

Dean's Newsletter

March 17, 2003

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HIPAA Training Update: Basic & Research Training

On April 14, 2003, the Health Insurance Portability and Accountability Act (HIPAA) privacy regulations become effective and will provide increased privacy protections for patients and research subjects. New policies and procedures are being implemented to address the regulations.

Everyone in the School of Medicine workforce, including volunteers and students, will receive training about the privacy regulations. Basic training began the week of March 10 when all members of the School workforce were notified with detailed instructions to access training. *If you were not notified, please contact your DFA, Business Manager, or HIPAA Lead for assistance immediately.*

Training for members of our workforce who engage in human research will begin the week of March 24. A general announcement will be sent to the workforce providing instructions to access the training. If you are a researcher and don't receive instructions, please contact your HIPAA Lead for assistance or go to <http://www.med.stanford.edu/HIPAA/> for more information.

Also, the IRB sent out a month ago a notice requesting protocol directors planning to enroll subjects on or after April 14, 2003, to add HIPAA authorization language to their consent form(s). The template for such language can be found at <http://humansubjects/medical/consent.html#forms>. If you have not received this notice or have not yet responded, please contact the HIPAA-Research staff at 650-725-9834 or hipaa-research@stanford.edu. It is important to underscore that human subjects enrolled in clinical protocols on or after April 14, 2003 must be presented with a HIPAA compliant form. If you have active exempt protocols, please contact the IRB if you intend

to continue the research after April 13, 2003. You may need a waiver of individual authorization under HIPAA.

Training for our students and the members of the workforce who interact with them is coming soon. A general announcement will be sent when it becomes available.

Please view the latest HIPAA project information on the School of Medicine web site <http://www.med.stanford.edu/HIPAA/>.

Town Hall Meeting on Cancer Programs

On April 9th we will hold a Town Hall Meeting at 5:30PM in Fairchild Auditorium to review plans regarding the future of cancer programs at Stanford. During this informal meeting, I will be joined by Dr. Irv Weissman, Director of the Stanford Institute for Cancer/Stem Cell Biology and Medicine, and Dr. Karl Blume, Associate Director for Clinical Affairs, to review and update the unfolding plans for cancer care and research at Stanford. We will update the community on our plans to become an NCI-designated Comprehensive Cancer Center. All faculty, staff and students are invited. We are very interested in your comments, questions and recommendations. Please attend.

Additional Changes in the Professoriate

In the November 4, 2002 issue of the Dean's Newsletter (<http://deansnewsletter.stanford.edu/>) I reviewed the changes that have come forth in the Professoriate during the past 18 months. These changes were developed under the guidance of Dr. David Stevenson, Senior Associate Dean for Academic Affairs, in collaboration with faculty committees, the School's Executive Committee and the Office of the Provost. The various changes and clarifications in roles and functions were also presented to the Academic Council and Faculty Senate and discussed in a number of public meetings and in written communications. The major changes focused on the development of function roles for faculty. Included were clarification of the roles as well as appointment and promotion criteria for "Clinician-Investigators/Clinician-Scholars (i.e., MCL faculty), "Clinician-Educators" (i.e., Staff Physicians) and the "Voluntary Clinical Educators (i.e., community physicians who play an important role in the education and training of medical students and residents). One of the recent positive outcomes of these changes was the granting of PI-status to our MCL faculty, thus overcoming the need for "PI-waivers" for these faculty members.

Since the announcement of these changes, there has been a considerable amount of concern expressed by our community physician colleagues on what is now perceived to be a lack of recognition of their contributions and a demeaning attitude toward their status. I want to begin by stating that this was surely never our intention. Indeed, the recommended changes were developed through a committee that included representatives from the community and articulated changes that we all thought were fair and appropriate. These included referring to the community physicians as Voluntary Clinical

Educators in recognition of the important role that they play in educating residents and students. Although all the appointments that had been made in the VCF prior to these changes were "grandfathered," the revisions will have an impact on future appointments and promotions by taking into account the need and importance of criteria for advancement beyond the length of time in clinical practice (which had been the case in the past). As with at least one other track, the revisions also eliminated the rank of "voluntary clinical assistant professor", meaning that most physicians would enter at the "clinical instructor" rank. It is, however, possible to be appointed directly to the level that is most suitable and appropriate for the individual. Among the most frequent concerns voiced in letters and petitions to the Dean's Office as well as in direct conversations were the change of the title of this group from "voluntary clinical faculty" to "voluntary clinical educator" and the requirement to include the appellation "voluntary" as part of all working titles in this group. Both of these were seen as quite onerous.

Having heard the concerns from our community we held a series of meetings, discussions and dialogues with representatives from the community. As a result some changes are being recommended. These changes have the concurrence of the Dean's Office, the School's Executive Committee and the University. They include the following two changes, both effective immediately:

1. The appellation "voluntary" will be change to "adjunct". However, it is expected that this appellation will appear whenever the Stanford title is used. Thus, community physician titles will include: Adjunct Clinical Instructor, Adjunct Clinical Assistant Professor (for current holders of this rank; there will be no new appointments to this rank), Adjunct Clinical Associate Professor, and Adjunct Clinical Professor.
2. The term "Voluntary Clinical Educators (VCE)" will be changed to "Adjunct Clinical Faculty (ACF)"

All the other changes that were announced in November will remain. While these changes do not satisfy all the concerns that have been raised, it is our hope that they convey our respect and commitment to our community colleagues, our willingness to listen to the concerns that were expressed, and our attempt to be as responsive as we can be to them at this time.

Launching the Office of Government Affairs

One of the conclusions of our First Strategic Planning Retreat in February 2002 was the importance of establishing an Office of Government Affairs within the School of Medicine (<http://medstrategicplan.stanford.edu/retreat03>). The goal of this office is to create a liaison between the School, Hospitals and University that will forge relations with government leaders at the local, regional and national level in order to better communicate the mission and goals of the School. Further, it is my hope that we will be able to be more proactive in setting public policies that impact academic medical centers like Stanford and that enable us to assume a leadership role as advocates for our programs in education, research and patient care.

I am very pleased to announce that **Mr. Ryan M. Adesnik** will begin today, March 17th, as the director of the new Office of Government Affairs. Mr. Adesnik most recently served as the Vice President of the Carmen Group, Inc in Washington DC where, among other things, he designed and successfully executed innovative strategies to help support academic medical centers and to help represent healthcare coalitions to achieve legislative strategies and objectives. Prior to that Mr. Adesnik served as Senior Legislative Aide to Congressman Benjamin Gilman. Mr. Adesnik holds a BBA degree from Emory University and a JD degree from the University of Miami School of Law.

In this new position Mr. Adesnik will report to the Dean. He can be reached at 650-726-1906 or at radesnik@stanford.edu. Please join me in welcoming Ryan to the School of Medicine and Stanford University.

Formulas, Funds-Flow and Operating Budgets

The School of Medicine is one of two “formula schools” at Stanford University, the other being the Graduate School of Business. This essentially means that medical school is responsible for its own financial support and performance. That said, the School of Medicine and its six sister schools (Humanities & Sciences, Engineering, Earth Sciences, Business, Law and Education) share in common missions in education, research and, for the school of medicine, patient care. Supporting these missions is of course defined by the availability of funding and accordingly by the formulas and operating budgets that delineate the exchange of funds to pay for and support shared services as well as specific functions.

In reality the School of Medicine has three major formulas or funds-flow: one between the University and the School, another between the School and the Hospitals (Stanford Hospital & Clinics and the Lucile Packard Children’s Hospital) and one between the School and its basic and clinical science departments and non-departmental academic units. Because every formula, funds-flow and operating budget has limitations, it is common for special deals or “work-arounds” to occur over time, which often raise concerns and perceptions about equity, fairness and transparency. Accordingly, I felt it was important to revisit these formulas and to develop guidelines and principles to shape them. Quite naturally, in doing so, there is also the risk of creating dislocations of prior funding or support that can inadvertently or actually impact perceived financial interactions and understandings. Despite these risks, I firmly believe that it is best to have a transparent process and to develop formulas, funds-flows and operating budget principles that are clear and simple, and that align goals and objectives as closely as possible. Accordingly, during the past year we have been actively involved in reassessing and redoing the formulas, funds-flow and operating budget between the university, school, hospital and departments. It is important to note that this is a work in progress and that whatever formulas are developed will need refinement and redefinition over time.

Formula between the School of Medicine and the University

The Working Group for reviewing the University-School of Medicine Formula was led by Randy Livingston, CFO for the University, and Michael Hindery, Senior Associate Dean for Finance and Administration, and included, for the University, Paul Goldstein and Tim Warner and, for the School of Medicine, Carole Buffum and Perry Everett. This group presented their results and recommendations to the Provost and Dean. The guiding principles included the following:

- The School of Medicine should pay its fair share of the costs of operating the University.
- The University should allocate and credit to the School of Medicine the revenue it generates.
- It might be appropriate for the School to make some contribution to the University beyond its fair share of the costs.
- The methodology for the allocation of revenue and costs should be simple and easy to explain.
- The formula should capture and clarify all services and activities except for liability insurance and direct legal defense and settlement costs, eliminating the need to negotiate separate programs (i.e., compliance),
- The methodology should be feasible to use for at least several years without extensive recalculation.
- The methodology should be initially reviewed and revised after three years and then as necessary – but at least every five years.

The working group evaluated both a revenue and an expense-based methodology and chose the revenue-based approach. It was felt that this method would require less recalculation from year to year and would be easy to explain as "income tax." Further it was felt that linking the amount to be paid to the University to revenue creates an incentive to keep central costs down. The charge assessed to the School is intended to represent and pay for the costs of services provided by the central campus administration.

The amount charged to the School will be determined by the percentage of revenue generated by the School. The tax rates will be related to the School's portion of the total revenue, including gifts, and will apply to all campus services and expenses, including maintenance/police, fire, etc, central administration, office of development, sponsored projects administration, student services (both graduate and undergraduate).

This new revenue based formula will become operative in FY04. While it will lead to some challenges, it will go a long way to making the process transparent between the University and the School and, importantly, in dissipating the perception that either the University or the School is receiving or paying too much or too little to each other. While that sounds obvious, it is not uncommon for members of the non-medical University community to worry that the University is subsidizing the School of Medicine or conversely, for the Medical School faculty to believe that it is supporting the University. Hopefully, the new formula will provide a transparent means to assure that

both the University and the School are being equitably and fairly treated in their financial interactions.

Revised Operating Budget Within the School of Medicine

Also during the past year, a committee chaired by Michael Hindery, Senior Associate Dean for Finance and Administration, has been addressing the operating budget within the School of Medicine. Members of this committee include Eleanor Antonakos, John Boothroyd, Carole Buffum, Brian David, Garry Fathman, Michael Levitt, James Nelson, Julie Parsonnet, Robert Robbins and Judy Swain. This group met intensively over the past many months to define the principles, goals, and methodology for a new School of Medicine Operating Budget.

Among the key objectives of the Committee was to define a formula that provides direct funding for teaching (including both team and interdisciplinary teaching), that recognizes both departmental and non-departmental academic units, and that is simple and easy to calculate. The Committee further wanted to make sure that the revised operating budget formula would accommodate to changing organizational and interdisciplinary models, reinforce local control and decision-making, and permit an understanding of both revenue and costs. Clearly the Committee also sought for a formula that would be fair, transparent and scalable and that permitted data to be shared across the School.

The current formula, which has been in place for decades, is calculated based on a percentage of tuition revenue, indirect cost recovery, and base salary of university tenure line faculty. However, the dollars were pooled and not specifically designated to specific missions or goals. In the new operating budget formula, a specific allocation will be made for education, focusing on course direction and favoring, in particular, small group teaching, including laboratory-based teaching of graduate students. In addition, funds for education innovation and/or transition will be included in the new budget.

In addition to specifically focusing on funding education, the new operating budget formula is calculated based on all faculty members equally – including UTL, MCL, and NTL faculty. Further, the new operating budget formula will recognize space costs and indirect cost recovery as well as modified total direct costs – with further work underway to recognize the varying importance of different types of sponsored research funding.

Although there is still work to be done to finalize the specific allocations to each of the categories, the new formula recognizes the importance of education, acknowledges all faculty equally in the calculation, addresses research space and utilization, and provides a more principled approach to the operating budget allocation with the School to departments and non-departmental academic units.

At the same time we recognize that any new formula runs the risk of unintended negative impact on some departments – which must, of course, be dealt with in a transparent and fair manner. Our goal has been to come up with a methodology that

permits us to better align funding to our missions and to underscore the interconnectedness of our research and clinical faculty. Indeed, we can only achieve the excellence we strive for by supporting and valuing the contributions of both our basic and clinical science faculty.

It is our expectation that the new Operating Budget will be implemented for the FY04 budget cycle.

Funds Flow Between the Hospitals and the School of Medicine

Work is also ongoing to finalize the funds flow issues between the hospitals and the School. One important aspect of this flow of funds is the professional services payments that relate directly to the clinical practices associated with both SHC and LPCH. It should be noted that the School has placed a direct tax known as the “Dean’s Tax.” of 6.1% on the clinical practices. This support is essential to help cover general school expenses including recruitments, retentions, new programs, departmental deficits, etc. In addition to the professional service revenue, clinical faculty also receive funding support for non-reimbursable activities they carry out, including their roles in medical direction. Included also is support for services that the hospital believes it needs despite the fact that they may not be financially viable (e.g., “essential services”) and for new program development. There are other important aspects of hospital-school funds flow hope will be reconciled in the next weeks. Here too the goal is to make this important exchange of funds equitable and transparent – both between the hospitals and the School as well as among the School’s departments and the Dean’s Office.

Special Events

- ***Honoring Dr. Ralph Spiegl.*** On March 4th more than 120 family, friends and former patients gathered in the Faculty Club to honor the nearly four decades of outstanding contributions that Dr. Ralph Spiegl has made to the School of Medicine and Stanford University. Joined by his wife Marilyn, seven children and 12 grandchildren, former colleagues, patients and friends spoke by the remarkable contributions of Ralph Spiegl to their lives, Stanford and the community. I would add that in my nearly two years at Stanford, I have had the opportunity to witness Dr. Spiegel’s dedication and commitment to our students and School in a number of significant ways. It is notable that he was also previously presented with the “Golden Spike” Award, the highest honor for volunteer service at the University. I would like to again extend my thanks and appreciation to Ralph and Marilyn for their kindness and generosity to Stanford and the School of Medicine.
- ***Dwight and Vera Dunlevie Professorship.*** On Monday March 10th, the friends and colleagues of the Dunlevie family joined with the family, friends and family of Dr. Marlene Rabinovitch to celebrate her appointment as the first incumbent of the Dwight and Vera Dunlevie Professorship in Pediatric Cardiology. Dr. Rabinovitch recently joined Stanford from the University of Toronto as Professor of Pediatrics and Research Director of the newly created Vera Moulton Wall Center for Pulmonary Vascular Disease at the Lucile Packard Children’s Hospital

and Stanford Hospital and Clinics. Our thanks and gratitude goes to the remarkable generosity of Bruce and Elizabeth Dunlevie and the Dunlevie family for establishing this new professorship. Please join me in congratulating Dr. Rabinovitch as the first incumbent of this newly created endowed professorship.

- ***Helen and Peter Bing Luncheon Series***: On Wednesday March 12th, we had our final “Bing Luncheon” for the 2002-2003 Academic Year. These special luncheon events represent a tradition extending back well more than a decade thanks to the support of Helen and Peter Bing. They include presentations by leading faculty to a group of Friends of Stanford who reside in southern California. Four events are held each academic year. The March 12th luncheon lecture was given by Dr. Tom Quertermous on the interplay between genes and the environment in relation to heart failure and disease. Thanks again to Helen and Peter Bing for making these events possible.
- ***On the Road in Los Angeles Alumni Event***. On Saturday March 8th we held our annual “On the Road in Los Angeles” Alumni Event. Thanks to the support of the Stanford Medical Alumni Association under the leadership of Dr. Ross Bright, we visited with alumni and hosted an educational program that included presentations by Dr. D. Craig Miller, Thelma and Henry Doelger Professor of Cardiovascular Surgery, on “Thoracic Aortic Stent Graphs: The Future or a Failed Clinical Experiment?” and by Dr. C. Garrison Fathman, Chief of the Division of Immunology and Rheumatology, Director of the Center for Clinical Immunology, and Professor of Medicine, on “New Directors in Gene Therapy to Treat Autoimmune Diseases”. In addition, I had the privilege of being able to give an update to Alumni on the State of the School.

Congratulations

I am very pleased to announce that Mina Matin, third year Stanford Medical Student, received the “Best Poster” Award from the International Health Medical Education Consortium in New York for her work on the attitudes of Muslim women in the Bay area toward health care. Congratulations to Mina.

I also pleased to announce that Dr. James Hallenbeck, Assistant Professor of Medicine at the Palo Alto Veterans Affairs Health Care System, has been awarded the 2002 David M. Worthen Award for Academic Excellence for his work in education in palliative care. This award is the highest award given by the Department of Veterans Affairs to recognize outstanding achievements of national significance in health professions education. Congratulations to Dr. Hallenbeck.

Appointments and Promotions

* Daniel Arber has been appointed Professor of Pathology, effective 3/1/2003 to 2/28/2008.

* Ting-Ting Huang has been appointed Assistant Professor (Research) of Neurology and Neurological Sciences, effective 3/1/2003 to 2/28/2006.

* John Huguenard has been appointed Associate Professor of Neurology and Neurological Sciences, effective 4/1/2003.

* Peter Jackson has been promoted to Associate Professor of Pathology and of Microbiology and Immunology, effective 4/1/2003.

* Edward Manche has been promoted to Associate Professor of Ophthalmology, effective 3/1/2003 to 2/28/2008.

* V. Mohan Reddy has been appointed Associate Professor of Cardiothoracic Surgery (Pediatric Cardiac Surgery) and of Pediatrics, effective 3/1/2003 to 2/28/2009.

* Samuel K.S. So has been promoted to Professor of Surgery (General Surgery), effective 3/1/2003.

* Roy Soetikno has been promoted to Associate Professor of Medicine (Gastroenterology and Hepatology), effective 3/1/2003 to 2/28/2008.

* Daniel Sze has been promoted to Associate Professor of Radiology, effective 3/1/2003 to 2/28/2008.