Agenda

I. Brief Introduction to ECG
II. Rationale for Evaluating State Funding Levels
III. Project Organization
IV. State Funds Flow
V. Benchmarking Analysis
   ■ Selection of Statistics
   ■ Selection of Peer Groups
   ■ Key Findings and Conclusions
   ■ Recommended Next Steps
I. Brief Introduction to ECG
I. Brief Introduction to ECG

- Has offices in Seattle, Boston, San Diego, St. Louis, and Washington, D.C.
- Employs more than 70 consultants.
- Client base includes universities, academic medical centers (AMCs), schools of medicine (SOMs), teaching hospitals, health systems, and FPPs.
- Specialized expertise encompasses:
  - Funds flow and financial arrangement design.
  - AMC organization restructuring.
  - Strategic and business planning.
  - Physician group development.
  - Ambulatory care operations.
II. Rationale for Evaluating State Funding Levels
In recent years, state funding for public medical schools (which commonly represent the primary component of a health sciences center) has ranged between $4 billion and $5 billion and composed 15% to 20% of total revenues.

State Funds for Public Medical Schools, FY 2001–2005

1 Source: AAMC Data Book April 2007: Medical Schools and Teaching Hospitals by the Numbers, Table D3: All U.S. Public and Private Medical School Revenue by Category. For purposes of this chart, state funds include state and local government appropriations, tuition and fees, and parent university support.
II. Rationale for Evaluating State Funding Levels (continued)

Various factors have compelled health sciences centers and their key stakeholders to more closely examine the level of investment by the state.

- Reductions in or maintenance of historical allocations of state appropriations.
- Increased scrutiny by state legislatures regarding the use of appropriations.
- Limited ability to increase tuition and fees.
- Flattening of available NIH funding.
- Continued pressures on clinical reimbursement from commercial and government payors.
II. Rationale for Evaluating State Funding Levels (continued)

Given the current environment, the LSU Board of Supervisors requested assistance in conducting the following initiatives for both LSU Health Sciences Center in New Orleans (LSUHSC-NO) and LSU Health Sciences Center in Shreveport (LSUHSC-S):

- Documenting the flow of state funds within each institution.
- Establishing benchmarks for state funding of the academic mission at each institution.
III. Project Organization
III. Project Organization and Approach

The project has been conducted through a steering committee with the following members:

**Board of Regents**
- Mr. Donald Vandal, Deputy Commissioner for Finance and Administration.
- Ms. Wendy Simoneaux, Associate Commissioner for Finance and Administration.

**LSU System**
- Fred Cerise, M.D., Vice President for Health Care and Medical Education
- Mr. John Antolik, Assistant Vice President, Budget, Finance, and Comptroller.
- James Firnberg, Ed.D., Special Assistant to Vice President, Academic Affairs.
III. Project Organization (continued)

**LSUHSC-NO**
- Mr. Ronnie Smith, Vice Chancellor for Administration and Finance.
- Mr. Terry Ullrich, Assistant Vice Chancellor for Administration and Finance.
- Mr. Patrick Landry, Executive Director for Financial Services.

**LSUHSC-S**
- Andrew Chesson, M.D., Associate Dean of Academic Affairs.
- Joseph McCulloch, Ph.D., Dean, School of Allied Health Professions.
- Mr. Harold White, Vice Chancellor for Business and Reimbursement.

*The steering committee has provided general project oversight, including validating key assumptions and reviewing results from various analyses.*
IV. State Funds Flow
IV. State Funds Flow

Based on BOR and other financial reports provided by LSUHSC leadership, we developed an overview of state allocations to each campus.

- The overviews for the New Orleans and Shreveport campuses are provided on subsequent slides.
- In general, state allocations are categorized as:
  - Direct.
  - Interagency transfers.
  - Fees and self-generated revenues.
  - Statutory dedications.
  - Federal funds (Shreveport only).
- Reports from FY 2005 were utilized to depict pre-Hurricane Katrina funding levels.
To develop appropriate comparisons and conclusions regarding the utilization and overall adequacy of state financial support for the two campuses, the steering committee considered the following:

- Which state funds should be included in the benchmarking analysis (i.e., inclusion/exclusion of revenue generated from patient care activities, contracts with affiliated hospitals, etc.)?
- What is the intent/purpose of state funds identified as pass-through or directed funds (i.e., support for clinical or academic-related activities)?
- What are the appropriate metrics for analyzing the levels of state support and subsequent utilization of those funds?
- Which institutions should be targeted as peers for comparative purposes?
IV. State Funds Flow (continued)

State of Louisiana

LSU System

State General Funds – Direct ($111.0M)

Interagency Transfers ($39.1M)

Fees and Self-Generated Revenues ($17.8M)

Statutory Dedications ($20.7M)

LSUHSC-NO

Pass-Through/ Directed Funds

- AHECs ($0.9M)
- River Region Cancer Screening ($0.3M)
- Debt Service on Charity Hospital Nursing Building ($1.0M)
- Neurobiotechnology Program of Louisiana ($0.6M)
- Malpractice and Other Insurance ($10.8M)
- Louisiana Tumor Registry ($0.7M)
- Louisiana Cancer and Lung Trust Fund Board ($0.2M)
- Epilepsy COE ($0.5M)
- Legislative Audit ($0.2M)
- Civil Service Commission ($0.1M)

Remaining State Appropriation ($95.7M)

Medical Direction
- Medical Center of Louisiana ($2.9M)

Resident Supervision
- Medical Center of Louisiana ($22.4M)

Physician Support
- Earl K. Long Medical Center ($7.8M)
- University Medical Center ($6.0M)

Tuition ($15.8M)
- Sales and Services ($1.2M)
- Other ($0.8M)

SELF Fund ($4.0M)

- Tobacco Tax Funds for Louisiana Cancer Research Consortium ($16.7M)

Health Sciences Center Infrastructure and Component Entities
IV. State Funds Flow (continued)

State of Louisiana

LSU System

State General Funds – Direct ($48.2M)
- AHECs ($1.0M)
- Malpractice and Other Insurance ($3.6M)
- Cancer COE ($4.2M)
- Arthritis COE ($1.4M)
- Non-Allowable Costs ($9.6M)
- Kidney Care Program ($0.4M)
- Remaining State Appropriation ($28.0M)

Interagency Transfers ($190.2M)
- Medicaid Payments ($52.8M)
- Uncompensated Care Payments ($134.9M)
- Contract With E. A. Conway Medical Center ($2.5M)

Fees and Self-Generated Revenues ($38.5M)
- Tuition ($5.1M)
- Commercial Payments ($33.3M)
- Other ($0.1M)

Federal Funds ($41.8M)
- Medicare Payments ($41.8M)

Statutory Dedications ($9.3M)
- SELF Fund ($2.4M)
- Tobacco Tax Funds ($6.9M)

Pass-Through/Directed Funds

LSUHSC-S

Federal Funds
- Medicare Payments ($41.8M)

Interagency Transfers
- Medicaid Payments ($41.8M)
- Uncompensated Care Payments ($134.9M)
- Contract With E. A. Conway Medical Center ($2.5M)

Pass-Through/Directed Funds

Federal Funds
- Medicare Payments ($41.8M)
- Tuition ($5.1M)
- Commercial Payments ($33.3M)
- Other ($0.1M)

Pass-Through/Directed Funds

Health Sciences Center Infrastructure and Component Entities
V. Benchmarking Analysis
V. Benchmarking Analysis
Selection of Statistics

The steering committee identified various statistics to examine the sufficiency and subsequent utilization of state allocations to the health sciences campus in support of academic endeavors.

Key objectives in developing these statistics included:

» Balancing the need to evaluate state funding from various perspectives with the level of effort required by peer institutions to provide data.

» Providing the steering committee with an understanding of:
  – The magnitude of state funds relative to other revenue sources.
  – The relative investment of state funds given the number of faculty, staff, and students.
  – The relative utilization of state funds to support faculty, staff, and infrastructure/nonlabor expenses.
  – The role of state funds in supporting faculty compensation, staff compensation, and infrastructure/nonlabor expenses relative to other funding sources.
  – Potential outcomes of the investment of state funds in the academic mission.

An overview of these statistics is presented on subsequent slides.
## V. Benchmarking Analysis

### Selection of Statistics (continued)

<table>
<thead>
<tr>
<th>Category</th>
<th>Benchmarking Statistic</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Funding Relative to Other Revenues</strong></td>
<td>■ State funding as a percentage of total revenue.</td>
<td>■ Indicates the extent to which the institution relies upon state dollars as a funding source.</td>
</tr>
<tr>
<td><strong>Relative Investment of State Funding</strong></td>
<td>■ State funding per faculty FTE.</td>
<td>■ Indicates investment of state dollars relative to the primary drivers of the institution's mission.</td>
</tr>
<tr>
<td></td>
<td>■ State funding per employee FTE.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>■ State funding per enrolled student.</td>
<td></td>
</tr>
<tr>
<td><strong>Prioritization of State Funding Utilization</strong></td>
<td>■ Percentage of state funds utilized for faculty salary and benefits.</td>
<td>■ Indicates institutional prioritization in utilization of state dollars.</td>
</tr>
<tr>
<td></td>
<td>■ Percentage of state funds utilized for staff salary and benefits.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>■ Percentage of state funds utilized for nonlabor expenses.</td>
<td></td>
</tr>
</tbody>
</table>
### V. Benchmarking Analysis

**Selection of Statistics (continued)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Benchmarking Statistic</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Relative Use of State Funding to Support Key Expenditures</strong></td>
<td>Percentage of faculty salary and benefits funded by state allocations.</td>
<td>Indicates the extent to which the institution utilizes state dollars to support key expense categories.</td>
</tr>
<tr>
<td></td>
<td>Percentage of staff salary and benefits funded by state allocations.</td>
<td>Indicates the level of state dollars committed to supporting a given full-time faculty member (i.e., state base).</td>
</tr>
<tr>
<td></td>
<td>Percentage of nonlabor expenses funded by state allocations.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Faculty compensation from state funds per faculty FTE.</td>
<td></td>
</tr>
<tr>
<td><strong>Return on Investment</strong></td>
<td>Total grant funding received per dollar of state funds.</td>
<td>Indicates the extent to which investment in the academic mission returns grant funding from all sources.</td>
</tr>
<tr>
<td></td>
<td>Total grant funding received per faculty FTE</td>
<td>Indicates the extent to which investment in the academic mission returns grant funding from the NIH.</td>
</tr>
<tr>
<td></td>
<td>NIH research funding received per dollar of state funds.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NIH research funding received per faculty FTE</td>
<td></td>
</tr>
</tbody>
</table>
The steering committee reviewed assorted financial and other data for various health sciences centers to finalize a list of targeted peer institutions.

- Scope of component health sciences schools and colleges.
- Reported levels of overall state funding.
- NIH funding and number of awards across all health sciences schools and colleges.
- SOM data.
  - Number of basic science and clinical faculty.
  - Number of students.
  - NIH funding and number of awards.
  - Percentage of students entering primary care and in-state residencies.

As depicted on the next slide, distinct peer groups were identified for each LSUHSC campus, with submission of data for benchmark development noted.
V. Benchmarking Analysis
Selection of Peer Groups (continued)

<table>
<thead>
<tr>
<th>LSUHSC-NO Peers</th>
<th>LSUHSC-S Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical College of Georgia</td>
<td>Yes(^1)</td>
</tr>
<tr>
<td></td>
<td>State University of New York (SUNY) Upstate Medical University</td>
</tr>
<tr>
<td>Medical University of South Carolina</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>The University of Arizona Health Sciences Center</td>
</tr>
<tr>
<td>University of Alabama at Birmingham</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>The University of Kansas Medical Center</td>
</tr>
<tr>
<td>University of Cincinnati</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>The University of Mississippi Medical Center</td>
</tr>
<tr>
<td>The University of Iowa</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>University of Missouri-Columbia</td>
</tr>
<tr>
<td>University of Minnesota</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>University of Missouri-Kansas City</td>
</tr>
<tr>
<td>The University of Oklahoma Health Sciences Center</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>University of Nebraska Medical Center</td>
</tr>
<tr>
<td>The University of Tennessee Health Science Center</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>University of Nevada, Reno</td>
</tr>
<tr>
<td>The University of Texas Health Science Center at Houston</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>University of New Mexico Health Sciences Center</td>
</tr>
<tr>
<td>The University of Texas Health Science Center at San Antonio</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>University of South Florida</td>
</tr>
<tr>
<td>The University of Utah</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>West Virginia University Health Sciences Center</td>
</tr>
</tbody>
</table>

\(^1\) “Yes” indicates active participant in the state funds flow benchmarking survey.
V. Benchmarking Analysis
Key Findings and Conclusions

Key conclusions based on subsequent discussions with the steering committee and system leadership include:

- As with other surveys of this nature, this is a management (not a “scientific”) analysis that provides directional information to system, LSUHSC, and other leaders.

- Therefore, senior leadership must be wary about basing any decisions regarding the investment, allocation, and utilization of state funding solely on peer benchmark data and comparisons.
  - Varying degree of participation from identified peers.
  - Differing strategic and funding priorities from institution to institution.
  - Institution-specific factors that influence the availability and use of state funds and other revenues.
    - Payor mix.
    - Reimbursement rates from insurers.
    - Availability of clinical, academic, and research space.
  - Baseline infrastructure/resource requirements.
  - Comparability of accounting standards.
V. Benchmarking Analysis
Key Findings and Conclusions (continued)

State Funds as Percentage of Total Revenues

**LSUHSC-NO**
- Peer Median = 25.0%
- Peer Mean = 26.8%
- 24.9% State Funds
- 75.1% Other Revenue

**LSUHSC-S**
- Peer Median = 31.1%
- Peer Mean = 33.5%
- 20.5% State Funds
- 79.5% Other Revenue
V. Benchmarking Analysis

Key Findings and Conclusions (continued)

<table>
<thead>
<tr>
<th></th>
<th>LSUHSC-NO</th>
<th>Peer Median</th>
<th>Peer Mean</th>
<th>LSUHSC-S</th>
<th>Peer Median</th>
<th>Peer Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount in $000s</td>
<td>$435</td>
<td>$587</td>
<td>$599</td>
<td>$332</td>
<td>$466</td>
<td>$529</td>
</tr>
</tbody>
</table>
V. Benchmarking Analysis

Key Findings and Conclusions (continued)

<table>
<thead>
<tr>
<th></th>
<th>LSUHSC-NO</th>
<th>Peer Median</th>
<th>Peer Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Funds per Faculty FTE</td>
<td>$108</td>
<td>$160</td>
<td>$159</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>LSUHSC-S</th>
<th>Peer Median</th>
<th>Peer Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Funds per Faculty FTE</td>
<td>$68</td>
<td>$139</td>
<td>$150</td>
</tr>
</tbody>
</table>
V. Benchmarking Analysis
Key Findings and Conclusions (continued)

State Funds per Employee FTE

<table>
<thead>
<tr>
<th></th>
<th>LSUHSC-NO</th>
<th>Peer Median</th>
<th>Peer Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts in $000s</td>
<td></td>
<td>$25</td>
<td>$37</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>LSUHSC-S</th>
<th>Peer Median</th>
<th>Peer Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts in $000s</td>
<td></td>
<td>$21</td>
<td>$53</td>
</tr>
</tbody>
</table>

1 Includes faculty and support staff.
V. Benchmarking Analysis

Key Findings and Conclusions (continued)

State Funds per Student

1 Does not include residents.
As anticipated, LSUHSC faculty and total employee FTEs per student exceed their peer group benchmarks, which are consistent between the two peer groups.
V. Benchmarking Analysis

Key Findings and Conclusions (continued)

Percentage of State Funds Used for Key Expenses

**LSUHSC-NO**

- **Staff Salary/Benefits**
  - Peer Median = 33.6%
  - Peer Mean = 32.9%
  - 44.2%

- **Faculty Salary/Benefits**
  - Peer Median = 37.8%
  - Peer Mean = 38.2%
  - 38.3%

- **Nonlabor Expense**
  - Peer Median = 17.6%
  - Peer Mean = 28.9%
  - 17.6%

**LSUHSC-S**

- **Staff Salary/Benefits**
  - Peer Median = 38.5%
  - Peer Mean = 39.8%
  - 72.2%

- **Faculty Salary/Benefits**
  - Peer Median = 25.6%
  - Peer Mean = 25.9%
  - Peer Median = 25.6%

- **Nonlabor Expense**
  - Peer Median = 23.7%
  - Peer Mean = 34.7%
  - 4.0%
V. Benchmarking Analysis

Key Findings and Conclusions (continued)

Percentage of Faculty Salary/Benefits Supported by State Funds

<table>
<thead>
<tr>
<th>Institution</th>
<th>Median</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>LSUHSC-NO</td>
<td>30.4%</td>
<td>32.9%</td>
</tr>
<tr>
<td>LSUHSC-S</td>
<td>34.2%</td>
<td>32.9%</td>
</tr>
</tbody>
</table>

Bar chart showing the percentage of faculty salary/benefits supported by state funds for LSUHSC-NO and LSUHSC-S.
V. Benchmarking Analysis

Key Findings and Conclusions (continued)

<table>
<thead>
<tr>
<th></th>
<th>LSUHSC-NO</th>
<th>Peer Median</th>
<th>Peer Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts in $000s</td>
<td>$48</td>
<td>$59</td>
<td>$58</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>LSUHSC-S</th>
<th>Peer Median</th>
<th>Peer Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts in $000s</td>
<td>$49</td>
<td>$54</td>
<td>$47</td>
</tr>
</tbody>
</table>
V. Benchmarking Analysis

Key Findings and Conclusions (continued)

Percentage of Staff Salary/Benefits Supported by State Funds

<table>
<thead>
<tr>
<th></th>
<th>Peer Median</th>
<th>Peer Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>LSUHSC-NO</td>
<td>31.7%</td>
<td>24.2%</td>
</tr>
<tr>
<td>LSUHSC-S</td>
<td>16.9%</td>
<td>48.3%</td>
</tr>
</tbody>
</table>

Peer Median: 27.1% (LSUHSC-NO)
Peer Mean: 44.1% (LSUHSC-S)
V. Benchmarking Analysis
Key Findings and Conclusions (continued)

Percentage of Nonlabor Expenses Supported by State Funds

- **LSUHSC-NO**: 13.6%
- **Peer Median**: 18.2%
- **Peer Mean**: 25.4%
- **LSUHSC-S**: 26.0%
- **Peer Median**: 26.0%
- **Peer Mean**: 34.2%
V. Benchmarking Analysis

Key Findings and Conclusions (continued)

Total Expense per Faculty FTE

<table>
<thead>
<tr>
<th>Amounts in $000s</th>
<th>LSUHSC-NO</th>
<th>LSUHSC-S</th>
</tr>
</thead>
<tbody>
<tr>
<td>$122</td>
<td>$70</td>
<td></td>
</tr>
<tr>
<td>$131</td>
<td>$81</td>
<td></td>
</tr>
<tr>
<td>$158</td>
<td>$244</td>
<td></td>
</tr>
</tbody>
</table>

Peer Median:
- LSUHSC-NO: $193
- LSUHSC-S: $187

Peer Mean:
- LSUHSC-NO: $203
- LSUHSC-S: $158

Peer Median:
- LSUHSC-NO: $180
- LSUHSC-S: $95

Peer Mean:
- LSUHSC-NO: $198
- LSUHSC-S: $109

Peer Median:
- LSUHSC-NO: $178
- LSUHSC-S: $215

Peer Mean:
- LSUHSC-NO: $161
- LSUHSC-S: $222
V. Benchmarking Analysis

Key Findings and Conclusions (continued)

Total Research Funding per Dollar of State Funds

<table>
<thead>
<tr>
<th>Institution</th>
<th>Peer Median</th>
<th>Peer Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>LSUHSC-NO</td>
<td>$0.56</td>
<td>$1.04</td>
</tr>
<tr>
<td>LSUHSC-S</td>
<td>$0.62</td>
<td>$0.55</td>
</tr>
<tr>
<td>Peer Median</td>
<td>$0.62</td>
<td>$0.55</td>
</tr>
<tr>
<td>Peer Mean</td>
<td>$1.17</td>
<td>$0.52</td>
</tr>
</tbody>
</table>
V. Benchmarking Analysis

Key Findings and Conclusions (continued)

Total NIH Funding per Dollar of State Funds

<table>
<thead>
<tr>
<th>Institution</th>
<th>Median</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>LSUHSC-NO</td>
<td>$0.37</td>
<td></td>
</tr>
<tr>
<td>Peer</td>
<td>$0.39</td>
<td></td>
</tr>
<tr>
<td>LSUHSC-S</td>
<td>$0.33</td>
<td></td>
</tr>
<tr>
<td>Peer</td>
<td>$0.19</td>
<td>$0.24</td>
</tr>
</tbody>
</table>
V. Benchmarking Analysis

Recommended Next Steps (continued)

- The results of the analysis engender additional questions, such as:
  - Are we generating sufficient revenues from our clinical and research activities?
  - Do our activities in one mission (e.g., patient care) support our activities in another mission (e.g., education, research) and, if so, to what extent?
  - Is faculty deployment across our core missions aligned with our strategic priorities?

*Definitively understanding if state funding levels are sufficient and appropriately utilized requires a comprehensive array of mission-based statistics and analyses for measuring performance against internally determined expectations.*
It is recommended that system leadership consider development of a data collection, analysis, and reporting process that examines faculty effort and productivity and the attendant financial impact in a mission-based format.
V. Benchmarking Analysis

Conclusions and Recommended Next Steps (continued)

The rationale for this three-component approach is to provide senior leadership at the system, school, and department level with comprehensive and consistent information to guide their decision-making.

<table>
<thead>
<tr>
<th>Deployment Analysis</th>
<th>Mission-Based Financial Analysis</th>
<th>Productivity Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides a basis for allocating salaries and expenses to mission categories.</td>
<td>Identifies how schools, departments, and individual faculty contribute to each mission.</td>
<td>Establishes performance expectations.</td>
</tr>
<tr>
<td>Assists in better deployment of faculty among missions.</td>
<td>Provides a basis for the rational analysis and allocation of state and other discretionary funds.</td>
<td>Provides an objective approach to identifying outstanding faculty contribution.</td>
</tr>
<tr>
<td>Serves as a normalizing factor in identifying outstanding faculty performance.</td>
<td>Explicitly identifies the magnitude of mission cross-subsidies.</td>
<td>Assists leadership in identifying areas for improvement or opportunities for redeployment of resources.</td>
</tr>
</tbody>
</table>
V. Benchmarking Analysis

Conclusions and Recommended Next Steps (continued)

Examples of potential metrics that would need to be defined, analyzed, and compared to internally/externally derived targets in a systematic fashion include:

**Faculty Deployment**

**Faculty Effort/FTEs by Mission Category**

- Patient care.
- Education.
- Research.
- Administration.
V. Benchmarking Analysis

Conclusions and Recommended Next Steps (continued)

Faculty Productivity

Clinical Productivity

- Net collections per clinical FTE.
- Work and total relative value units (RVUs) per clinical FTE.
- Ambulatory visit volumes, case volumes, and procedure volumes per clinical FTE.
- Faculty clinical compensation as a percentage of net collections.
- Payor mix.
- Average length of stay.
- Days to 3rd available appointment and appointment/case cancellation rates.
## V. Benchmarking Analysis

**Conclusions and Recommended Next Steps (continued)**

<table>
<thead>
<tr>
<th>Faculty Productivity (continued)</th>
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<tbody>
<tr>
<td><strong>Research Productivity</strong></td>
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<tr>
<td>■ Direct and indirect grant revenue received per FTE.</td>
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<tr>
<td>■ Faculty salary coverage from grants.</td>
</tr>
<tr>
<td>■ Percentage of direct grant revenues from federal sources.</td>
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<tr>
<td>■ Number of grant submissions and awards.</td>
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<tr>
<td>■ Number of peer-reviewed publications and presentations.</td>
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<tr>
<td>■ Total grant funding received per square foot of assigned research space.</td>
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<tr>
<td><strong>Teaching Productivity</strong></td>
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<tr>
<td>■ Estimated teaching and preparation hours.</td>
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<tr>
<td>■ Number of students, residents, fellows, and other learners.</td>
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<tr>
<td>■ USMLE and other health profession examination pass rates.</td>
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<tr>
<td>■ AAMC Graduation Questionnaire scores.</td>
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<tr>
<td>■ Board examination pass rates.</td>
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<tr>
<td>■ Residency match rates and accreditation status.</td>
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</tbody>
</table>
V. Benchmarking Analysis
Conclusions and Recommended Next Steps (continued)

Financial Information

“All Funds” Financial Statements
- Overall departmental, school, and institutional solvency.
- Revenues (total and by source) and expenses per faculty FTE.
- Faculty, staff, and nonlabor expenses as a percentage of total revenues.

Mission-Based Financial Statements
- Available state funds relative to teaching and other academic expenses.
- Magnitude of unfunded research, VA, and administrative effort.
- Magnitude of mission cross-subsidization (particularly from clinical margins).