds | Special Funds | Total Funds |
|--|----------|--------------|--------------------|---------------|---------------|--------------------|
| Base Budget Changes | | | | | | |
| One Time Budget Changes | | | | | | |
| A-E 4 Remove Other One-time Funding | | 0.00 | (7,414,806) | 0 | 0 | (7,414,806) |
| Total One Time Budget Changes | | 0.00 | (7,414,806) | 0 | 0 | (7,414,806) |
| Ongoing Budget Changes | | | | | | |
| A-A 1 CTC, Operating Inflation and Utilities Increases | | 0.00 | 1,126,363 | 0 | 0 | 1,126,363 |
| A-A 20 2013-15 Adjusted FTE | | 163.58 | 0 | 0 | 0 | 0 |
| A-A 3 Rural Med Program | | 0.00 | 996,843 | 0 | 0 | 996,843 |
| Base Payroll Change | | (163.58) | 0 | 0 | 0 | 0 |
| Total Ongoing Budget Changes | | 0.00 | 2,123,206 | 0 | 0 | 2,123,206 |
| Total Base Budget Changes | | 0.00 | (5,291,600) | 0 | 0 | (5,291,600) |
| Optional Budget Changes | | | | | | |
| One Time Optional Changes | | | | | | |
| A-D 4 HWI Funding | 1 | 21.00 | 18,514,806 | 0 | 0 | 18,514,806 |
| Total One Time Optional Changes | | 21.00 | 18,514,806 | 0 | 0 | 18,514,806 |
| Total Optional Budget Changes | | 21.00 | 18,514,806 | 0 | 0 | 18,514,806 |

BUDGET CHANGES NARRATIVE

232 UND Medical Center

Bill#: HB1003

Date: 12/23/2014

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| | | | |
|------------------------|-----------------------|----------------------|--------------------|
| Change Group: A | Change Type: A | Change No: 20 | Priority: 2 |
|------------------------|-----------------------|----------------------|--------------------|

2013-15 Adjusted FTE

Per SB2003 (Section 36), "the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control during the biennium beginning July 1, 2013, and ending June 30, 2015. The North Dakota university system shall report any adjustments to the office of management and budget before the submission of the 2015-17 biennium budget request." A report was run as of 4-30-2014 to determine the total estimated "appropriated fte" as of that date. Consistent with the methodology used in previous biennia, the current year's annual budgets were used to estimate the amount supported by general fund only, based on the percentage of budgeted general fund revenue to total appropriated revenue. Currently the reported FTE is at 163.58. The additional FTE faculty and staff are due to the new HWI funding. FY2015-16 would be a total of 14, FY2016-17 would add an additional 7 for a total biennial amount of 21 additional FTE.

| | | | |
|------------------------|-----------------------|---------------------|--------------------|
| Change Group: A | Change Type: D | Change No: 4 | Priority: 1 |
|------------------------|-----------------------|---------------------|--------------------|

HWI Funding

It is important to emphasize that no new funding is being requested. The SMHS budget request is to continue **implementation of the Healthcare Workforce Initiative**, as discussed, reviewed, and approved by the 2013 ND Legislature.

Continuation of 13-15 One-time Funding - \$7,414,806:

In the 2013-15 biennium, SMHS received a total of \$11,189,948 for the Healthcare Workforce Initiative (HWI), consisting of \$3,775,142 in base funding to continue funding the modified plan that began in 2011, plus \$7,414,806, as one-time funds, to begin implementation of the full HWI plan. Continued funding of the \$7,414,806 is crucial to the continuation of the plan.

The HWI, when fully implemented, will fund 64 medical students (16 per class) per year, 90 health science students (30 per class) per year and 51 post graduate residents (17 per class) per year. The 2015-17 request includes the following:

- \$7,414,806 was included as one-time funding in 2013-15 for the incremental growth in the HWI.

Continued Growth in HWI for 2015-17 - \$11.1 million:

- \$11.1 million is requested as one-time funding in 2015-17 to add the following per year: 16 freshmen medical students, 30 sophomore health sciences students and 17 post-graduate residents. A summary of the \$11.1 million request for increased HWI costs in 2015-17 is as follows:

Medical Students: \$3,545,496 – In 2015-17, HWI medical student admissions will total 104, an increase of 56 students from 2013-15.

Health Science Students: \$1,209,495 – In 2015-17, HWI health science admissions will total 165, an increase of 75 students from 2013-15.

BUDGET CHANGES NARRATIVE

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Post-Graduate Residents: \$6,331,660 – In 2015-17, HWI Post-Graduate Resident admissions will total 94, an increase of 41 residents from 2013-15. Resident admissions focus is on rural programs in family medicine, surgery and hospitalist specialties.

. The expectation is that this will become part of the base in 2017-19.

| | | | |
|-----------------|----------------|--------------|-------------|
| Change Group: A | Change Type: E | Change No: 4 | Priority: 2 |
|-----------------|----------------|--------------|-------------|

Remove Other One-time Funding

To remove **\$7,414,806** one-time funding for Healthcare Workforce Initiative (SB2003-Section 2). Please refer to additional narrative in budget change code **AD4** regarding the need to continue this funding.

| | | | |
|-----------------|----------------|--------------|-----------|
| Change Group: R | Change Type: B | Change No: 1 | Priority: |
|-----------------|----------------|--------------|-----------|

Healthcare Workforce Initiative

Provides \$13.8 million for one-time costs of the healthcare workforce initiative.