

Pediatric Insight

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Revenue Growth, Expense Reduction – Case Example

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REVENUE GROWTH

1. Improve patient access by opening new clinics e.g. evening clinics, ambulatory expansion and continue implementation of planned new in and outpatient clinical programs
2. Adhere to clinic cancellation policy – timely notification so rooms can be reassigned, established plan for make-up clinics
3. Improve documentation to capture enhanced billing
4. Establish guidelines for shared versus directed extender visits
5. Ensure clinical assignments match the assigned clinical effort e.g. Adhere to cFTE benchmarks established by specialty service

EXPENSE REDUCTION

1. HOSTING/FOOD
 - a. Reduce hosting expenses across all divisions – set a target % or dollar amount
 - b. Develop guidelines regarding # of people to participate in hosted recruitment dinners
 - c. Utilization of restaurants that are not high end
 - d. Reduce non-essential snacks, breakfast, lunch and dinner meeting hosting
 - e. Establish standards across the divisions for fellowship recruitment costs/hosting
 - f. Limit duplicative (department and divisional) parties/celebrations (holiday, welcome, going away parties, etc.)
2. TRAVEL
 - a. All travel must have prior approval (6 weeks) - travel that occurs without prior approval will not be reimbursed.
 - b. All travel should be booked through University approved vendors
 - c. Limit International travel – require the use of non-operating accounts where feasible; better enforcement of rules around international travel not being supported by start-ups
 - d. Utilize gift accounts for research or endowed funds as available for travel not funded by DAF or sponsoring organization
 - e. Last minute flight/hotel changes greater than \$200 will be a personal expense
 - f. Development of staff travel policy
3. FINANCE
 - a. Reduce divisional DAF distributions completely or hold portion in escrow

- b. Transfer of department funded research effort, as applicable, to endowments, gift accounts, start-ups, fixed-price award balances.
- c. Evaluate department paid research effort
 - i. No more than 5% for grant writing
 - ii. Retro back funded effort for Faculty who received support but did not write grants
 - iii. Reduce senior level department funded research support for individuals who are not publishing nor working to secure grant funding - add additional clinical activities (clinic, inpatient and/or consult service time)
- d. Temporary hold back of research incentive for faculty who have sufficient funds to support their research operations – e.g. keep more in escrow for future needs
- e. Finalize policy regarding fixed-price industry sponsored research projects, utilize funds to support divisional initiatives/effort
- f. Evaluation of Departmental Intramural funding that has not been spent, establish policy for use of funds
- g. Utilization of start-up funds
 - i. Ensure proper utilization of funds for intended purpose
 - ii. If not being utilized after 5 years, apply unfunded research effort to this source of funds with opportunity for future department funded support based on research productivity
 - iii. Based upon spend and need, distribute start-up funds at the end of each fiscal year vs. beginning

4. EDUCATION/TRAINING

- a. Revise the fellowship program director (PD) effort to include a pro-rated portion of the Assoc Chair, department level staff effort and PD effort not funded by GME – distribute equally amongst the department PD's
- b. Consider reduction in fourth year training positions that are funded on divisional operating accounts
- c. Planned reduction/hold on department funded training slots supported by operating funds
- d. Evaluate other costs for trainees that could be reasonably encumbered to endowed educational gifts

5. COMMODITY EXPENDITURES

- a. Reduce commodity expenditures – paper, pens, etc.
- b. Reduce/delay planned administrative equipment purchases e.g. water coolers/contracts, coffee etc.

6. POSITION CONTROL

- a. All recruitment visits will require prior Chair approval e.g. confirming strategic/mission critical timing for the position
- b. Delay hiring non-essential faculty and staff recruitments
- c. Delay any outreach faculty recruitments (faculty providing services for other institutions) for which we anticipate significant negative financial impact until we have the financial support secured for current outreach where we run negative margins
- d. Temporary hiring freeze for unfilled staff positions that have been open for 120 days or more
- e. Temporary hiring freeze for all new staff positions except those that are funded on grants
- f. Evaluate any staff replacement positions for work redesign and need for replacement