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Legislative Briefing on Enhancing Medical Education and Life Sciences Research at the University of Kansas Medical Center

By Barbara Atkinson, MD Executive Vice Chancellor, University of Kansas Medical Center Executive Dean, University of Kansas School of Medicine

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Chairman Morrison and Members of the Committee:

Thank you for this opportunity to appear before you today and share with you what I hope you will agree is a promising vision to move our state forward. This vision includes a goal I hope you share to enhance educational opportunities for the future doctors of Kansas, increase the number of doctors in Kansas and significantly expand our capacity to conduct lifesaving medical research which we know contributes to better health and a healthier economy. I am pleased to have with me today several members of our faculty including Dr. Roy Jensen, the director of the KU Cancer Center; Dr. Glen Cox, Vice Dean, School of Medicine and Senior Associate Dean for Educational and Academic Affairs; Dr. Kirk Benson, president of the Kansas University Physicians, Inc. (KUPI), and Senior Associate Dean for Clinical Affairs, and professor, Department of Anesthesiology; Dr. Doug Girod, treasurer of KUPI and Chairman of the Department of Otolaryngology; Dr. Chet Johnson, Chairman of the Department of Pediatrics; and Dr. William Gabrielli, Chairman of the Department of Psychiatry.

Since I became Dean in 2002, the University of Kansas School of Medicine has enjoyed tremendous growth and success as a result of a dedicated and passionate faculty, energetic and committed students, and the continued and emerging support of the legislature, community leaders, and private donors.

In the last several years, the State of Kansas has embarked on a quest to transform our economy through investment in the biosciences. Additionally, leaders in the Kansas City region have developed a shared vision for achieving competitiveness by investing in growing the life sciences. The convergence of all of these factors provide an unprecedented opportunity — an opportunity that I believe we must pursue vigorously.

I want to take just a few moments to let you know of the success the KU School of Medicine has achieved over the last several years.

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In education, we continue to find ways to enhance opportunity for our students. We recognize that our students are the future physicians of Kansas, and we want to make sure they are prepared to work in the rapidly changing world of modern medicine. This year we instituted a remarkable new curriculum in which students learn in teams, and the

focus is on interactive learning environments — with much less emphasis on lectures. We have incorporated technology so each of our incoming students receives a tablet computer with their textbooks already loaded. This technology becomes the platform for new and better ways to learn medicine. This new curriculum represents many years of planning and required significant investment, but the early returns from our students tell us it was the right thing to do.

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Our students continue to perform above national averages — for example, in 2005, the last year for which statistics are available, KU students passed the "Step One" examination on the first attempt 98% of the time, compared to a national average pass rate of 93%. When I became Dean, the pass rate for KU students was 91%.

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We are also proud of a recent report that indicated the KU School of Medicine was ranked first among all U.S. medical schools in placing graduates in family medicine residencies. Because this area of practice is so critical to providing primary care to Kansans, we know that our number-one ranking makes a difference.

This photo is of Dr. Philip Stevens, who has been practicing family medicine in Tonganoxie since graduating from the KU School of Medicine in 1954.

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Since becoming Dean, I also have emphasized the importance of growing the research enterprise, and I am pleased that our faculty are submitting <u>more</u> grant applications and <u>better</u> grant applications.

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In fact, during my service as Dean, we have doubled the amount of funding our school receives from the National Institutes of Health, the gold standard in life sciences research. With an impressive growth of nearly 22% last year alone, we are on pace to double our NIH funding again over a five-year period. This increase was achieved even as overall NIH funding levels remained flat at the federal level. We achieved this success because we devoted considerable resources to recruiting research faculty. This job was made easier by the legislature's decision to support building more world-class research facilities, including the new Kansas Life Sciences Innovation Center at the Medical Center.

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We have also had tremendous returns on our efforts to grow the faculty. Last year, KUMC recruited 12 basic science researchers, six clinical researchers and 15 clinical practitioners. This year, we've already recruited 12 new clinical and research faculty members. Our recent growth has included some very well regarded individuals from places like Emory, Tufts and Duke. They came to Kansas because they recognized we were poised to achieve great things.

In September of 2005, Elias Zerhouni, the director of the National Institutes of Health, came to the Medical Center. He said then that he came because there was a "buzz" about Kansas, and he wanted to check it out for himself. That buzz was created in part because of legislative action to establish the Kansas Bioscience Authority and thereby pump hundred of millions of dollars into expanding the biosciences in our state. It was also created by the tremendous progress of our school of medicine.

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Much like the KU Hospital's patient growth, we have also been able to achieve significant growth in the clinical practice of the school of medicine. While the KU Hospital is the place where patients who need inpatient care are treated, a great number of patients seen by a KU doctor are seen in our outpatient clinics in practices administered under the auspices of the university. Since I became Dean, revenue from this clinical practice has grown from \$77 million to over \$103 million. These resources have allowed us to expand and improve our clinical practice and enhance patient care.

I decided that the KU School of Medicine can and should be much more for the citizens of Kansas. We set in motion plans to create a National Cancer Institute-designated comprehensive cancer center for our state. I recruited Roy Jensen, who many of you know and who is here today, from Vanderbilt to lead that effort, and the Chancellor has declared this quest to be our university's top priority. With the legislature's help, we are now well on our way to achieving that goal.

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When a blue ribbon task force of higher education leaders from around the country was asked to evaluate higher education in the Kansas City region on behalf of the Kauffman Foundation and the Greater Kansas City Community Foundation, it concluded that investment in the life sciences would achieve the best results and investment in the University of Kansas Medical Center was the best place to start.

The work of the blue ribbon task force, lead by former Yale University President Benno Schmidt, along with the Kansas City Area Life Sciences Institute and the Stowers Institute for Medical Research, helped shape the vision of creating a world-class academic medical center for our state and region at the University of Kansas Medical Center.

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Currently, although we have enjoyed tremendous growth in external research funding, the KU School of Medicine ranks 81st out of 125 U.S. medical schools in NIH funding. I consider that ranking unacceptable. Our goal, and one supported by the blue ribbon task force, is to achieve top-50 status. This is an lofty goal — but one that, based on recent performance, is achievable.

The benefits would be immense. Not only would we achieve the humanitarian benefits of creating new knowledge, cures and treatments, but the economic vitality of our state would be enhanced as well. It is currently estimated that the economic impact of our

state's academic medical center is about \$1.3 billion. That is an impressive number. Compare that, though, to the \$4.1 billion impact the University of Iowa's academic medical center, now ranked 30th nationally in NIH funding, produces for its state.

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While much of what has been written about the affiliations involves competition among hospitals, I think such a focus misses the point. As an academic medical center we do not compete with other area hospitals; we compete with other academic medical centers in the U.S. We must do all that we can locally to position ourselves to be successful in this larger arena — where the benefits of success are far greater than those to be had by focusing on purely local health care markets.

Progress has been made, our state is well positioned, a vision has been articulated and the stage is now set to allow us to pursue our goal of becoming a top-50 academic medical center. It is with that in mind that we decided to reach out to Saint Luke's Hospital. We knew that their partnership would be extremely helpful to our quest to achieve NCI designation, we knew that their commitment to research could help propel our own efforts forward, and we knew that their community hospital would provide us with the opportunity to train more students with new opportunities to learn more.

Much has been written and said about the discussion currently underway between the University of Kansas Medical Center, the University of Kansas Hospital and Saint Luke's Hospital. I will acknowledge these discussions involve some very complicated issues, and it is easy to understand why some confusion exists. I hope that by my appearance here today and in responding to your questions we can put some of the rumors to bed and provide you with a basis to conclude that the reasons to support these partnerships are sound and in the best interests of Kansans.

So let me drill down on why we are pursuing a broader affiliation with Saint Luke's.

At its essence, our interest in pursuing a broader affiliation with Saint Luke's Hospital is really quite simple. First, let me address what the affiliation is, then let me address what the affiliation is not.

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- This opportunity will allow KU to train up to 100 new doctors (with their education fully paid for by Saint Luke's) and provide us with the opportunity to train those doctors in more diverse clinical settings, thereby expanding their skills and knowledge. Since over half of all the doctors in Kansas were educated and/or trained at KU, we believe that by expanding the pool of KU-trained doctors we will also expand the number of doctors in Kansas.
- By entering into a research affiliation with Saint Luke's, we will have access to a broader base of patient cases. This will allow us to grow our clinical trials and translational research programs more quickly. This data will help speed the discovery of new treatments and cures.

- This affiliation will advance our goal of achieving NCI designation for our cancer center. To do this, we will need access to a multitude of doctors and patients to facilitate clinical trials. Community collaboration is a key component in every successful application to the NCI. Partnerships between the Medical Center and every research hospital in the region will help us reach this goal.
- This affiliation will generate significant private support for our medical school. To encourage regional cooperation, community leaders have secured pledges from leading area corporations and foundations to support our expanded research vision with \$150 million of support over the next ten years. This will help leverage limited state funds and help us achieve our goal of becoming a top-50 academic medical center. These funds will be used to build programs and recruit faculty faculty that will successfully compete for grants and whose work will lead to new cures and treatments. This investment nicely complements the provisions of the Kansas Economic Growth Act which identified the recruiting of scientific talent to be among the keys to successfully growing the bioscience infrastructure of our state.
- In a nutshell, the affiliation means more doctors for Kansas, enhanced training for those doctors, and more research, which means more cures and new treatments and significant economic benefit for our state.

Now that you know why we would pursue this broader affiliation let me talk about how it would actually work.

Affiliations with numerous hospitals are nothing new to KU or to any major academic medical center. We have affiliation agreements with more than 35 respected Kansas hospitals, including our major relationships with the Veterans Administration hospitals in Kansas and Western Missouri.

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In fact, we currently have broad affiliations with the two major competing Wichita hospitals, Via Christi and Wesley. It is more the rule than the exception that a major academic medical center will have more than one hospital affiliated with it for purposes of teaching and research.

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And for years we have had an affiliation with Saint Luke's Hospital, and we currently maintain three residency programs with Saint Luke's. The current discussions only seek to expand this longstanding relationship.

Refer to and explain chart

And let me be clear, this affiliation is only for educational and research initiatives. There will be no affiliation for clinical care. The University of Kansas Medical Center and the KU Hospital will remain exclusively linked in the area of patient care.

We share a century of history, a campus, a faculty, a mission and a vision with the KU Hospital. Their success is our success. Our faculty are their doctors. To hurt them is to hurt us — and I won't allow that to happen.

Our hospital has enjoyed great success over the last decade. As a member of the hospital's board, I know firsthand the challenges we have faced and the work that has gone into improving the hospital's performance.

Today the KU Hospital's financial strength is impressive. With an approximately \$70 million bottom line, the hospital has been able to invest in major initiatives such as the acquisition of the old Sprint headquarters for use as the new cancer treatment center and new electronic medical record systems to improve patient outcomes and staff productivity. We believe that the KU Hospital is also now well positioned to enhance its investment in the education and research activities of the KU Medical Center.

The KU Hospital has built its brand on being part of an academic medical center — where teaching and research make the difference. We believe the time has come to enhance the authenticity of that brand by making it a reality.

We understand the KU Hospital's concern that if the KU School of Medicine and Saint Luke's Hospital were to enter into a broader affiliation it might dilute the KU brand. This fear I believe is unfounded. By agreement the KU Hospital is the only entity that can use the name of the University of Kansas in providing clinical care to hospital patients. The KU Hospital is the beneficiary of an agreement that gave them rights to the KU brand — an agreement they were not required to pay for —which will continue to run for another 24 years. No other hospital may use the KU name for clinical purposes, period. That includes Saint Luke's.

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With that in mind let me be clear about a few things:

- We will not support any partnerships or affiliations detrimental to the future of the KU faculty physicians or the patients these men and women treat.
- We will not support affiliations that transfer Kansas taxpayer dollars to directly benefit Missouri-based institutions.
- We will not support any affiliations that reduce the number of resident physicians from KU serving in the KU Hospital.
 - o In fact, we expect to <u>grow</u> the number of residents at the KU Hospital with an agreement to add at least 25 residents.
- We will not decrease the residency slots in Wichita or Salina as a result of any affiliation with Saint Luke's.

- We will not support any affiliation that would compromise our commitment to train doctors for Kansas or serve indigent Kansans.
- These affiliations are not being pursued to provide KU-based researchers with access to Missouri-based locations for the purpose of conducting stem cell research.

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We will keep the Kansas Board of Regents and the Kansas Legislature fully briefed on these affiliation discussions as we move forward — and at all times will welcome your feedback and look forward to addressing your concerns.

I am pleased to report that since you heard from Irene Cumming on Monday we have come a long way in our negotiations with the KU Hospital. While some details have yet to be worked out, I was pleased with the significant progress made on the major issues.

Let me stop now so that we have plenty of time for your questions. I appreciate your interest in these issues, and I understand their importance to our state. You should know that I am fully committed to achieving the KU Medical Center's mission of providing excellent educational opportunities, world-class research, exceptional patient care and outreach to benefit the citizens we both serve. Thank you for your partnership in our effort to achieve these goals. Your continued support and leadership make great things possible for all of us.