

July 9, 1997

MEMORANDUM

TO: The Health Affairs Committee:

Charles M. Caravati, Jr., M.D., Chair
John P. Ackerly, III
William G. Crutchfield, Jr.
William H. Goodwin, Jr.
T. Keister Greer
C. Wilson McNeely, III
Albert H. Small
Hovey S. Dabney, Ex Officio

and

The Remaining Members of the Board:

Franklin K. Birckhead Terence P. Ross
Champ Clark Elizabeth A. Twohy
Elsie Goodwyn Holland Henry L. Valentine, II
Kristine L. LaLonde Walter F. Walker
James C. Wheat, III

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Health Affairs
Committee on July 9, 1997

The Health Affairs Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 2:30 p.m., Wednesday, July 9, 1997, at the Jordan Hall Conference Center; Charles M. Caravati, Jr., Chair, presided. John P. Ackerly, III, William G. Crutchfield, Jr., William H. Goodwin, Jr., C. Wilson McNeely, III, Albert H. Small, and Hovey S. Dabney, Rector, were present. Also present were Franklin K. Birckhead, Champ Clark, Terence P. Ross, Ms. Elizabeth A. Twohy, Henry L. Valentine, II, Walter F. Walker, Ms. Kristine L. LaLonde, Leonard W. Sandridge, Jr., Alexander G. Gilliam, Jr., Robert W. Cantrell, Robert E. Reynolds, Robert M. Carey, Thomas A. Massaro, John Ashley, Michael Halseth, William E. Carter, Jr., Jules I. Levine, Peter Munger, Ms. Susan Rucker, and Ms. Jeanne Flippo Bailes.

The Committee lunched, in Open Session, between 1:00 and 2:00 p.m. to hear a presentation by Ms. Susan Rucker of KPMG Peat Marwick, "Market Strategies for Academic Medical Centers."

The Chair asked Dr. Cantrell, Vice President and Provost for Health Sciences, to present the Agenda.

Dr. Cantrell introduced Dr. Thomas Massaro, Chief of Staff for Health Sciences, who addressed the Committee briefly on the characteristics of academic health centers. These characteristics are, he said, a unique combination of health care, teaching and research, and he cited examples at the University. It is vital for the health and future of medicine in this country that this combination be maintained.

Dr. Cantrell then introduced Dr. Robert Carey, Dean of the School of Medicine, who spoke at some length on the future of the School.

The Medical School, Dr. Carey said, is outstanding - one of the best in the country. Among American medical schools it is of medium size in the number of faculty and the number of students: it is in about the 58th percentile for faculty size and in the 50th percentile for the number of students. The matriculating students are of high quality and the Medical School is competitive with most medical schools - two notable exceptions being Harvard and Johns Hopkins - in admissions. The recent U.S. News and World Report rankings, however, put the University just below the group of the top 25 medical schools in the country; Dr. Carey said he wants the School of Medicine to be ranked at least among the top 15.

Medical school rankings reflect academic rank, which is to say the quality of the students, the quality of education and the physician product, and faculty stature and achievement; the rankings do not reflect the quality of patient care. Dr. Carey then quoted the recent U.S. News rankings: overall, 27th among 125 medical schools; reputation by academics (which accounts for 20% of the overall ranking) - 22; reputation by residency directors (another 20%) - 22; student selectivity (another 20%) - 27. These rankings, he said, are "not bad."

Continuing the categories of rankings, he said "faculty resources," which means faculty: student ratio (10% of the overall ranking) - 44 (the faculty: student ratio at the University is 1:2; at Harvard, to cite an example, it is 6:4); and research activity rank (which at 30% is the largest component of all in the overall ranking) -44. It is this last statistic,

above all, which keeps the Medical School out of the higher ranks, Dr. Carey said. He then showed the Committee a list of the top 25 medical schools and in response to a question, said that between a quarter and a third of these are in the same category of size as the University.

Dr. Carey next showed lists of National Institutes of Health research award rankings. In the Basic Sciences, the University did well last year except in Biochemistry and in Pharmacology. In Pharmacology, grants awarded this year should raise the ranking from 34th in the country to a position among the top 15. Biochemistry, which ranked 53rd, is searching for a new Chair and it, too, should rise in rank.

In the Clinical Departments - and Dr. Carey noted that the rankings do not reflect the quality or productivity of clinical care, only the NIH awards rankings - three departments were in the bottom half of the national rankings and need special attention: Pathology, Pediatrics and Psychiatric Medicine.

Total NIH funding puts the Medical School, he reiterated, just below the group of the top 25 schools of medicine in the country.

Dr. Carey next compared the School of Medicine with the medical schools of the University of North Carolina and the University of Alabama; he used the Departments of Medicine in each of the three schools as a basis for comparison. The number of students is about the same in all three schools. The total number of faculty varies rather substantially, with the University having the fewest. Among the three Departments of Medicine, the University and the University of North Carolina are roughly the same and the University of Alabama is considerably larger. There is a tremendous difference in state funding: the University of Virginia received \$29m, the University of North Carolina \$69.4m, and the University of Alabama \$72.6m. The differences are apparent, too, in the amount of grants received: \$44.7m for the University (which ranked 41st in this category), \$103.9m for the University of North Carolina (13th), and \$97.9m for the University of Alabama (15th). Far more of the faculty at North Carolina and Alabama, Dr. Carey said, are engaged in biomedical research than at the University of Virginia.

One way to improve the ranking of the School of Medicine is to persuade the General Assembly to appropriate more money for medical education. The Medical College of Virginia is deeply concerned about this, and Dr. Carey said that its parent,

Virginia Commonwealth University, intends to make this its first priority in the next Session of the Legislature.

Mr. Goodwin suggested that the University follow VCU's lead.

Dr. Carey noted that the faculty has worked hard to raise NIH funding in the last year; similar efforts are going to be necessary over the next several years if the Medical School is to improve its ranking.

Summing up, Dr. Carey said three things need to be done to put the School of Medicine among the top 15 in the country: Increase NIH research funding substantially; increase overall sponsored research program funding; and increase the academic credentials of matriculating students. To achieve this, he suggested three steps: "Incentivize" the faculty to obtain NIH grants; provide an "enhanced research infrastructure as a platform for new research project growth," and recruit clinical investigators in selective areas (these, he suggested, are the most important steps of all); and finally, recruit actively the best medical students in the country.

Funds are needed to do this and Dr. Carey suggested four resources: an additional \$10.4m per year in State funding for the cost of medical education; an additional \$25m in research endowment money as part of the Capital Campaign; \$10m in flexible funds for salary and set-up costs to recruit the best scientists - particularly clinical scientists - to the Medical School; and a new Bioengineering and Medical Science Building at a total cost of \$43m.

The Committee indicated its support of Dr. Carey's goal of making the School of Medicine one of the 15 best in the country.

On motion, the Committee went into Executive Session at 3:30, resumed in Open Session at 5:10 and, on further motion, adjourned.

The following motion was adopted:

That the Health Affairs Committee of the Board of Visitors go into Executive Session for the purpose of discussing proprietary, business related information of the Medical Center in connection with its proposed and existing joint ventures, and the investing of public funds where competition or bargaining is involved, when if made public initially the financial interest of the University would be adversely affected, as provided for in Section 2.1-344 A.6 and 24 of the Code of Virginia.

AGG:jb

Copies to: Mr. John T. Casteen, III
Mr. Paul J. Forch
Dr. Robert W. Cantrell
Mr. Peter W. Low
Mr. Leonard W. Sandridge
Mr. Robert D. Sweeney
Mr. Ernest H. Ern
Mr. William W. Harmon
Ms. Colette Capone
Ms. Polley Ann McClure
Mr. Terry Holland
Mr. L. Jay Lemons
Dr. Don E. Detmer
Ms. Louise Dudley

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FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Health Affairs
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An Health Sciences orientation for new members of the Board of Visitors was held at the Jordan Hall Conference Center on Wednesday, July 9, 1997, from 11:00 a.m., to 12:00 noon, with a tour of facilities immediately following. Ms. LaLonde and Messrs. Crutchfield, Ross, and Wheat - all new members - attended. Ms. Twohy also was present. Dr. Cantrell, Vice President and Provost for Health Sciences, presided. Mr. Michael Halseth, Executive Director of the Medical Center, spoke on the finances, organization and mission of the Center. Mr. William Carter, Executive

Director of the Health Services Foundation; Dr. Robert Carey, Dean of the School of Medicine; Ms. Jean Turner of the School of Nursing; and Ms. Linda Watson, Director of the Claude Moore Health Sciences Library, all made brief presentations to the new members.

The orientation was conducted in Open Session.

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