

HEALTHCARE WORKFORCE INITIATIVE UPDATE



SCHOOL OF MEDICINE & HEALTH SCIENCES
ADVISORY COUNCIL

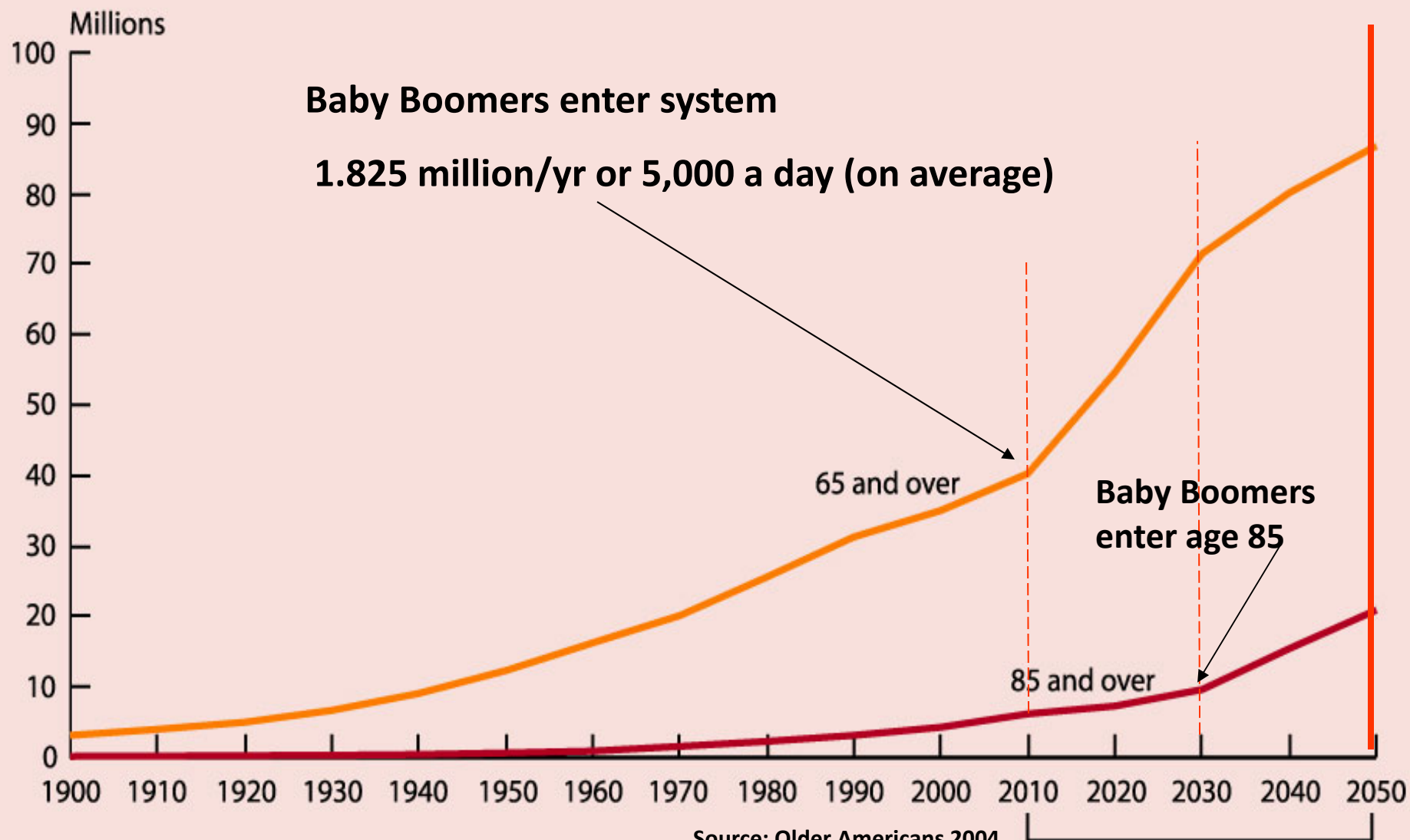
The University of North Dakota
School of Medicine
& Health Sciences



Our presentation today

- Overview of the Healthcare Workforce Initiative (HWI)
- Progress to date
- Building options & recommendations
- Life cycle cost projections
- Your questions and further needs

Number of people age 65 and over, by age group, selected years 1900-2000 and projected 2010-2050



Note: Data for 2010-2050 are projections of the population.
Reference population: These data refer to the resident population.
Source: U.S. Census Bureau, Decennial Census and Projections.

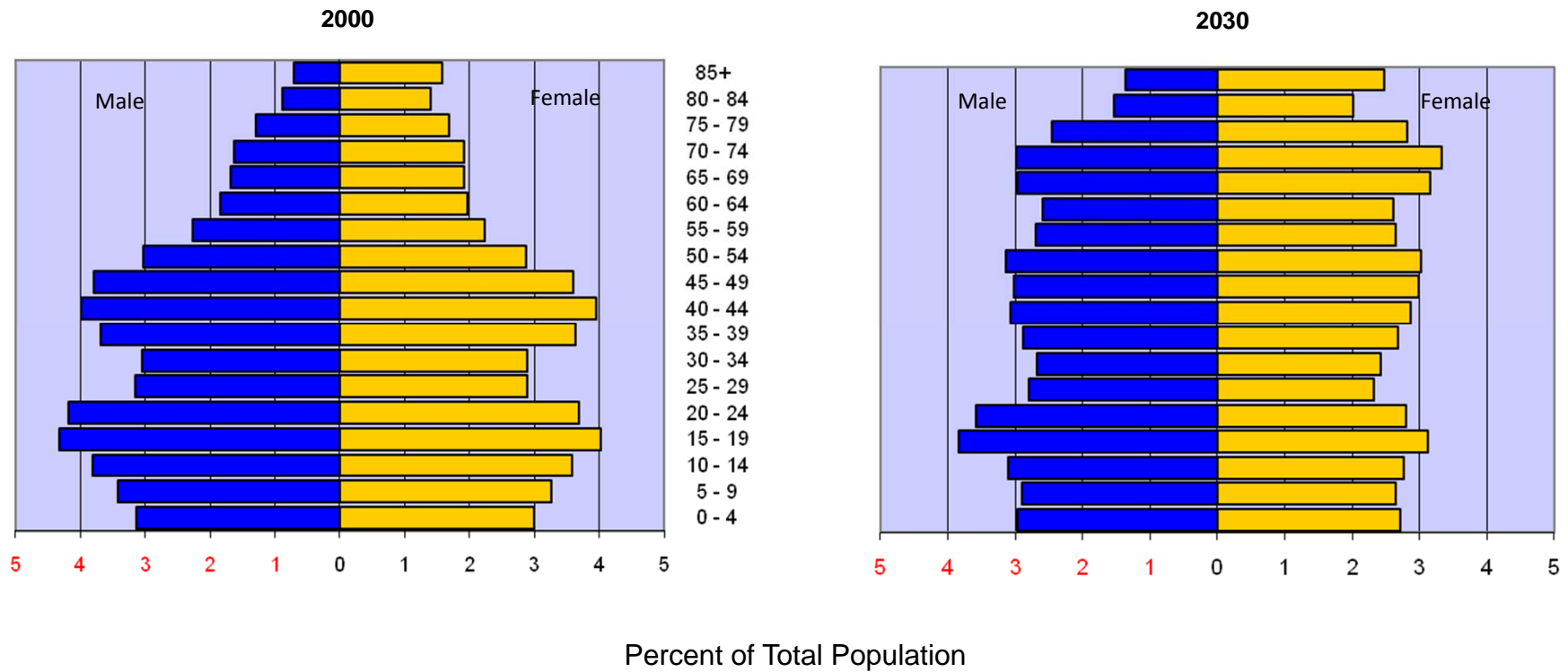
Source: Older Americans 2004

North Dakota State University, IACC Building,
Room 424, Fargo, ND 58105 - Phone: (701)
231-8621 - URL: <http://www.ndsu.edu/sdc>

Projected

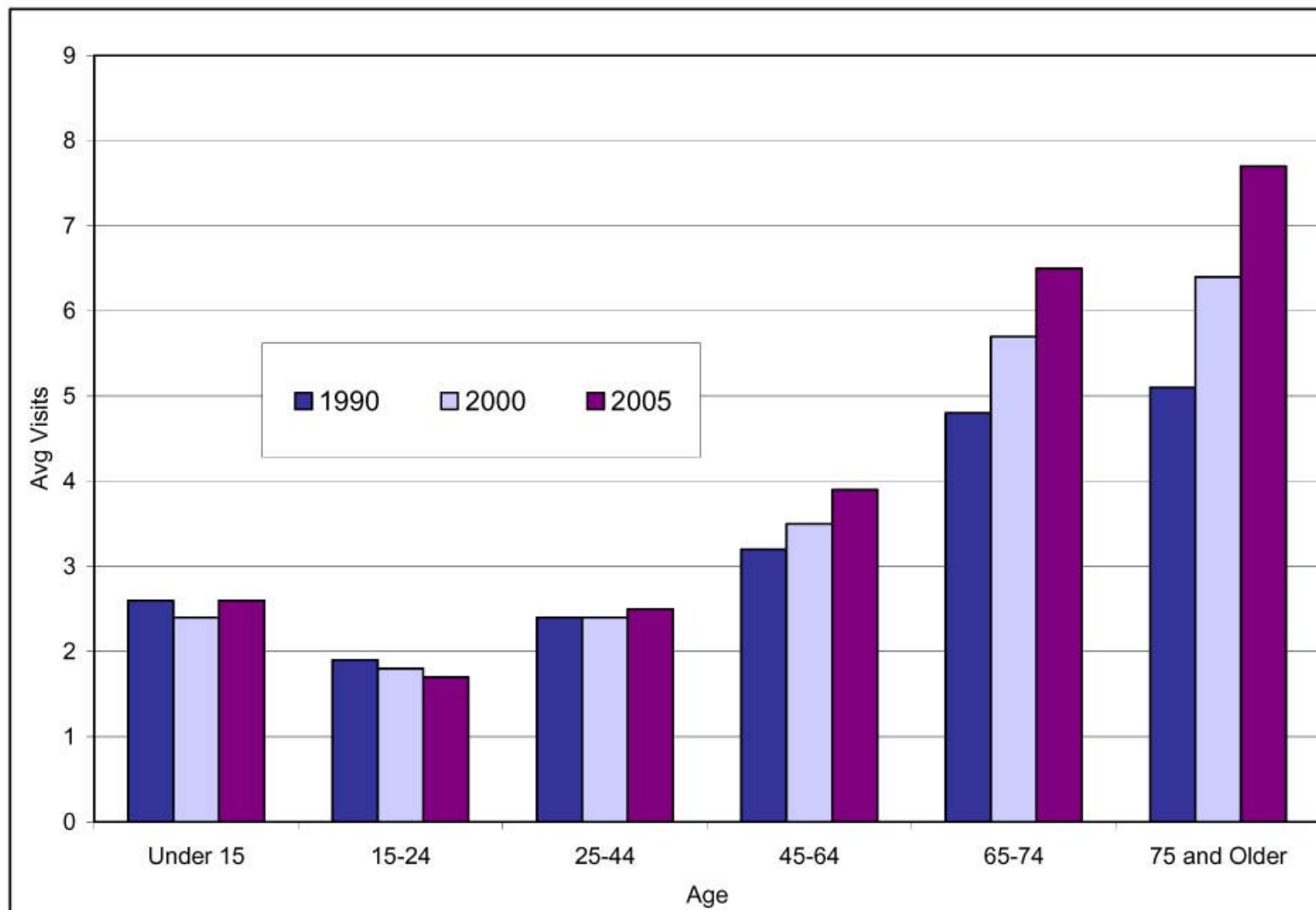


Population Pyramids of North Dakota



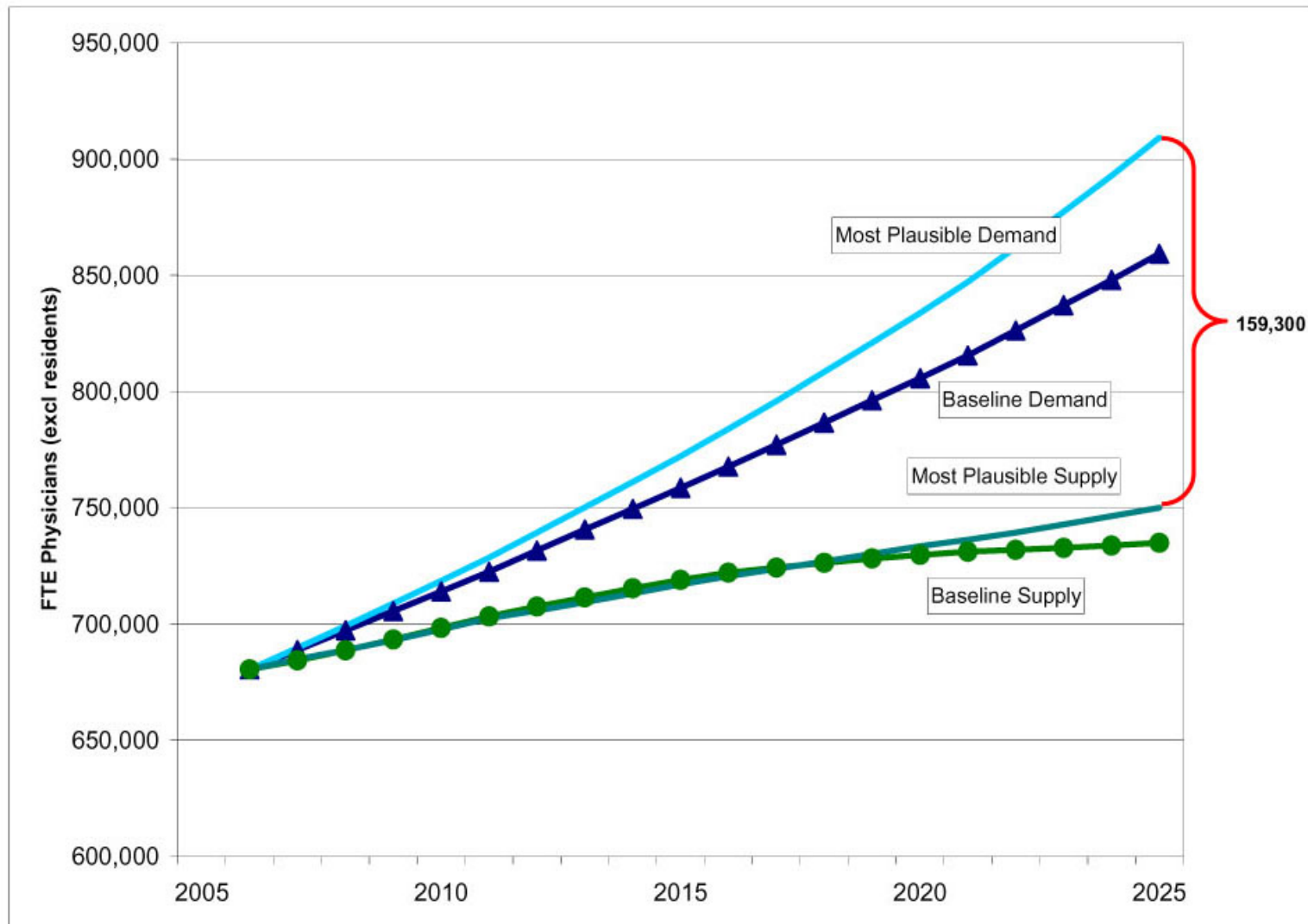
Source: U.S. Census Bureau, Population Division, Interim State Population Projections, 2005

Average Physician Visits by Age, 1990 to 2005



Source: Analysis of data from the National Ambulatory Medical Care Survey, National Hospital Ambulatory Medical Care Survey & the Nationwide Inpatient Sample.

Projected FTE Physicians, Most Plausible Scenario, 2006-2025



Source: AAMC

Projected workforce shortages

- North Dakota will experience a minimum 210 physician shortage by 2025 based on the current baseline and trend.*

* 2008 base year

Effective Workforce Strategies

- Reduce the disease burden
- Train more physicians and other health professionals
- Retain increasing numbers of those we train

Strategy: Reduce Disease Burden

- Master in Public Health Program
- Geriatrics Training Program

Strategy: Expand Training

- 16 additional medical student slots/year (+29%)
- 30 additional health sciences students/year (+5%)
- 17 additional residency slots/year (+57%)
- Health sciences building

Strategy: Expand Training

INITIATE PHASE

- 8 additional medical student slots/year
- 15 additional health sciences students/year
- 9 additional residency slots/year
- Interim HWI study
- Space study

Strategy: Expand Retention

- Improve retention of those graduating medical school, residencies, and other health sciences programs to national “best practices” ratios

Health Care Workforce Initiative (HWI)

- Reduce disease burden
 - Master of Public Health program
 - Geriatrics training program
 - Neurology program
- Enhance retention of graduates
 - Integrated longitudinal clerkship (Minot)
 - > 70% retention rate of residency graduates
 - 58% of UND SMHS graduates practicing in-state go out of state for residency and return
 - RuralMed program
 - Pipeline activities
 - New Center for Family Medicine facility in Bismarck



Health Care Workforce Initiative (HWI)

- Train More Health Care Providers

Phase 1 of HWI – On-going

- 8 medical students
- 15 health science students
- 9 residency slots
- RuralMed program
- MPH Program
- Geriatrics Training Program
- Pipeline activities
- Updated admission process

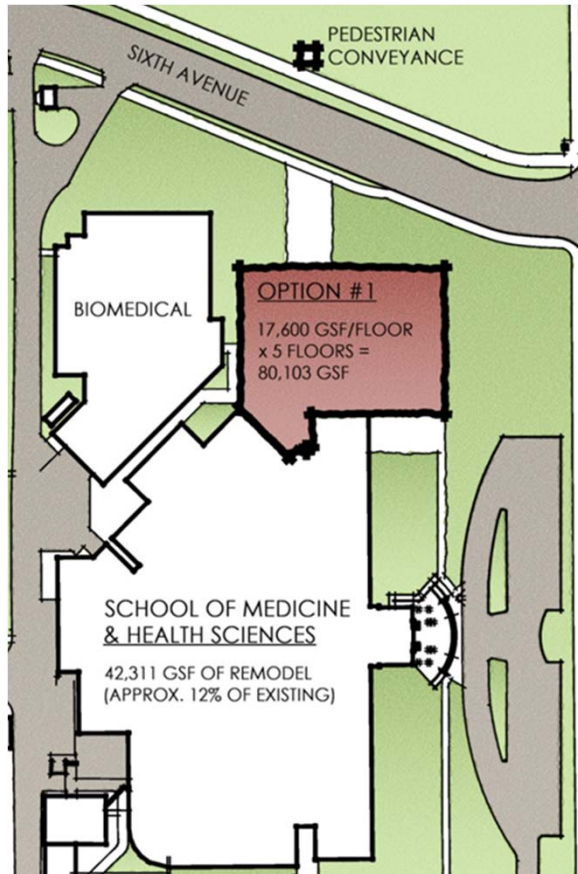
Phase 2 of HWI - Pending

- 16 medical students (8 more than current)
- 30 health science students (15 more than current)
- 17 residency slots (8 more than current)
- Additional facility to house the > 200 new students, faculty and staff associated with full HWI

Facilities Space Study Conclusions

- Current facility utilization is at or above national benchmarks
- Current facility as it stands is unable to absorb any further influx of students, faculty, and staff associated with full implementation of the HWI
- Extensive renovation of the current 60-year old converted hospital building is inadvisable

Capital Construction Options



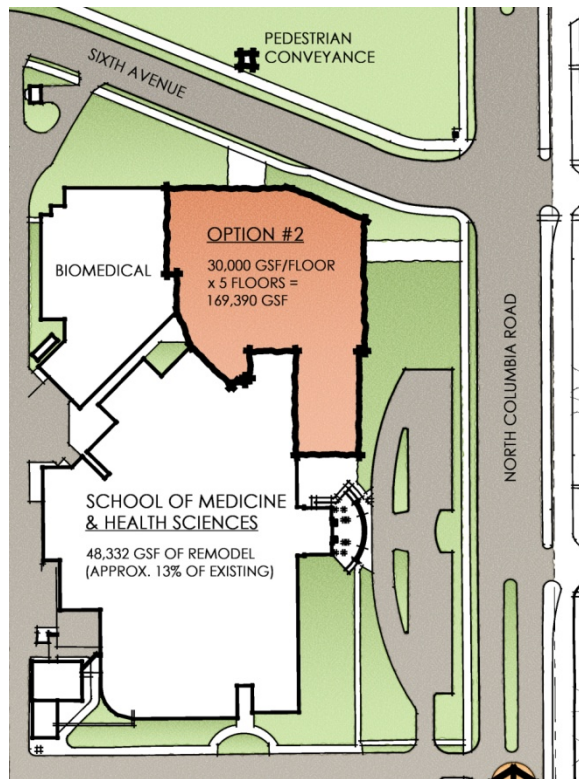
Option #1

- Minimizes investment in new facilities while maximizing renovations to meet the basic needs of the enrollment increase
- Maintains existing level of service
- 42,311 square feet of renovation
- 80,103 square feet addition
- \$38.5M

Advantages	Disadvantages
Lowest cost	Logistical difficulty and upheaval during construction
Shortest project completion time	Ongoing maintenance costs of old facility
Would meet the needs of workforce expansion enrollment increase	Limits the opportunity to develop optimal collaborative and educational space
	Would require pedestrian bridge across road
	Little site room for future expansion

Capital Construction Options

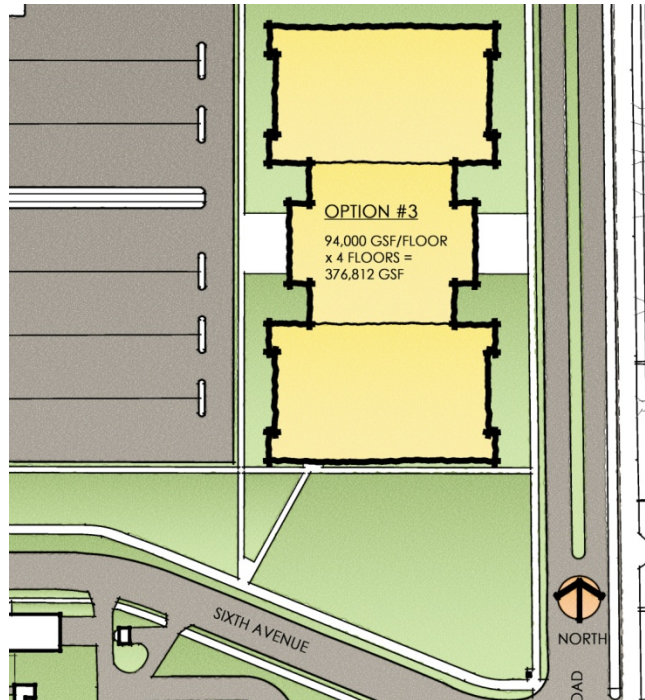
Option #2



- Balances investment in new facilities and renovations
- Optimizes the educational experience and meets established national educational standards
- 48,332 square feet of renovation
- 169,390 square feet addition
- \$68.3M

Advantages	Disadvantages
Intermediate cost	Logistical difficulty and upheaval during construction
Intermediate project completion time	Ongoing maintenance costs of old facility
Would meet the needs of workforce expansion enrollment increase	Limits the opportunity to develop optimal collaborative and educational space
Meets established national standards for educational facilities	Would require pedestrian bridge across road
	Little site room for future expansion

Capital Construction Options



Option #3

- Entirely new facility that provides exceptional space
- Sustains growth for years to come with a highly valued edifice
- 376,812 square feet of new space
- \$124.0M

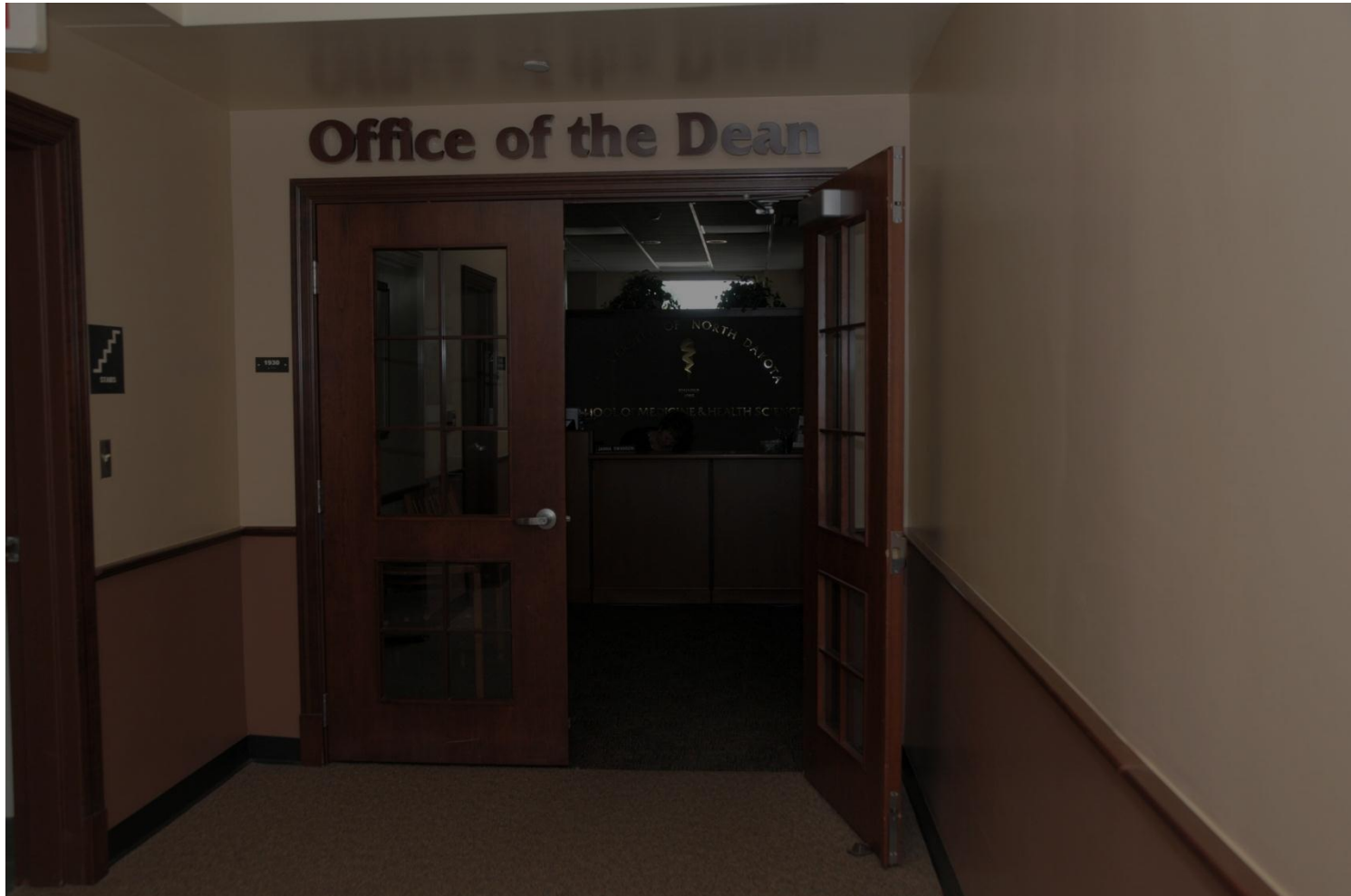
Advantages	Disadvantages
Exceptional space that would provide value and growth potential for decades	Highest cost
Least disruptive to ongoing SMHS operations	Longest project completion time
Lowest maintenance and operational costs	
Allows full integration of scattered units (e.g., occupational therapy, athletic training)	
Would meet the needs of workforce expansion enrollment increase	
Allows repurposing of buildings to the benefit of UND students (depending on NDUS master plan)	
Positive F&A impact	
No need for pedestrian bridge across street	

Cost of Various Options

Costs	As-Is	Option #1	Option #2	Option #3 (Demolition)
Construction	\$0.0	\$38.5	\$68.3	\$124.0

UND SMHS

September 10, 2012



UND SMHS

September 10, 2012

- The SMHS main instructional building in Grand Forks was under generator power for 3 days due to failure of a 60-year old 1,000 amp circuit
- Classrooms were moved, rescheduled, cancelled, and delayed
- Lost productivity
- Damaged equipment
- Financial loss

40-Year Life Cycle Costs

Costs	As-Is	Option #1	Option #2	Option #3 (Demolition)
Construction	\$0.0	\$38.5	\$68.3	\$124.0
Maintenance				
Deferred maintenance				
Utility				
F&A				
Demolition				
Life-Cycle Cost				
Incremental Cost				
Efficiency				

40-Year Life Cycle Costs

Life-Cycle Costs	As-Is	Option #1	Option #2	Option #3 (Demolition)
Construction	\$0.0	\$38.5	\$68.3	\$124.0
Maintenance	\$33.2			
Deferred maintenance	\$41.8			
Utility	\$27.7			
F&A	\$0.0			
Demolition	\$0.0			
Life-Cycle Cost	\$102.7			
Incremental Cost	Baseline			
Efficiency	-			

40-Year Life Cycle Costs

Life-Cycle Costs	As-Is	Option #1	Option #2	Option #3 (Demolition)
Construction	\$0.0	\$38.5	\$68.3	\$124.0
Maintenance	\$33.2	\$41.1		
Deferred maintenance	\$41.8	\$49.5		
Utility	\$27.7	\$34.7		
F&A	\$0.0	\$0.0		
Demolition	\$0.0	\$0.0		
Life-Cycle Cost	\$102.7	\$163.8		
Incremental Cost	Baseline	\$61.1		
Efficiency	-	-		

40-Year Life Cycle Costs

Life-Cycle Costs	As-Is	Option #1	Option #2	Option #3 (Demolition)
Construction	\$0.0	\$38.5	\$68.3	\$124.0
Maintenance	\$33.2	\$41.1	\$49.1	
Deferred maintenance	\$41.8	\$49.5	\$55.5	
Utility	\$27.7	\$34.7	\$41.2	
F&A	\$0.0	\$0.0	\$0.0	
Demolition	\$0.0	\$0.0	\$0.0	
Life-Cycle Cost	\$102.7	\$163.8	\$214.1	
Incremental Cost	Baseline	\$61.1	\$111.4	
Efficiency	-	-	++	

40-Year Life Cycle Costs

Life-Cycle Costs	As-Is	Option #1	Option #2	Option #3 (Demolition)
Construction	\$0.0	\$38.5	\$68.3	\$124.0
Maintenance	\$33.2	\$41.1	\$49.1	\$34.7
Deferred maintenance	\$41.8	\$49.5	\$55.5	\$0.0
Utility	\$27.7	\$34.7	\$41.2	\$34.1
F&A	\$0.0	\$0.0	\$0.0	(\$36.9)
Demolition	\$0.0	\$0.0	\$0.0	\$4.0
Life-Cycle Cost	\$102.7	\$163.8	\$214.1	\$159.9
Incremental Cost	Baseline	\$61.1	\$111.4	\$57.2
Efficiency	-	-	++	++++

40-Year Life Cycle Costs

Life-Cycle Costs	As-Is	Option #1	Option #2	Option #3 (Demolition)
Construction	\$0.0	\$38.5	\$68.3	\$124.0
Maintenance	\$33.2	\$41.1	\$49.1	\$34.7
Deferred maintenance	\$41.8	\$49.5	\$55.5	\$0.0
Utility	\$27.7	\$34.7	\$41.2	\$34.1
F&A	\$0.0	\$0.0	\$0.0	(\$36.9)
Demolition	\$0.0	\$0.0	\$0.0	\$4.0
Life-Cycle Cost	\$102.7	\$163.8	\$214.1	\$159.9
Incremental Cost	Baseline	\$61.1	\$111.4	\$57.2
Efficiency	-	-	++	++++

Deliverables of HWI

- Adequate supply and distribution throughout ND of caring, team-oriented primary and sub-specialty care practitioners schooled in interdisciplinary care
 - 40% from increased retention
 - 40% from class size expansion
 - 20% from hiring more clinical faculty
- Direct economic impact of increased employment of health care providers

Deliverables of HWI

- Direct economic impact of grants and contracts associated with growth of faculty
 - Our modeling suggests a \$2 ROI for every \$1 appropriated by the ND Legislature
- Direct economic impact of enhanced federal indirect cost return (F&A) on grants and contracts from UND if new building is constructed
- Indirect positive economic impact