

**Organization, Management,  
and Research in  
Academic Health Centers**

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Rubin ER, Black CE. Organization, management, and research in academic health centers. Washington, DC.: Association of Academic Health Centers, 2005: i-iv.

## EXECUTIVE SUMMARY

This survey, *Organization, Management, and Research in Academic Health Centers*, was developed in response to requests from members of the Association of Academic Health Centers (AHC) for more detailed information on finances, the research enterprise, and the various components of the academic health center. The survey was conducted by two of the association's councils, Organization and Management and Research and Science.

The survey was designed to gather information on areas and issues where comparative data was lacking. The hope is to ultimately construct a database that can serve as a valuable information resource for academic health center leaders, financial managers, and other administrators, policymakers, and researchers. The survey was sent to 99 AHC members and returned by 44, at an overall response rate of 44.4%.

### KEY FINDINGS FROM THE SURVEY INCLUDE THE FOLLOWING:

#### COMPOSITION OF ACADEMIC HEALTH CENTERS

**By the association's definition, an academic health center comprises an allopathic or osteopathic school of medicine, at least one other health professions school or program, and one or more owned or affiliated teaching hospitals. Survey results show that major characteristics of the responding academic health centers (44) closely resemble those of the total membership (99), with 70% public institutions (compared to 59% in the total membership) and 30% private institutions (compared to 41% in the total membership). Among survey respondents, 82% are part of a comprehensive university and 18% are freestanding institutions.**

An overwhelming **87% of AHC member institutions have 3 or more health professions or related schools within the health center complex**, as opposed to 75% in past years. Member institutions have an average of 4 schools, and 20% have 6 or more schools, which is a slight decrease from previous years and perhaps reflects consolidation of programs. 86% of responding institutions reported expanding at least one health sciences school or program last year. A number of factors may be contributing to this enlargement, including the opening of new schools of public health and pharmacy and partnerships or mergers with other institutions.

**48% of responding institutions own at least one teaching hospital, and 36% of surveyed academic health centers have a health system, highlighting a noted trend toward consolidation of the clinical enterprise.**

#### LEADERSHIP AND GOVERNANCE

**While the profile of surveyed academic health center leaders is consistent with historic data on leaders, a slow evolution in diversity is noticeable.** 87% of academic health center leaders are physicians, with several holding both medical degrees and degrees in the sciences or public health. Non-physician academic health center CEOs

include lawyers, PhD scientists, pharmacists, and dentists. The number of female CEOs at member academic health centers has increased to 6%.

**The trend of holding multiple titles continues with 48% of surveyed CEOs having multiple titles, which reflects the enlargement of the scope, nature, and complexity of their work.** 14% of those surveyed serve as both the academic health center CEO and the CEO of the health system, showing integrated authority and control of the clinical enterprise.

**The authority of academic health center CEOs is wide ranging and strong with 70% of responding academic health center leaders reporting directly to the university president.** 23% of responding academic health center leaders (such as those at freestanding institutions) report directly to the board of trustees.

**Close interrelationships with the parent university have been consistent over time, as reflected in the reporting structure and also in the sharing of authority over key personnel.** Academic health center CEOs generally have hire fire authority over the deans of the health professions schools and the heads of various administrative functions, such as finance, planning, and information systems.

**External advisory boards continue to be a force in governance with 30% of surveyed institutions having such a board or visiting committee.**

**Academic health center leaders can often influence the strategies and activities of the clinical enterprise through membership on hospital and health systems boards.** 89% of responding leaders reported membership on at least one governing board for the university or an owned or affiliated hospital, health system, or practice plan.

**Academic health center leaders are recognized for professional, institutional, and community leadership and expertise** by appointments to state or federal commissions or task forces, as evidenced by 41% of responding academic health center leaders reporting such involvement.

#### **STRATEGIC PLANNING AND DEVELOPMENT**

**Academic health center leaders continue to give high priority to strategic planning to keep pace with changing times, with 70% of those surveyed reporting the development of a strategic plan for the entire academic health center.**

**The tremendous need for external funding and the subsequent focus on development is evidenced by 74% of responding academic health center leaders noting that they are planning or engaged in capital campaigns ranging from \$7 million to \$1 billion.**

## **OPERATIONS, FINANCE, AND ORGANIZATIONAL CHANGE**

**Academic health centers are institutions that often drive the local or regional economy, as evidenced by the tremendous scope of their operations and the institutions' operating expenditures.**

**Development has emerged as a top priority, with 50% of respondents reporting expansion of the development office. Budgets ranged as high as \$10 million.**

**Expansion of some key departments within the academic health center is evident, with approximately half of the responding institutions reporting expansion of compliance, information systems, and development departments or units, respectively.**

## **WORKFORCE**

**Recruitment and retention—not only of the health workforce but also of many academic health center administrators, managers, and employees—is a critical issue. 63% of responding academic health centers reported that nursing and the allied health professions were the greatest problem areas for hiring. Other staff shortages were noted in pharmacy, information technology, office management, and non-professional staff.**

**Staffing the research enterprise is of rising concern, with 34% of respondents noting difficulties in hiring research or laboratory staff, including clinical trial managers, animal husbandry staff, and research assistants. Increased staffing has most frequently occurred for institutional review boards and clinical trials.**

## **CLINICAL SERVICES**

**Reliance on clinical income for operations is clearly evident, with practice plan income accounting for a mean of 21% of net operating income at responding academic health centers.**

**Institutions reported medical practice plans of up to 1,500 head count physicians and gross revenues that averaged roughly \$200 million in 2003. 55% of responding institutions have at least one practice plan in addition to the medical school practice plan, most often in the school of dentistry or nursing.**

**The number of academic health center-owned HMOs appears to be in decline since 1998, with only 12% responding institutions reporting current ownership.**

**28% of responding institutions reported a problem obtaining malpractice insurance in 2004, highlighting a national problem.**

**The electronic patient record is becoming a reality with 24% of responding institutions reporting a coordinated, centralized electronic patient record and most of the other institutions reporting completion within the next 2-5 years.**

## INFORMATION TECHNOLOGY

**Information technology is an enormous expense for academic health centers, with mean expenditures of \$13.3 million per responding institution.**

## RESEARCH

**An overwhelming number of institutions reported increased funding and expenditures for research.**

**Research costs were not fully reimbursed; the average cost of non-reimbursed expenses for research per responding institution was approximately \$11 million.**

**Heightened attention to the research enterprise was evidenced by 68% of respondents noting that the institutions had an academic health center-wide strategic plan for research.**

**Regardless of NIH rankings or research budgets, 68% of responding institutions reported current construction of new research facilities, with a mean of 52,800 gross square feet added per institution in the last two years and with a mean cost of \$356 per gross square foot for current construction projects.**

**Technology transfer activities varied widely, but 59% of responding institutions reported increased income for 2003.**

## CONCLUSION

The survey provided up-to-date information on a wide variety of issues that the association hopes to track over time. While survey participation was limited, we nevertheless found respondent institutions to be representative of the full membership of the association.

Survey findings revealed continuity as well as some evolution and change when compared with survey information from past years. Profiles of academic health center leaders highlight that these top level administrators often have multiple roles and responsibilities in administering and managing the education, research, and service missions of the nation's large health complexes. Within the health complex change is evident in the growth and consolidation of the research enterprise, in particular, as well as in some major offices and departments throughout the academic health center, especially compliance, information systems, and development.

The results of the survey also point to ongoing challenges and issues in need of further examination and study, including governance, health system structures and operations, the health workforce, practice plans, and research facilities. In this regard, the survey has been a wonderful catalyst, helping to identify new directions and trends for the future. We look forward to further addressing the critical issues facing academic health centers in all mission areas as we construct useful databases for use by the association and its members.