Minutes RWJMS Faculty Council October 13, 2015

Present: Ayers, Boruchoff, Brewer, DiCicco-Bloom, Kelly, Pintar, Roth, Walworth, Willett

Absent: Jacinto, Kim, Kiss

Guests: Sherine Gabriel, Dean
        Philip Mesisca, Senior Associate Dean for Finance and Operations

Council President Monica Roth welcomed Dean Gabriel to her first meeting with the Faculty Council, noting that her visit satisfies the requirement that the Dean meet with the Council once in each academic year.

1. Minutes of the August 11, 2015 Faculty Council meeting were approved.

3. Invited Guest: Discussion with Dean Sherine Gabriel

Dean Gabriel had been sent questions from the Council in advance of the meeting and asked Mr. Mesisca to attend on some of the questions regarding the RWJMS budget.

Mr. Mesisca reported that the annual budget for RWJMS is roughly $300,000,000, with a projected loss of $10.3 M for Fiscal Year 16

RWJMS Revenue:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>Patient services (fee-for-services)</td>
</tr>
<tr>
<td>16%</td>
<td>Affiliate and professional services (other hospitals and institutions)</td>
</tr>
<tr>
<td>13%</td>
<td>State appropriation</td>
</tr>
<tr>
<td>11%</td>
<td>Housestaff recoveries (when our residents and fellows work at other institutions)</td>
</tr>
<tr>
<td>8%</td>
<td>Grants</td>
</tr>
<tr>
<td>7%</td>
<td>Tuition and fees</td>
</tr>
<tr>
<td>2%</td>
<td>Indirect costs</td>
</tr>
<tr>
<td>1%</td>
<td>Endowments and gifts</td>
</tr>
<tr>
<td>2%</td>
<td>Other</td>
</tr>
</tbody>
</table>

Notes in response to questions:

- Tuition and fees takes into account the increase in class size for RWJMS, though may not account fully for proportion of in-state versus out-of-state tuition.
- Tuition and fees is exclusively for RWJMS students, not GSBS or other students.
- Dean Gabriel noted that the fraction from endowments and gifts is small compared to other schools

RWJMS expenses:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>38%</td>
<td>Faculty salaries</td>
</tr>
<tr>
<td>17%</td>
<td>Staff salaries</td>
</tr>
<tr>
<td>15%</td>
<td>RCM* and transfers</td>
</tr>
<tr>
<td>10%</td>
<td>Housestaff salaries</td>
</tr>
<tr>
<td>8%</td>
<td>Services</td>
</tr>
<tr>
<td>5%</td>
<td>Supplies, insurance, LCM, other</td>
</tr>
<tr>
<td>5%</td>
<td>Benefits</td>
</tr>
<tr>
<td>2%</td>
<td>Debt service</td>
</tr>
</tbody>
</table>
*RCM: responsibility center management assessment (assessment from Rutgers to RWJMS for central costs); LCM: life cycle management (facilities and equipment depreciation, replacement)

Notes on expenses:
- RCM nuances still being worked out to understand how costs are allocated.
- Housestaff salaries: some medical schools employ housestaff; some have hospitals that do it. At RWJMS the med school employs the residents and fellows and the hospitals pay RWJMS for services.
- Life Cycle Management: small, not much expense going to facility upgrades, in contrast to other institutions; insurance is malpractice and is extremely low compared to fair market value, thus, smaller than would be seen at other institutions.
- Benefits: if on a grant, fringe benefit rate is very high. If not on a grant, rate is pretty good. RWJMS has moved to a blended model for internal purposes and for comparing costs from one department to another.
- Debt service: on buildings constructed anywhere at UMDNJ, shared between them.

In response to follow up question regarding what determines the fringe benefit rate. Mr. Mesisca responded that the reason it is so high is because of old state pension plan, fewer people paying in, and more paying out. RU is aware that high fringe rate reduces competitiveness for grant funds and is trying to figure out options.

1st quarter data

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue</th>
<th>Expense</th>
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</thead>
<tbody>
<tr>
<td>FY14</td>
<td>$69 M</td>
<td>$78 M</td>
</tr>
<tr>
<td>FY15</td>
<td>$71 M</td>
<td>$78 M</td>
</tr>
<tr>
<td>FY16</td>
<td>$79 M</td>
<td>$79 M</td>
</tr>
</tbody>
</table>

For the first quarter, losing $250,000. So a bit ahead of budget for the first quarter in FY16 and getting better at a faster rate than expected 18 months ago.

Dean Gabriel expressed appreciation for effort on the part of the faculty to step up and raise revenue, noting that it is a significant achievement to get to this fairly even place in such a short period of time. When she asked what actually happened to get to this point, Mr. Mesisca told her that targets were shared with the faculty, the administration was transparent about the financial situation and people stepped up. Expenses were not slashed; faculty stepped up and revenue increased.

Responding to the question of where the $8M increase in revenue came from, Mr. Mesisca noted the significant growth in clinical practices, increase in class size, new patient visits (increasing 12% each quarter), and increased collections per RVU as related to managed care contracts negotiated with new agreements. He noted as well that he is being conservative about expected revenue.

The Dean and Council expressed appreciation to Mr. Mesisca for his helpful presentation.

With regard to other questions provided to the Dean ahead of the meeting, she noted that members of her executive team were along to help answer questions including Senior Associate Deans Carol Terregino (Education); Joseph Barone (Clinical Affairs); Sally Radovick (Clinical and Translational Research); and Celine Gelines (Research).

In response to questions posed ahead of the meeting:

Q1. What are your priorities for the school going forward?
Dean Gabriel noted that RWJMS had embarked on a strategic planning process, as charged by RBHS Chancellor Strom. Similar to the conducted by RBHS, the Dean and Senior Associate Deans (SADs) are putting their heads together and then will roll out a draft plan to faculty. The Dean expects the school to be
the academic engine at Rutgers to build a science-driven, patient and community centered, high value health care system. With her leadership team she is putting specifics behind the strategy in each of the key mission areas, will put together a high level plan and then seek input from faculty. She noted as well that the plan must align with RBHS and upwards to Rutgers. She has asked that each SAD include a faculty advisory committee. Education and Clinical areas are including senior team and larger group that includes junior to mid-level faculty who may be the future leaders.

SAD Terregino: initiatives for education include innovative ways to move curriculum, training students and residents in the environment in which they will be practicing, move all residency programs in line with accreditation.

SAD Barone: initiatives in the clinical area include desire to be efficient practice, leverage resources within RBHS and hospital system, huge opportunity outside of system to collaborate with physicians outside of the group.

SAD Gelinas and Radovick: advisory committee with representatives from basic and clinical departments and institutes. Goals are to develop mechanisms to enhance collaborations, programmatic development; initiatives to improve administrative support for researchers, increase investment in research; engage clinician scientists and basic science researchers in targeted areas.

In answer to a question, the Dean indicated that the advisory groups had been formed recently and the composition of the committees would be posted.

Q2/3: The trend of co-chairs with Newark seems to be increasing. What departments in the future do you see following this pathway? Does this include basic science departments? Are there planned chair searches for the basic science departments? To whom do the joint chairs report?

Current joint chairs: neurology, radiation oncology, neurosurgery, ENT, pathology

Just hired a chair for Pathology and Laboratory Medicine who is a joint chair, will report to deans of both schools. The Dean is accustomed to such reporting relationships as Mayo was a matrix organization with an individual reporting to multiple supervisors. The Rutgers system required a primary report; in case of path, NJMS is primary, but it's something like 51/49. Both schools participated in recruitment process.

Dr. Gabriel noted that she is learning a lot from neurology as to how this will work and in response to a question noted that it's important not to create disincentives for doctors to practice at one location or another.

The interim joint chair of neurosurgery, Dr. Prestigiacomo is in attendance. Have residency program in NJMS, want to have more come down to New Brunswick, and would like to expand to have a fellow come down. So education is in good shape. Clinical arm: have 5 attendings in NB already (with good RVUs, productivity), good quality in terms of patient outcomes. Would like to grow together scholarship, clinical research, and basic science research. Basic science gets traction more quickly here in part because of Rutgers undergraduate departments and students. For example, he is working on an NSF proposal with mathematics here, which was not possible previously. He has made a commitment to be on both campuses and trying to bring a vision of neurosurgery that is not a silo to grow neurosurgery, but to grow areas of research that will help RWJMS to grow.

No discussion about joint chairs for basic sciences. No plans to alter structure of basic science departments, but issues of funding and serious morale issues are there, so wanted Phil Mesisca to start with financial foundation improvement, as it is hard to think of new initiatives when $40M in the hole. Now can start looking ahead and thinking about investments that could lead to strengthening, as the financial foundation is necessary to meet the challenges faced by the basic science departments.
Q4: What is the status of RWJMS by-laws? Dean Gabriel comes from an environment without a union. Her expectation is that bylaws will need to be amended to take into account new guidelines, but pointed out that guidelines are not specified. Council members raised issues regarding GME and volunteer faculty.

Q5: Update on the A and P guidelines. See discussion below in action item for last meeting.

Q5: In the Rutgers Physical Master Plan, the RWJMS research tower is scheduled to be replaced sometime in 6 to 11 years. What information can you provide about the accuracy and funding of this project?

Other than ongoing renovation on the 6th floor of the tower, the Dean is not aware of other information.

Q6: What is the process for approving out-of-cycle salary increases? Internal review initiated by department, reviewed by Dean and then has to be approved by chancellor's office. Doesn't depend only on the merit of the request, but also on the budget of the department. Once the departments and Dean approve, it is rare for chancellor to turn down the request.

Q7: Many departments have obvious and embarrassing salary inequity issues, an issue that has been percolating at the Faculty Council for two years. Any solutions? The Dean suggested that specific concerns be brought to her. Mr. Mesisca indicated that RBHS is looking at the issue and RWJMS doesn't have the expertise to put value on specific things. Dr. Roth pointed out that with release of salary cap in contract, and no way of addressing equity within the school, then equity could get much worse. Drs. Willett and Boruchoff pointed out that it is not uncommon for new hires to be brought in at higher salaries than full professors, and that departments could be hiring faculty trainees at salaries higher than current faculty. Dr. Gabriel affirmed that the Faculty Council is asking for a specific initiative to address this, particular because with release of the salary cap, inequities will likely expand. Dr. Willett suggested that what is needed is a process, because the alternative is to ask for out-of-cycle increases and that is not practical. Dr. Roth suggested making use of processes that have been implemented at other schools.

Q8: There is an expectation that clinical trainees do scholarly work. Would it be possible to get statistical support for their work? Dr. Radovick suggested that the Clinical Research Center could be helpful, and could consider getting a biostatistician on board and make services available to trainees. Dr. Terregino suggested that the assessment expert in the Office of Education might be able to help get little projects off the ground.

Q9: Last question related to a hiring freeze. The Dean checked with Phil Mesisca and there is no hiring freeze in place. Clear that everyone knows our financial status wasn't good and new hires need to be justified, which is difficult when department or school deeply in the red.

Dr. Roth opened the floor to other questions. Dr. DiCicco-Bloom noted that RWJMS is in new territory with Rutgers. Aware of signature areas specified by RBHS, so how do we hire at the medical school? Bylaws require searches, but that is not necessarily how things are being done these days as a number of hires have been done outside of that process. Dr. Terregino noted that the bylaws specify search committees for chairs, not for all faculty positions. The Dean indicated that the process hasn't changed. Dr. DiCicco-Bloom suggested that going forward as future opportunities arise, be aware that opportunistic hires end up on the RWJ budget. Important that faculty retain a role in vetting and recruiting future faculty. For new positions, need to have a competitive process that allows internal candidates to apply as well. At the RBHS level, appreciate that trying to build signature areas, but need to be aware of where the new hires will go.

Dr. Roth thanked Dean Gabriel for communicating and providing a forum for discussion.
2. 3. Previous action item: Appointments and Promotions issues

Action item from the last meeting was to try to obtain the RBHS A&P Guidelines. Dr. Roth engaged in phone calls, email exchanges and meetings with Dean Gabriel; emails to Provost Carson, the AAUP, and Rutgers administration. The Council communication included a section of the RWJMS bylaws noting that it is the responsibility of the faculty to establish written criteria and procedures. In consultation with the RWJMS A&P committee chair, the communication suggested that faculty be given a 30-day period to review the new guidelines and then vote on whether to accept them. As of this meeting, no one has provided the guidelines. Dr. Roth noted that there are two parts to the guidelines: those that are negotiated (terms of employment, e.g. multi-year contracts) should be in the negotiable portion of the guidelines and in the contract, but they are not included in posted contract that is pending ratification. The portions of the guidelines that are not negotiated include the criteria for promotion, which the faculty has the right to establish and approve. Discussion continued and it was noted that ratification of the contract does not imply acceptance of the guidelines.

4. Summary of recent Executive Council and Senate meetings

Given the hour, these reports were skipped.

5. Old business
none

6. New business
Dr. Roth suggested that the Faculty Council would set a meeting date once the A and P guidelines become available.