

Medical schools seeking new ways to cope with funding cutbacks

Susan Thorne

In brief

CUTS IN GOVERNMENT FUNDING MEAN THAT CANADA'S MEDICAL SCHOOLS have to seek new ways to raise funds. Susan Thorne examines some of the ways faculties of medicine are coping with change. In the brave new world of medical education, schools are combining classes for medical students and other health professionals, seeking business alliances, encouraging attendance by full-tuition students from other countries and diversifying revenue bases through new programs, such as McGill's new 5-year MD-MBA degree.

En bref

LE FINANCEMENT GOUVERNEMENTAL DÉCLINE ET LES FACULTÉS DE MÉDECINE du Canada cherchent de nouveaux moyens de réunir des fonds. Susan Thorne examine comment elles font face au changement. Dans le nouveau monde de l'éducation en médecine, on regroupe dans les mêmes classes des étudiants en médecine et en d'autres disciplines de la santé, on conclut des alliances avec les entreprises, on favorise les admissions d'étudiants étrangers payant les pleins frais de scolarité et on diversifie les bases de revenus grâce à des programmes novateurs comme le diplôme combiné de cinq ans MD-MBA qu'offre McGill.

With budget cuts continuing to flow from governments to universities, Canada's medical schools are placing increased emphasis on fund-raising.

Tight budgets are nothing new — some medical schools have been watching their funding decline for more than a decade — but the impact is becoming more severe because any fat has long since been trimmed. McGill and Dalhousie universities, for example, had their government funding reduced by 10% for the 1996-97 school year, and McGill faces a further 10% cut in 1997-98. As well, further cuts faced by hospitals and granting bodies such as the Medical Research Council of Canada mean additional financial headaches.

Don Whidden, financial officer at the University of Alberta medical school, notes that declining budgets have been a fact of life in that province for 12 years. "But," says Whidden, "the most significant [factor] to date is probably the recent combination of Ministry of Education cuts and cuts reflected on us by the health care system." That double assault has taken staff morale to new lows.

To cope, faculties of medicine are restructuring with a vengeance: staff positions are being cut, overlapping positions are being consolidated and technical units are being combined. Because payroll costs are a big-ticket item, nonacademic support personnel have become an endangered species.

"In the last go-around we lost about 10 support-staff positions, or about 10% of the total," says Brian McDougall, associate dean of finance and planning at Dalhousie University's Faculty of Medicine. The result is predictable, with "remaining staff doing more with less and working harder."

The University of Alberta's cuts have been equally drastic. Forced to trim \$2.9 million (13%) from its budget 4 years ago, the Faculty of Medicine slashed \$2

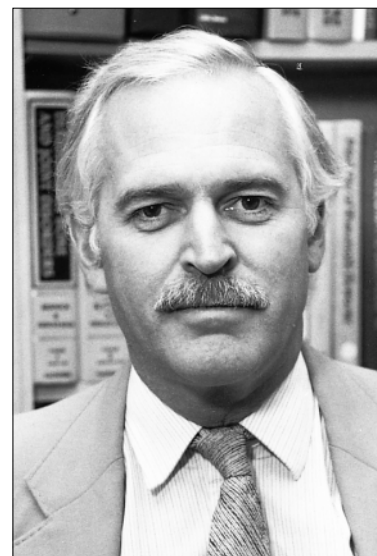


Features

Chroniques

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Dr. David Hawkins: more "semi-privatization" on way as medical schools seek to overcome funding shortfalls?



million in salaries by cutting 45 nonacademic staff positions, reducing the workforce to 145 workers, and eliminating 15 academic positions.

One consequence is that faculty members across Canada are taking on tasks that used to be delegated to support staff. Before stepping down as dean of medicine last fall to resume the post of anatomy professor at the University of British Columbia (UBC), Dr. Martin Hollenberg refined his computer skills so that he could carry on without a secretary. "The average professor can't count on secretarial help anymore," he says. "There may be only 1 or 2 per department."

Eliminating or merging programs is another popular cost-cutting tactic. Dalhousie shelved some joint ventures with the private sector in the telemedicine field. Alberta has combined its departments of immunology and medical biology. McGill's medical school is amalga-

mating the administration of certain departments and expects to cut teaching costs more after local hospitals have merged. The university's 25-member dental class is now being trained alongside medical students during the first 1.5 years of medical school. "I believe this is both academically valuable and will save some resources," says Dr. Abraham Fuks, the dean of medicine.

On the other side of the balance sheet, revenue generation has become a priority and financial support from private sources is being courted vigorously. UBC increased donations to its medical school through its Medicine 2000 plan, which lets donors earmark contributions to specific research areas.

Meanwhile, McGill has attracted endowments for 4 new chairs and embarked on a successful \$200-million capital campaign. "If we can live through the next year or 2," comments Fuks, "we will have those funds to see us through."

McGill launches first combined MD-MBA program

With cost management of health care on everyone's minds, the new MD-MBA program at McGill University, the first of its kind in Canada, appears to be a timely addition.

Students in the combined program will squeeze the requirements of both the medical degree and master's of business administration into 5 years of schooling. The course is demanding, because students must study a full 3 semesters per year. The program, which took 3 years to develop, is run jointly by McGill's faculties of Medicine and Management.

The first class of 5 students began studying last September. They started with the first semester of the MBA program, and after completing the second semester will take up practicum/internship training with a management focus in health care facilities in the Montreal area this summer.

In late August, they will launch their medical school studies like any other first-year student, but during the summers following years 1 and 2 they will take 12 additional MBA credits. The final 2 years are devoted completely to medical training.

The idea of combining managerial and medical training originated with members of both faculties, who perceived a lack of administrative expertise among senior medical managers in hospitals and other health care facilities. The program aims to fill that gap by teaching about management at the institutional level.

"This course is for anybody who expects to be managing a budget or supervising personnel, or to be involved in quality control or risk management," explains

Dr. Nelson Mitchell, associate dean of admissions at McGill's medical school.

"We hope that graduates will be able to take basic management skills and apply them to the issues that are critical in health care. It has become increasingly obvious to me that in the current situation in Quebec — or anywhere else in Canada, for that matter — anyone in a leadership position in medicine needs management skills to be effective. Without them, you're at a disadvantage in any kind of health planning or management."

Adding management content to the medical curriculum was considered, but Mitchell says the program's designers felt it would be impossible to find sufficient time during the busy undergraduate years.

There is strong demand for the course: 90 applications were received for the 5 spots available in the first class. While there were fewer applications this year, Mitchell reports that a higher proportion of those applying chose the new program as their only option instead of applying for both a medical degree and the joint program. To select candidates, the medical school's application process was modified to include management-related criteria, such as an applicant's management experience.

For Canadian students, tuition for the double degree is on par with the combined costs of a medical degree and MBA. McGill is currently devoting 5 of its 110 first-year positions in medical school to the new program, but Mitchell hopes the program will be granted funding that allows it to expand its enrolment. McGill also lets fourth-year medical students take summer MD-MBA courses as electives.

New attention is being paid to research grants and alliances with business. UBC has a new \$15-million, 3-year research contract with a pharmaceutical company (Merck Frosst Canada Inc.) and is discussing joint research ventures with other private-sector partners.

Schools are also seeking to broaden their revenue bases. McGill launched a new MD–MBA degree program last September [see sidebar] and plans to train counsellors in human genetics.

Foreign medical students, who typically pay about twice the tuition charged Canadian citizens, are another potential source of revenue. Dalhousie has 3 Russian and 4 Malaysian undergraduates studying this year, while UBC is investigating training physicians for Malaysia. Other medical faculties are also trying to increase their foreign-student contingents. Ironically, funding cuts and enrolment restrictions have left excess capacity at some schools, which must either be filled by foreign students or left unused.

How have budget cuts affected staff? “One of the consequences [of cutbacks] is a sense of decline in morale, with widespread uncertainty, anxiety and unhappiness,” says Dr. David Hawkins, executive director of the Association of Canadian Medical Colleges and former dean of medicine at Memorial University.

The greying of academic staff as schools postpone or defer recruitment is another symptom of change. “In the old days you could probably find the start-up dollars to hire younger staff out of your own deep pockets,” Hawkins says, “but not now.” He predicts that with this lack of opportunity “there may be disillusionment with the academic enterprise — concern that the physician–scientist or clinician–scientist may be an endangered species.”

The quality of academic programs will inevitably be affected in the long term, suggests Dalhousie’s McDougall, who foresees nonexpert tutors providing undergraduate instruction. “We will be impaired in the long term if we cannot bring in the subspecialist, for example, who is there because of the existence of the medical school.”

New funding scenarios may be critical to survival. Schools say they want to avoid higher tuition fees at all costs, but there may be little choice. In Newfoundland, for instance, first- and second-year medical students at Memorial University saw their tuition fees rise from \$2312 to \$6250 last fall.

Hawkins foresees more “semi-privatization” of medical schools. There are already precedents for this, such as the executive MBA program at Queen’s University. It is self-supporting thanks to hefty tuition fees.

Although the long-term prognosis is discouraging, medical schools have demonstrated imagination and creativity in their initial responses to the current funding crisis. It appears these qualities will be in demand for some time. ?