

**Summary Report of the Organizational Structure Assessment Team
For Public Comment from Staff and Faculty
Division of Health Sciences
East Carolina University
March 30 to April 6, 2007**

Introduction

The OSAT (Organizational Structure Assessment Team) presents the following information for the staff and faculty at the Division of Health Sciences (DHS) to review. We invite your comments via email at dl_dhso@ecu.edu by April 6, 2007. The committee has been asked to complete its charge from the Interim Vice Chancellor and Dean Dr. Horns regarding recommendations for the governance structure of the Division of Health Sciences by April 15, 2007.

OSAT has met weekly since January 10, 2007 and interviewed numerous DHS and East Campus administrative leaders. We are still in that process. There have been four public forums, and we have reviewed your comments via email. Thank you.

This summary report is a two part document. The first part provides a bulleted summary of collected comments during these sessions that are arranged by five general information sources. The second part consists of four possible models of governance for the Division. Included in the first part are comments from: I.) DHS administrators; II.) DHS and ECU Financial officers/ consultants and the Board of Trustees; III.) Office of Research and Graduate Studies and East Campus administration; IV.) The Forums including Staff and Faculty emails; V.) The Association of Academic Health Centers publication and consultation.

We have outlined four governance models at the end of this summary for your review and comment. We would appreciate your suggestions concerning these proposed models, hybrid models, or additional models we should consider. We feel that any of these models may be feasible; however the true success of any future organizational model rests in the people who are hired to lead. Their job descriptions must allow them to exhibit their best executive skills and create a balance of leadership which benefits the organization and ECU.

A Summary of Information We Received

I. DHS Leadership

- Education of students at the DHS is different from those on East campus because of the experiential and service model used to educate.
- Addition of a Dental School broadens the scope of the DHS tremendously.
- ECU Doctoral II status was granted based on the availability of PhD degrees facilitated at the BSOM (Brody School of Medicine).

- Clinical services at BSOM are in need of assessment and improvement (e.g., long wait for appointments, customer services), including a need to address physician retention issues.
- Success of the Division of Health Science (DHS) rests on educational performance.
- Vice Chancellor of DHS needs to be on the Medical Faculty Practice Plan (MFPP) board and have control of financial issues, and the BSOM Dean should serve as an academic dean and not have control over the financial resources of the MFPP.
- Board of the MFPP should not be run by department chairs but rather have elected board members. Have the MFPP created as a 501(c)3 (a non-profit corporation) and include the VC for DHS and the Dean BSOM. Use a business model and hire a business degree Chief operating officer for the MFPP.
- Since BSOM does not own a hospital, we operate as a community based medical school.
- Position of VC of DHS and Dean BSOM must be separate. One way this could operate is for the Dean of BSOM to serve as an “academic dean” and not be responsible for the financial operation.
- Vision of the VC for DHS should be to serve the Deans and move the DHS as a component of ECU.
- VC of DHS should create new programs, and serve as the business manager of the component schools.
- Interdisciplinary research should be encouraged among the schools of the DHS.
- The VC of DHS office should not be financed by the BSOM practice plan but rather by the University.
- The Dean of the BSOM must be allowed to make “nimble” decisions in business without several layers of administrative co-approvals and oversight. This is particularly true in matters of capital investment to allow growth of services. The Dean must be responsible for the practice plan.
- The Dean of the BSOM cannot presume to be effective in operating the school of medicine and support the needs of the School of Nursing, School of Allied Health Sciences and Laupus Library administratively.
- There must be a successful working relationship between the administrative leaders of PCMH-University Health Systems of Eastern Carolina and the Dean of the BSOM.

II. DHS and ECU Financial Officers/Consultants and Board of Trustees

- Although the Division recently had talented leaders, the system did not work. The system (governance structure) must be stronger and better delineated in the future.
- The lines of authority between the Vice Chancellor for DHS and the Dean of BSOM must be clear.

- If the Dean is in charge of the Practice Plan, then the Dean should report to the Chancellor directly.
- MFPP needs to be run as a business model with a clinical manager.
- If the BSOM Dean is in charge of the Practice Plan, there should be a Vice Dean for education, research and clinical service.
- The Board of Trustees has a Health Care Committee which meets four times a year and creates performance measures, goals and objectives for the BSOM.
- When the Dental School is operational, that Dean should report to the Chancellor.
- The Medical Foundation must be expanded to increase fund raising for the schools in the Division of Health Sciences.
- PCMH Board of Directors should include the Dean of BSOM and the VC of the DHS (if there is a separate person in that role).
- Development of Centers/Institutes (e.g. the Heart Institute, Metabolic Center) should be managed by their main funding source.
- Combined leadership role of a VC and Dean has sometimes been nonproductive in the past.
- Make funding at the level of the VC and Dean transparent to all parties involved.
- Strengthen the practice plan by making the Dean of BSOM responsible.
- For efficiency of business the CEO of the practice plan must have independence to move quickly.
- Current VC tax of 1.5% to the practice plan is insufficient to support the current business units of the DHS and practice of deficit funding by MFPP is inappropriate.
- Funding by the state to BSOM has remained static for several years.
- Practice Plan losses include decreased Medicare and Medicaid funding. 66% of patients are covered by Medicare/Medicaid or no insurance.
- Practice Plan has seen reduced reimbursements from the State Health Plan/PPO.
- Malpractice cost has increased from 1.5 million dollars in 2000/01 to 4.5 million dollars in 2005/06.
- There has been an increase of 10-12% in personnel costs to BSOM budget.
- In 2005, BSOM was funded 63% by the Practice Plan, 10% by grants, 26% by state funds and 1% by special funds.
- Of the DHS revenue sources/costs, 90% rest in the BSOM, 4% in the School of Nursing, 4% in the School of Allied Health Sciences and 2% in Laupus Library.
- Financial and business services available to East Campus could be extended to the West Campus as well (e.g., purchasing, processing travel, student life, financial oversight).

III. Division of Research and Graduate Studies and East Campus Administration

- Improved organization in the VC of Research and Graduate Studies office has increased funding opportunities. There is now a university wide support system, and a merger of Grants and Contracts within the Division of Research and Graduate Studies (DRGS).
- There is now more graduate student support from DRGS going to schools in the DHS.
- We now have improved internal research funding available as well as multi-year start-up packages for new faculty.
- Research application process is more streamlined.
- Brody building is to have a satellite research office staffed by the Division of Research and Graduate Studies (DRGS).
- The DRGS is willing to work with DHS and provide similar support to that given to East Campus.
- The future location of Centers and Institutes currently in DHS and its schools can be negotiated. Given the mission, structure, and composition of some, it would be best for them to remain where they are now located.
- The DHS needs a Vice Chancellor and leadership separate from the VC of Academic Affairs office. The mission and funding sources are quite different.
- The most important decision is to choose great leaders with clear roles.

IV. Forums and Email Correspondence

- One person (combined VC-DHS and Dean of BSOM) cannot meet the needs of the entire Division of Health Sciences.
- The School of Nursing and the School of Allied Health Sciences are funded by student enrollment whereas the BSOM is 75% funded by the practice plan.
- VC of DHS office is jointly funded by the Practice Plan.
- Administration is perceived as not understanding the needs or the vision of the faculty and staff.
- Exodus of faculty from the BSOM is disheartening to loyal staff.
- Nurses of BSOM clinics are leaving because of inadequate pay.
- Communication skills of some physicians at BSOM need improvement.
- Staff at BSOM is very loyal and concerned about the future.
- Past model of combined Vice Chancellor of DHS and Dean BSOM not seen as optimal for all members of Division of Health Sciences.
- The MFPP should report to the VC for the Division of Finance and Administration but have significant Authority.

V. Association of Academic Health Centers and Phone Consultant

- 25% of academic health centers have a combined Vice Chancellor and Dean of Medical School
- 87% of academic health centers leaders are physicians.
- Trend in academic health centers is to run them as a corporation with integrated team at the top. This offers protection for the Chancellor.
- Joint Vice Chancellor and Dean role can create tension and perhaps perceived conflict of interest.

- Advantages of having a Division of Health Sciences includes the opportunity for federal funding, improved health care delivery, promotes collaboration among schools for research, and links to the community.
- Vice Chancellor must provide interdisciplinary leadership.
- BSOM does not own a hospital. Negotiations with the hospital must reside within the offices of the Dean and Vice Chancellor.

Governance Models to Consider (Not in priority order)

1. Establish a separate Vice Chancellor of the Division of Health Sciences and Dean of the Brody School of Medicine, and clarify the roles of each.
2. Combine the Vice Chancellor and Dean role (specifically with BSOM Dean).
3. Create a VC-DHS in charge of the Division but give the Dean BSOM autonomy in decisions regarding the Practice Plan. Create a Board for the practice plan which includes the Vice Chancellor as a voting member. The Dean BSOM then reports directly to the VC for Finance and Administration or the Chancellor.
4. Dissolve the Division of Health Sciences and have the School of Nursing and the School of Allied Health Sciences report to the Provost/VC Academic Affairs. The Dean of BSOM could become a Vice Chancellor for Medicine and report directly to the Chancellor. The reporting structure for the Laupus Health Sciences Library and the planned School of Dentistry will be determined later.
5. Combinations and variations of the above models can be considered.

Please give OSAT your feedback by April 6, 2007.

Email us at dl_dhso@ecu.edu.

Anonymous submissions can be sent by campus mail to any one of the OSAT members.

Thanks for your thoughtful consideration.