Stanford MEDICINE | Department of Pediatrics

Department of Pediatrics Meeting

# Topic: Department Year-End Finance Report

October 21, 2021 @ noon

Via Zoom

**Michael Propst, MBA**
**Associate Chair & Director of Finance & Administration**

**Surabhi Agrawal**
**Director of Finance**

STANFORD
MATERNAL & CHILD HEALTH
RESEARCH INSTITUTE

# October 28, 2021

# 4th Annual Stanford Maternal & Child Health Research Institute Symposium

**Online Poster Viewing Oct. 25-26 | Virtual Event**

KEYNOTE SPEAKER

## Kelle Moley, MD

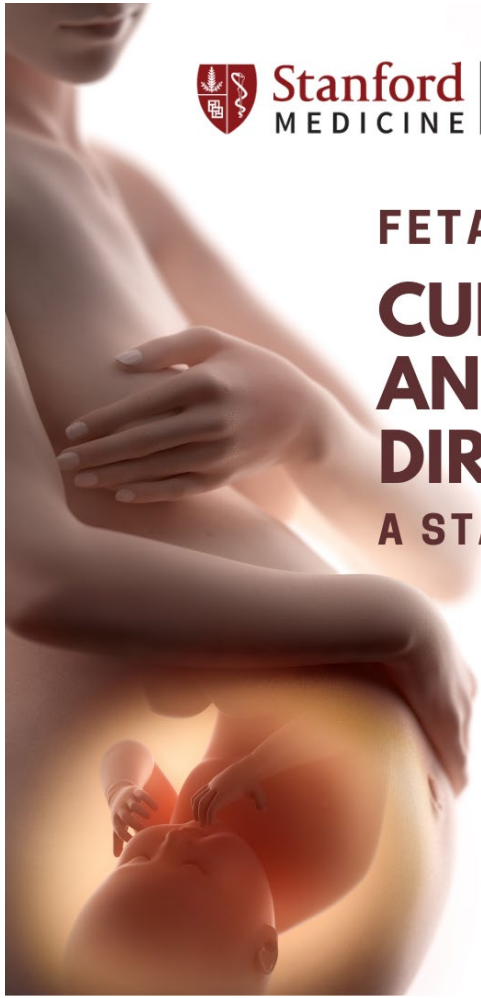
Deputy Director of Reproductive Health Technologies
Bill & Melinda Gates Foundation

*"Global Priorities in Reproductive Health Technologies"*

## 4 Sessions

- Emerging Maternal & Prenatal Health Discoveries
- Innovations in Pediatric Cardiovascular Medicine
- Scientific Advances in Diversity, Health Equity, & Social Justice
- Groundbreaking Research from Rising Scientists

Learn more @ bit.ly/mchri-symposium



Stanford MEDICINE | Dunlevie Maternal-Fetal Medicine
*Center for Discovery, Innovation and Clinical Impact*

# FETAL THERAPY:
# CURRENT STATUS AND FUTURE DIRECTIONS
## A STANFORD SYMPOSIUM

**Tuesday, November 9**
**5:00 - 8:30 pm**
**(virtual via Zoom)**

Learn about cutting-edge basic, translational and clinical investigations around fetal medicine and in-utero therapies.

An amazing lineup of speakers at this multidisciplinary symposium will spotlight the most up-to-date basic, translational and clinical research on fetal medicine and therapy. Attendees will learn about cutting-edge investigations around perinatal origins of disease to potential interventions involving gene editing and stem cell therapies.

The event is free and open to the Stanford community.

Scan the QR code for more info and registration!

3rd Biennial
22q11 Deletion Syndrome Virtual Symposium
November 10, 2021
STANFORD MATERNAL & CHILD HEALTH RESEARCH INSTITUTE
Stanford MEDICINE
Center for Definitive and Curative Medicine

## Speakers

**Karl Sylvester**
CRSO Director
Associate Dean, Maternal Child Health Research

**Mary Chen**
MCHRI Executive Dir.
Assistant Dean, Maternal Child Health Research

**Alyson Falwell**
SCH Research Operations Mgr.

**Sijo Thomas**
SCH Research Informatics Mgr.

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### Clinical Research Support Office (CRSO)

# Town Halls

Save-the-Date for the virtual events:
November 11 @ 2-3pm
November 17 @ 12-1pm

Join us and learn about the role and resources offered by the SCH Clinical Research Support Office

**Topics:**

- Governance and Structure of the CRSO
- SCH Clinical Research Operations Resources
- SCH Clinical Research Information Systems Resources

*Register and learn more at:*
*https://med.stanford.edu/mchri/crso/townhalls.html*

HEALTH EQUITY ADVANCED THROUGH LEARNING (HEAL)

# Sign-Up Today for a HEAL Anti-Racism Seminar!

4-Hour Educational Workshop
focused on Medical & Structural Racism,
Microaggressions, and Allyship
for DoP Staff and Faculty

**Our goal is for at least 70% of the DoP to complete the workshop before the end of FY22!**

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STANFORD PEDIATRICS ADVANCING
ANTI-RACISM COALITION (SPAARC)

# SPAARC 2.0 Action Team Sign-Ups!

**Sign-up by Wednesday, October 27!**

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Department of Pediatrics

# Future of Work Town Hall

## Nov. 16 @ noon – 1 PM

## Via Zoom

Michael Propst, MBA
Associate Chair & DFA

Shawna McManus, PHR, SHRM-CP
Director, Academic Affairs
& HR Strategies

Tina Shinya
Senior HR Manager

**Mohammad Ebraheem, MD**
Clinical Assistant Professor
Division of Cardiology

**Shalin Parekh, MBBch**
Clinical Instructor
Division of Cardiology

**Elizabeth Fox, MD**
Clinical Instructor
Division of Cardiology

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**Erika Wong, MD**
Clinical Assistant Professor
Division of Critical Care

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ASBMR 2021
ANNUAL MEETING
October 1 – 4, 2021

**Laura Bachrach, MD**
Division of Peds Endocrinology & Diabetes
2021 ASBMR Pediatric Working Group Award for
Contributions to Children's Bone Health

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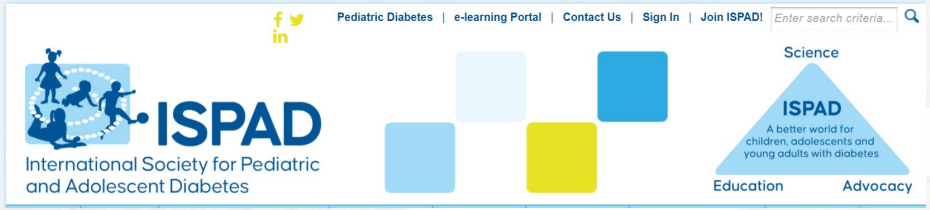

**David Maahs, MD, PhD**

Division of Peds Endocrinology & Diabetes

ISPAD President 2022 – 2024, President-Elect 2021-2022

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# Important Announcement

**David Maahs, MD, PhD**
Division of Peds Endocrinology & Diabetes
**Associate Chair for Academic Affairs**

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Department of Pediatrics Meeting

# Topic: Pediatric Workforce Initiative

November 23, 2021 @ noon

Via Zoom

**Mary Leonard, MD, MSCE**

**Becky Blankenburg, MD, MPH**

# Pediatrics Finance Overview

October 2021

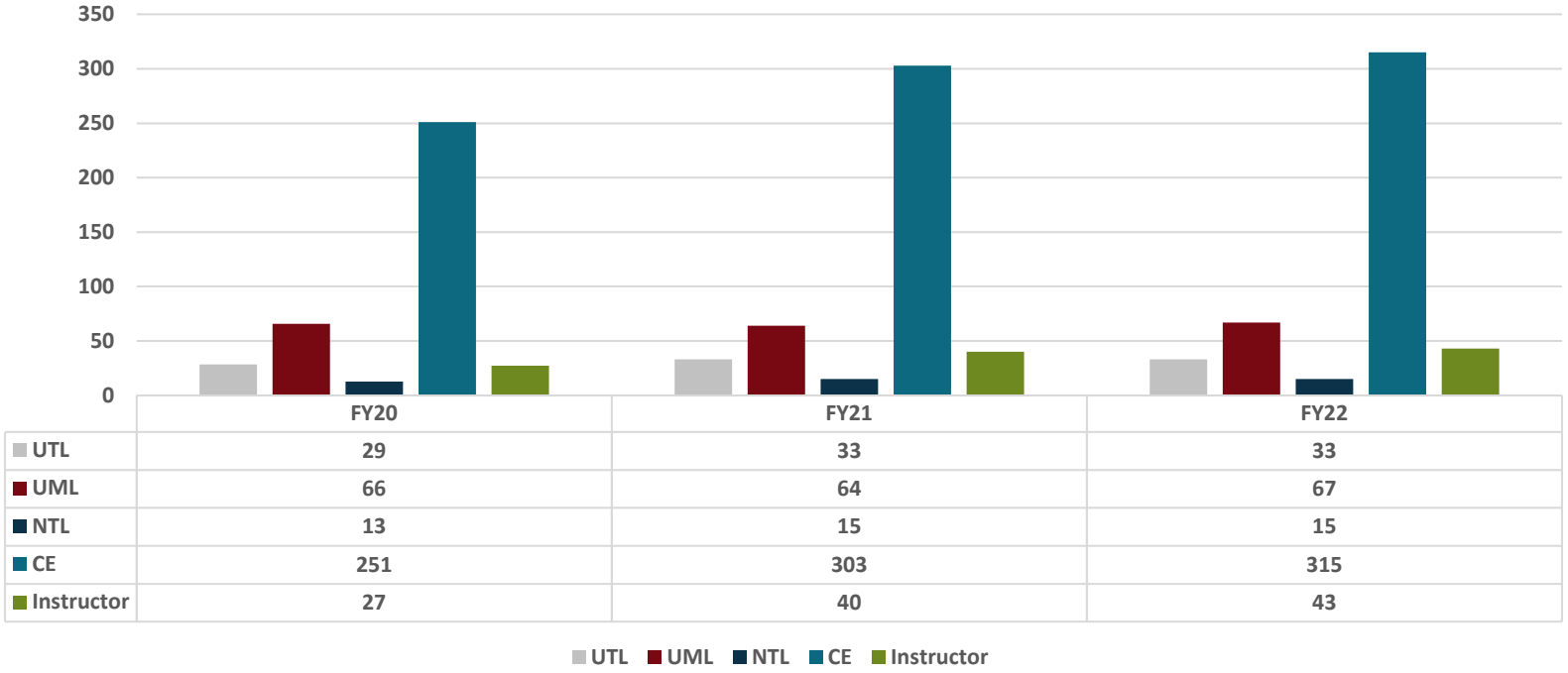
# COVID Financial Mitigation

Strategies to reduce costs:

- Reduction in food, travel, morale by 83% (from $2.2M to $380K)
- Salary freeze for faculty and staff
- $4.0M savings in salary expenses using sabbatical time
- $1.2M savings in salary expenses with CE professional development leave

Impact: $4.0M increase in clinical profit

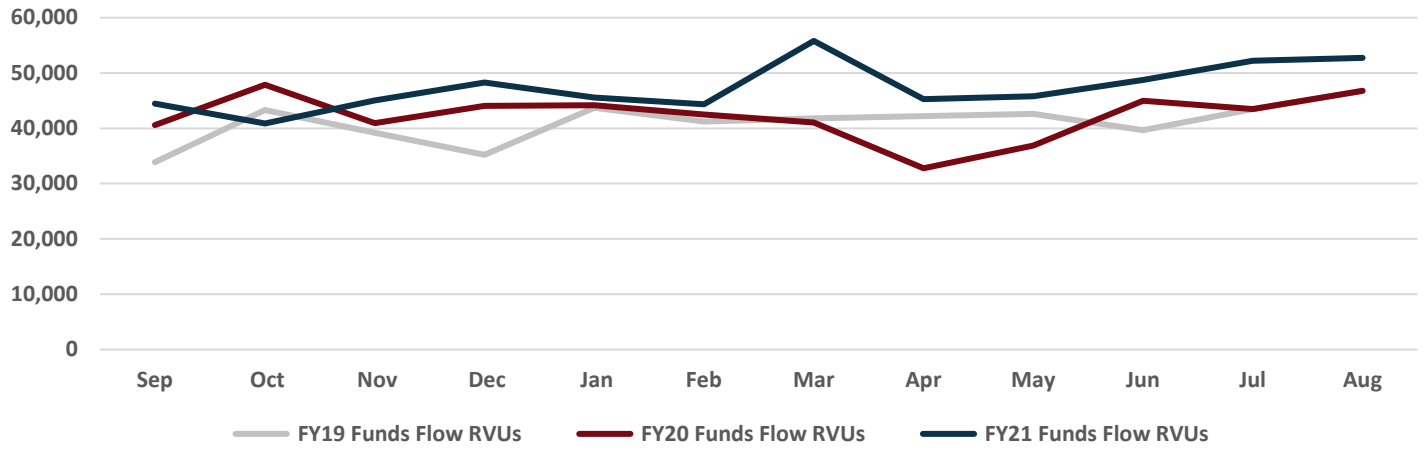
# Appointment Line FTEs



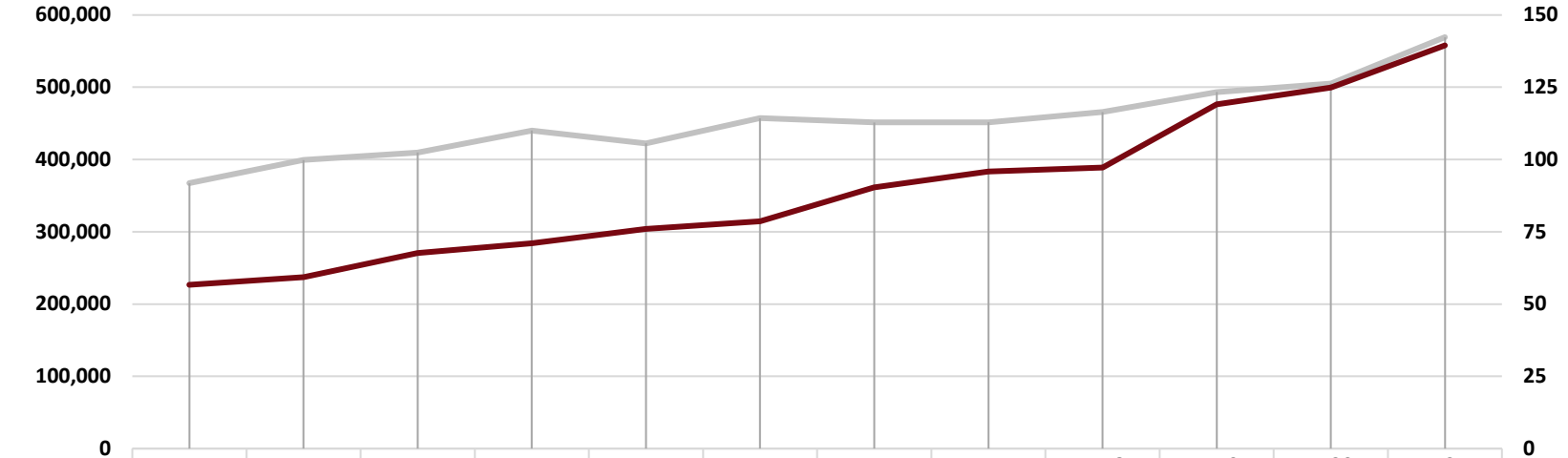

| | FY20 | FY21 | FY22 |
|---|---|---|---|
| UTL | 29 | 33 | 33 |
| UML | 66 | 64 | 67 |
| NTL | 13 | 15 | 15 |
| CE | 251 | 303 | 315 |
| Instructor | 27 | 40 | 43 |

# RVU Volume: FY19 – FY21

| | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **FY19 Funds Flow RVUs** | 33,892 | 43,320 | 39,215 | 35,202 | 43,691 | 41,229 | 41,801 | 42,199 | 42,611 | 39,657 | 43,503 | 46,782 | **493,102** |
| **FY20 Funds Flow RVUs** | 40,567 | 47,848 | 40,915 | 44,052 | 44,196 | 42,479 | 41,070 | 32,790 | 36,882 | 45,005 | 43,503 | 46,768 | **506,075** |
| **FY21 Funds Flow RVUs** | 44,476 | 40,883 | 45,023 | 48,289 | 45,534 | 44,326 | 55,828 | 45,247 | 45,795 | 48,763 | 52,212 | 52,751 | **569,127** |

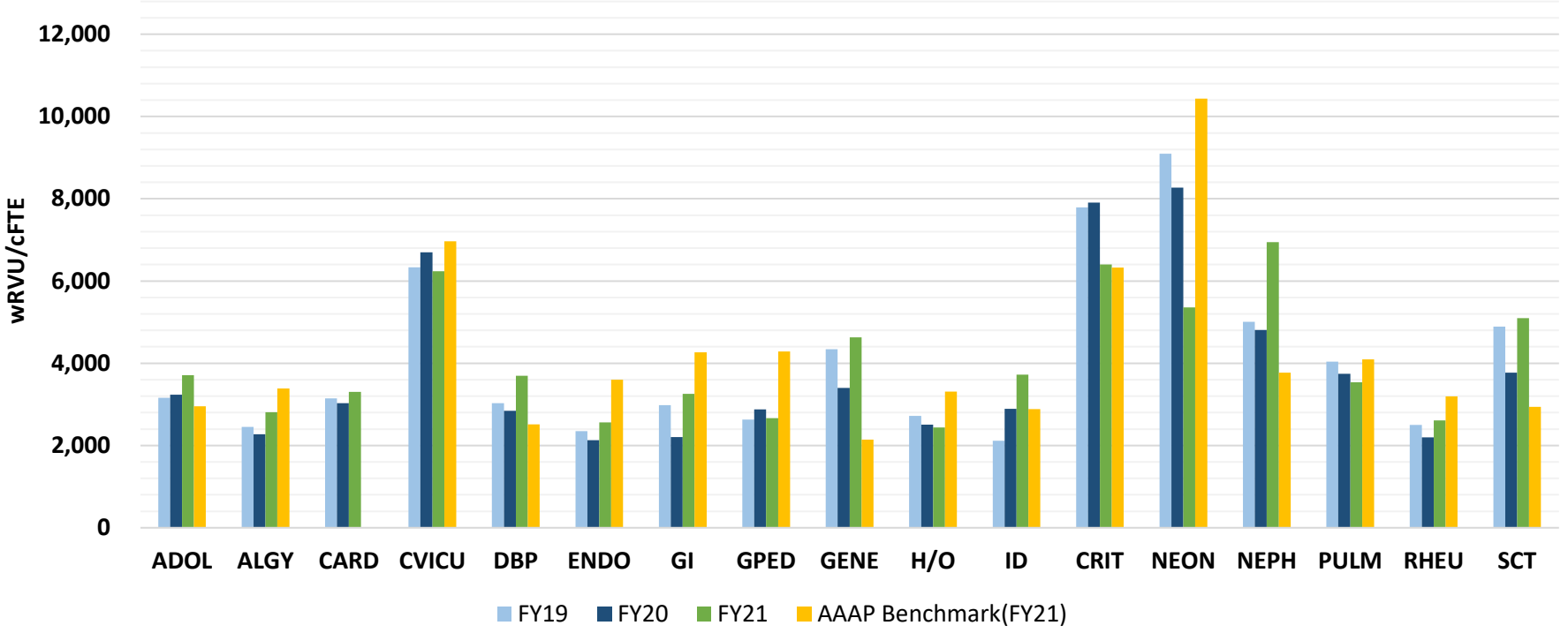


# Dept Funds Flow wRVUs

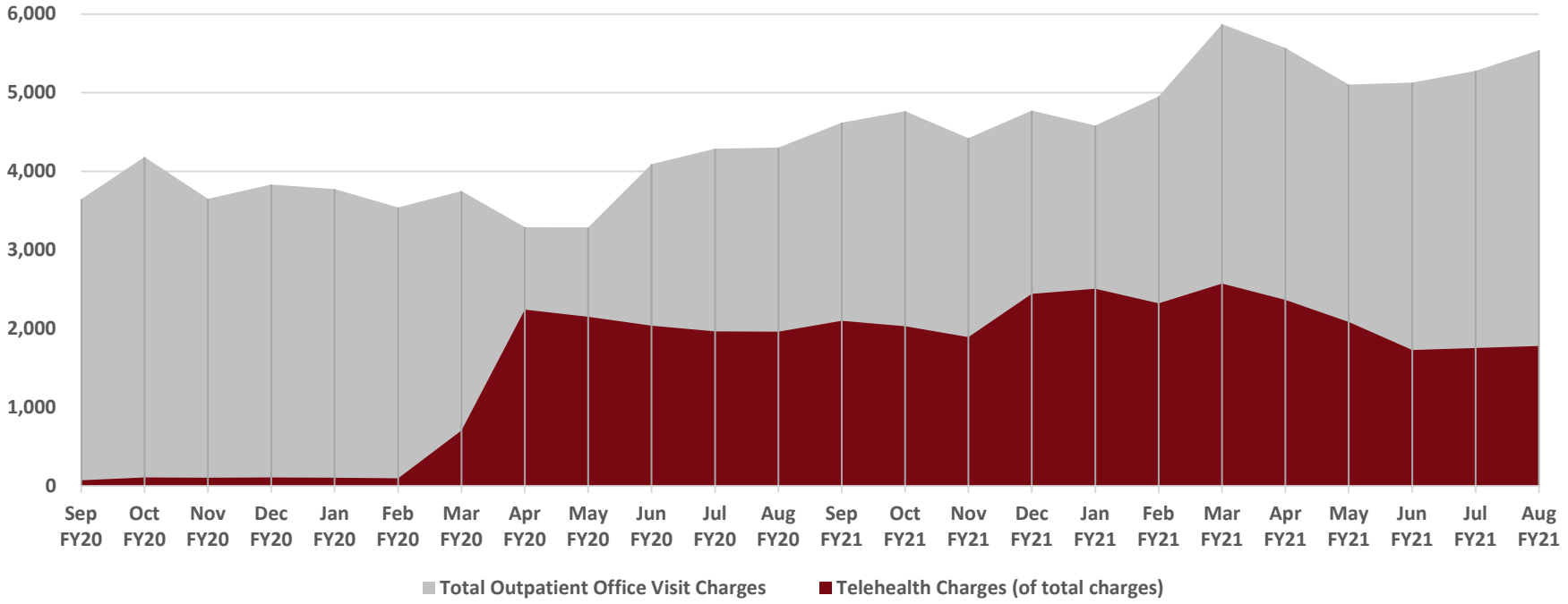



| | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 (LPCH 2.0) | FY19 (LPCH 2.0) | FY20 (LPCH 2.0) | FY21 (LPCH 2.0) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| wRVU | 367,150 | 399,368 | 409,615 | 439,974 | 422,312 | 457,226 | 451,161 | 451,412 | 465,574 | 493,309 | 505,202 | 569,125 |
| cFTE | 57 | 59 | 68 | 71 | 76 | 79 | 90 | 96 | 97 | 119 | 125 | 140 |

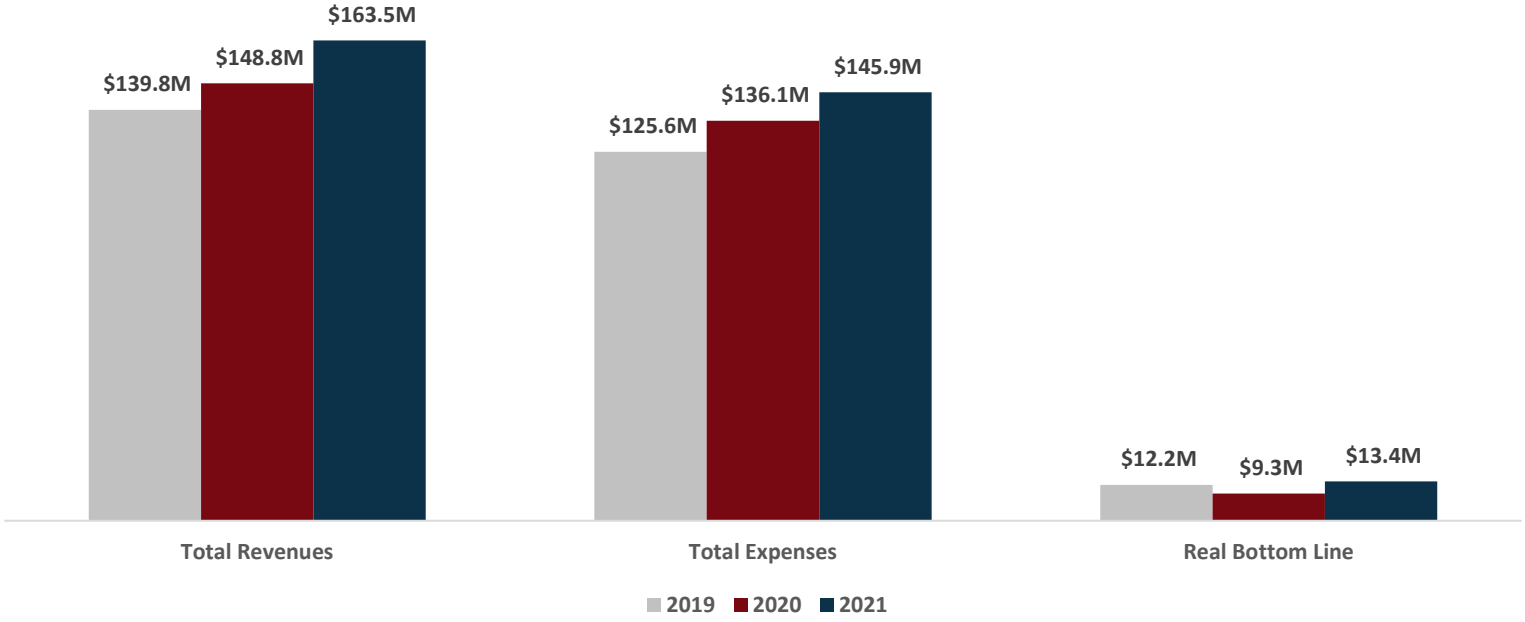
# MD Funds Flow wRVUs Per cFTE vs. AAAP Benchmark



# FY20 & FY21 Peds Telehealth Usage



# Clinical Profit



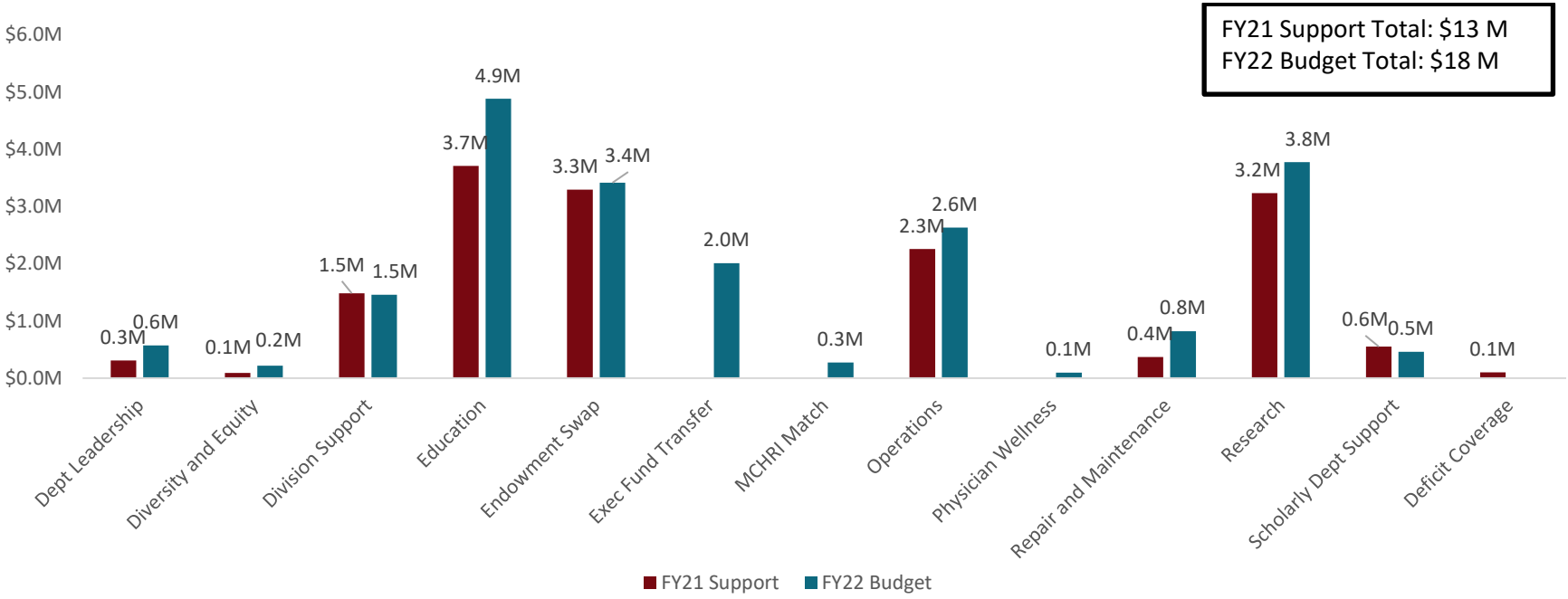
# Department Clinical P&L

| | FYTD 2021 Dept of Peds | FYTD 2020 Dept of Peds | FY21 to FY20 Variance |
|---|---|---|---|
| **Funds Flow RVUs** | | | **0** |
| MDs Only (100% of RVUs) | 563,299 | 502,034 | |
| MDs Shared (70% of RVUs) | 5,827 | 4,042 | |
| AHPs (40% of RVUs) | 14,169 | 13,857 | |
| NPPs | 3,324 | 1,831 | |
| **Non Funds Flow RVUs** | 120,121 | 125,485 | -4.3% |
| **Total RVUs** | **706,740** | **647,249** | **9.2%** |
| cFTE | 306.26 | 290.08 | **5.6%** |
| **Total RVU Payment** | **$ 111,952,249** | **$ 98,508,301** | **13.6%** |
| LPCH Strategic Support | $ 51,241,055 | $ 48,292,708 | **6.1%** |
| **Total Revenues** | **$ 163,507,386** | **$ 148,831,346** | **9.9%** |
| **Controllable Expenses** | | | |
| Faculty Salaries | $ 76,270,383 | $ 73,217,194 | **4.2%** |
| Faculty Salaries (Contingent) | $ 1,965,410 | $ 1,493,064 | **31.6%** |
| Total Benefits | $ 28,143,538 | $ 25,773,424 | **9.2%** |
| Bonus | $ 4,804,432 | $ 6,242,287 | **-23.0%** |
| Bonus Accrual | $ 9,907,386 | $ 8,458,794 | **17.1%** |
| Housing | $ 1,655,965 | $ 1,377,740 | **20.2%** |
| Non-Salary | $ 5,548,225 | $ 4,329,164 | **28.2%** |
| **Non-Controllable Expenses** | | | |
| Dean's Tax | $ 6,727,221 | $ 4,077,415 | **65.0%** |
| **Total Expenses** | **$ 145,851,791** | **$ 136,082,042** | **7.2%** |
| **Profit/(Loss)** | **$ 17,655,595** | **$ 12,749,304** | **38.5%** |
| **LPCH Strategic Support - Backstop/(True-up)** | **$ (4,261,064)** | **$ (5,011,190)** | |
| **LPCH Patch** | | **$ 1,519,975** | |
| **Real Bottom Line** | **$ 13,394,531** | **$ 9,258,089** | **44.7%** |

# Department Income Statement

| Income Statement | FY21 | FY22 Budget |
|---|---|---|
| Net Clinical Profit | $13.40 M | $10.00 M |
| Patent Income | $1.30 M | $2.00 M |
| Endowment Payout | $3.80 M | $4.00 M |
| **Total Annual Revenue** | **$18.50M** | **$16.00 M** |
| **Department Annual Exp** | **$13.00 M** | **$18.00 M** |
| **Net Income** | **$5.50 M** | **($2.00 M)** |

# Department Support Expense Projection



# Salary Scale – FY22 Changes

| | *0-1* | *1-2* | *2-3* | *3-4* | *4-5* | *5-6* | *6-7* | *7-8* | ***0-1*** | *1-2* | *2-3* | *3-4* | *4-5* | *5-6* | *6-7* | *7-8* | ***0-1*** | *1-2* | *2-3* | *3-4* | *4-5* | *5-6* | *6-7* | *7-8* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Scale Specialty** | **Asst 1** | **Asst 2** | **Asst 3** | **Asst 4** | **Asst 5** | **Asst 6** | **Asst 7** | **Asst 8** | **Assoc 1** | **Assoc 2** | **Assoc 3** | **Assoc 4** | **Assoc 5** | **Assoc 6** | **Assoc 7** | **Assoc 8** | **Prof 1** | **Prof 2** | **Prof 3** | **Prof 4** | **Prof 5** | **Prof 6** | **Prof 7** | **Prof 8** |
| Peds Specialty 1 | **176** | 178 | 180 | 182 | 184 | 186 | 188 | 188 | **198** | 200 | 202 | 204 | 206 | 208 | 210 | 210 | **231** | 235 | 238 | 242 | 246 | 249 | 253 | 256 |
| Peds Specialty 2 | **195** | 199 | 203 | 207 | 211 | 215 | 219 | 219 | **241** | 247 | 253 | 259 | 265 | 272 | 278 | 278 | **306** | 314 | 320 | 326 | 332 | 338 | 344 | 350 |
| Peds Specialty 3 | **264** | 267 | 270 | 274 | 277 | 280 | 283 | 283 | **305** | 309 | 313 | 317 | 321 | 325 | 329 | 329 | **347** | 349 | 351 | 353 | 356 | 358 | 360 | 362 |

- Salary freeze lifted
- Goal to right size years in rank on scale
- Average market movement 1.9%
- 2% to 8% range of increase, average 3.5 to 4% increase
- 88% Faculty on target, 11% leading and 1% lagging

# Refresh of Faculty Bonus

- Clinical
  - Individual RVUs
  - Group “Targets”
- Research
- Education
- Division Chief Discretionary
- Department Chair Discretionary

# Individual Clinical Targets

- Targets set at the 50th percentile of National Benchmark
- 75% of Target: $5,000
- 90% of Target: $10,000
- 100% of Target: $20,000
- Under 0.3 cFTE: Cap at $10,000
- Prorate by cFTE
- $50 per RVU above target

# Research

- Requires appointment FTE ≥ 50%
- Eliminated criteria for ≥ $50,000 in MTDC
- Publications: 0 – 5 points
- Sponsored Points = [MTDC + (Indirect costs x 2)]/$125,000
- Each research bonus point is paid $1,250

# Education

- Each activity is assigned a point value based on time and effort
- Faculty survey responses are reviewed, and total points tallied
- Per the survey design, there is no maximum number of points
- Each education value unit (EVU) is paid $15

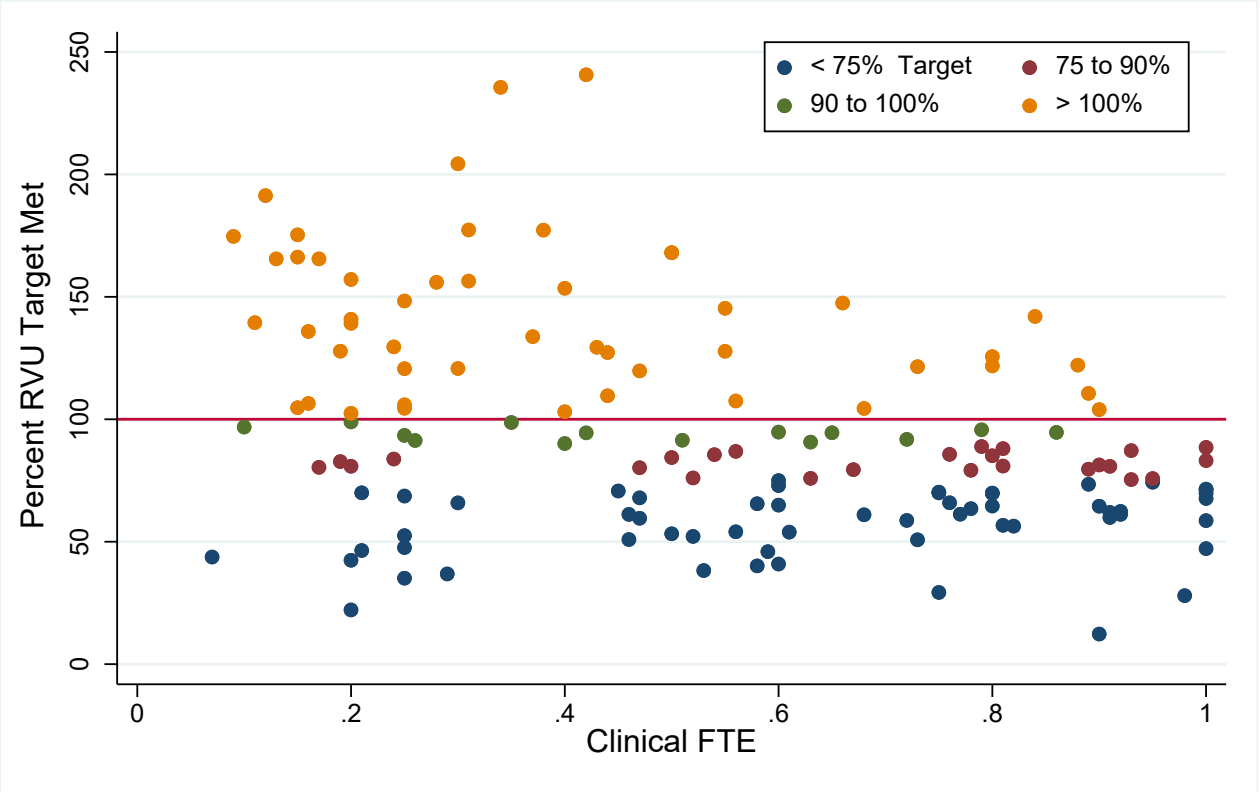
# Chief's Discretionary

- The Discretionary Pool is to reward faculty for citizenship, leadership and other criteria that are not captured in the other metrics
- Bonus will be paid out in the first pay period of December

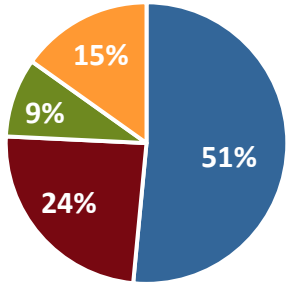
# Bonus Projection

| | FY21 Projection | FY20 | FY19 |
|---|---|---|---|
| | Amount | Amount | Amount |
| Clinical Ind Bonus | 1.70M | 1.10M | 961K |
| Clinical Group Bonus | 3.00M | 2.30M | 2.30M |
| Research | 1.50M | 1.20M | 1.10M |
| Education | 502K | 422K | 408K |
| Chief Bonus | 800K | 608K | 605K |
| Discretionary | 2.90M | 3.00M | 2.30M |
| **Total:** | **10.30M** | **8.60M** | **7.70M** |

# Distributions of RVU Targets Met




Among those with > 0.5 cFTE



# Key takeaways

- We finished the year with a solid clinical margin due to our cost-cutting measures and the hard work of our faculty.
- We were able to significantly increase the bonus pool.
- We will continue to focus on increasing compensation

# Thank you Peds Finance

Arezou Motamedi
Senior Financial Analyst

Jennifer Tran
Finance Manager

Kristoffer Gonzales
Financial Analyst

Priyanka Moodlyar
Associate Director of Clinical Operations

Stanley Tang
Data Analyst

Sue Leamons
Physician Coding & Quality Manager