



OHSU Budget Overview

Joint Education Ways and Means Committee

Presented by:

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Date: April 15, 2015

A Statewide Vision and Mission

Vision

OHSU will partner to make Oregon a national leader in health and science innovation for the purpose of improving the health and well-being of all Oregonians.

Statutory Missions

Teaching: Educate tomorrow's health professionals, scientists, engineers and managers in top-tier programs that prepare them for a lifetime of learning, leadership and contribution.

Discovery: Explore new basic, clinical and applied research frontiers in health and biomedical sciences, environmental and biomedical engineering and information sciences; and translate these discoveries, wherever possible, in the health and commercial sectors.

Healing: Deliver excellence in health care, emphasizing the creation and implementation of new knowledge and cutting-edge technologies.

Outreach: Lead and advocate for programs that improve health for all Oregonians, and extend OHSU's education, research and health care missions through community service, partnerships and outreach.

OHSU Governance

- OHSU is a non-profit public corporation and is the state's sole public academic health center.
- OHSU became a public corporation in 1995 which separated it from the Oregon University System, although we continue to actively collaborate on academic and research issues with Oregon's public universities.
- As a public corporation, OHSU receives yearly appropriation from the state which helps support our legislatively-mandated public missions.
- The OHSU Board of Directors has 10 members. Jay Waldron currently serves as Board Chair

Summary of State General Fund Investment in 2013-15

Total: \$72,562,387

- School of Medicine \$23,979,517
- School of Nursing \$20,738,121
- School of Dentistry \$9,718,762
- Office of Rural Health/AHEC \$4,248,786
- CDRC \$7,710,000
- Oregon Poison Center \$2,467,201
- Scholars for a Healthy Oregon \$2,500,000
- Primary HC Loan Forgiveness \$1,200,000

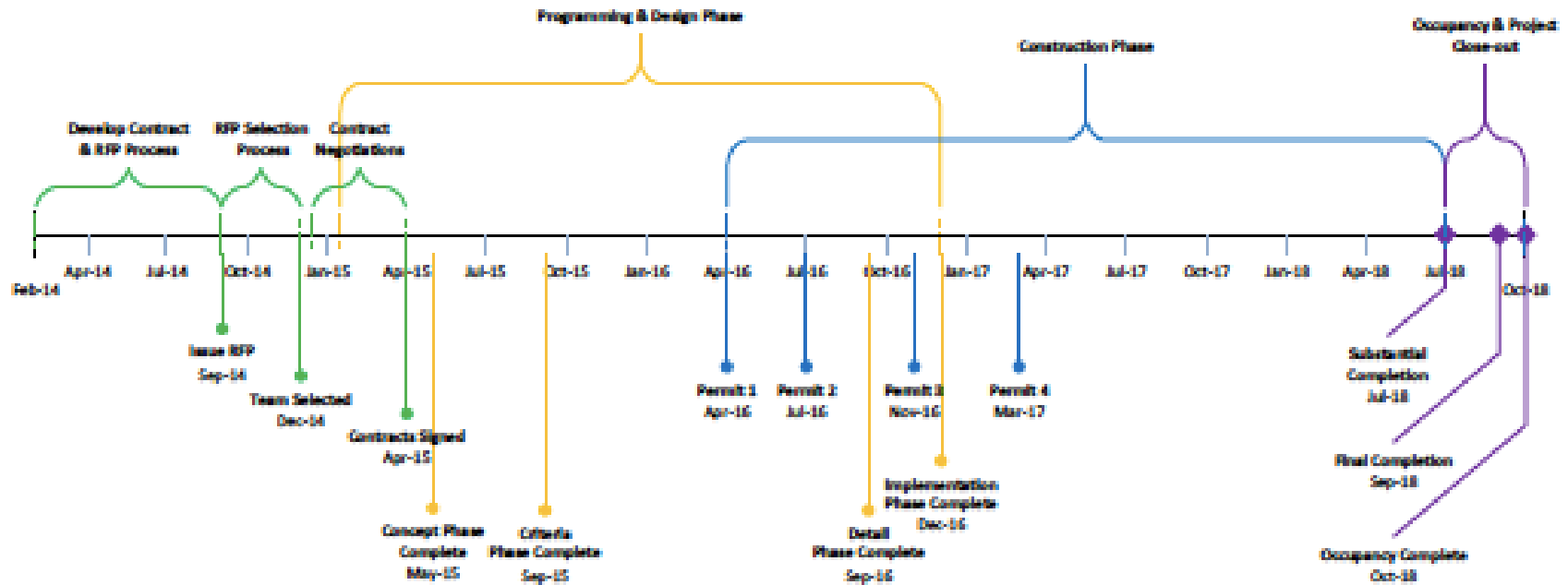
2015-17 Current Service Level

	2013-15 Legislative Approved Budget	2015 - 17 OHSU CSL
School of Medicine	\$23,979,517	\$24,770,841
School of Nursing	\$20,738,121	\$21,422,479
School of Dentistry	\$9,718,762	\$10,039,481
ORH/AHEC	\$4,248,786	\$4,388,996
Scholars for a Healthy Oregon	\$2,500,000	\$5,165,000
Total	\$61,185,186	\$65,786,797
CDRC	\$7,710,000	\$7,964,430
Oregon Poison Center	\$2,467,201	\$2,548,619
Primary Health Care Loan Forgiveness Program	\$1,200,000	\$1,033,000
Knight Debt Service		\$23,357,272
Grand Total	\$72,562,387	\$100,690,118

Knight Cancer Challenge update

- OHSU has raised more than \$462 million including \$200 million from the State of Oregon
 - 9152 donors
 - State funding was the catalyst
 - 4497 first-time donors
 - All Oregonians: Company matching programs, Unite for Knight, School children selling bracelets
 - All 50 states
 - Plus D.C. and many from overseas – 11 from the United Kingdom
 - Forty-one gifts of \$1 million or more

Knight Challenge Construction Timeline



Knight Cancer Community Partnership Program

- The OHSU Knight Cancer Institute Community Partnership Program is designed to:
 - Provide grants and other resources to address community-identified needs to decrease the impact of cancer on Oregonians
 - To build sustainable collaborations statewide
 - To pair grant recipients with an OHSU academic collaborator who will help guide the development of the program
- OHSU awarded \$462,656 to 17 projects operating in 23 counties throughout Oregon as part of the first round of awards.

Knight Cancer Community Partnership Program

Examples:

- **Tier 1: Early Stage Grants**
 - **Yellowhawk Tribal Health Center; \$10,000**
 - **Project: Yellowhawk Cancer Data Project; Morrow, Umatilla and Union Counties**
 - Establish a cancer registry to collect baseline data and aid in documenting cancer among the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and eastern Oregon.
- **Tier 2: Developmental Grants**
 - **Association of Oregon Centers for Independent Living; \$25,000**
 - **Project: Cancer Screening for People with Disabilities; Deschutes, Douglas and Multnomah Counties**
 - Improve rates of cancer screening for Oregonians with disabilities through a train-the-trainer program for staffs at the cross-disability Centers for Independent Living (CILs) based in Bend, Portland and Roseburg.
- **Tier 3: Program Advancement Grants**
 - **Bay Area Hospital; \$35,500**
 - **Project: Bay Area Hospital Telemedicine Room; Coos County**
 - Reduce travel and financial hardship for cancer patients in Coos County through establishment of a telemedicine program for oncology specialty care consultations.

Mission: Education

Education Overview

- School of Medicine
 - Includes Physician Assistants Program, Radiation Therapy Program, Nutrition Programs, Masters and Ph.D Programs
- School of Nursing
 - Statewide undergraduate programs through OCNE and regional universities and graduate programs at OHSU in Portland
- School of Dentistry
- Joint School of Pharmacy with Oregon State University
- Establishing a Joint School of Public Health with Portland State University
- The state provides general fund support to the Schools of Nursing, Medicine, and Dentistry

Mission: Education

- **3649 students and trainees**

- 2838 students

- School of Dentistry

- Total number of DMD students : 300
- Percent Oregonian : 60%

- School of Medicine

- Total number of MD students : 528
- Percentage Oregonian : 82%

- School of Nursing

- Total number of undergraduates : 814
- Percentage Oregonian : 89%
- Total number of graduate students : 278
- Percentage Oregonian : 69%

- 811 interns, residents, fellows, and trainees

- **Statewide Partnerships**

- OSU College of Pharmacy (joint PharmD degree)
- OIT Allied Health programs: EMT, CLS (joint AAS, BS degrees)
- OSU, PSU MPH program (individual institutional degrees)
- OCNE Nursing programs with 9 community colleges



Collaborative Life Sciences Building

- Completed July 2014 – great success
- Jointly used by PSU/OHSU/OSU
- OHSU educating in new ways
 - Inter-professional education
 - Simulation
- Design of the building encourages human interaction and collaboration
- Expanding our ability to do science education outreach and pipeline development



Scholars for a Healthy Oregon (SHOI)

- Established in 2013 by the State of Oregon to help OHSU recruit students from rural, under-represented and underserved areas of Oregon who are most likely to practice in those areas of need upon graduation.
- The Legislature allocated \$2,500,000 to fund the program for the second year of the biennium. This covered full tuition and fees for 21 eligible first-year students entering specified clinical degree programs during the 2014-15 academic year.
- In exchange these students agree to practice as a health care practitioner in a rural or underserved community in Oregon for the number of years of their education at OHSU plus 1.

SHOI - Eligibility

- To be eligible to apply for funding under, students of Oregon Heritage must be admitted to OHSU for the 2014-15 academic year in one of the following clinical degree programs:

Doctor of Medicine (MD)

Master of Physician Assistant Studies (MPAS)

Doctor of Dental Medicine (DMD)

Master of Nursing (MN) in:

Nurse Anesthesia

Family Nurse Practitioner

Nurse Midwifery

Psychiatric Mental Health Nurse Practitioner

SHOI - Preference

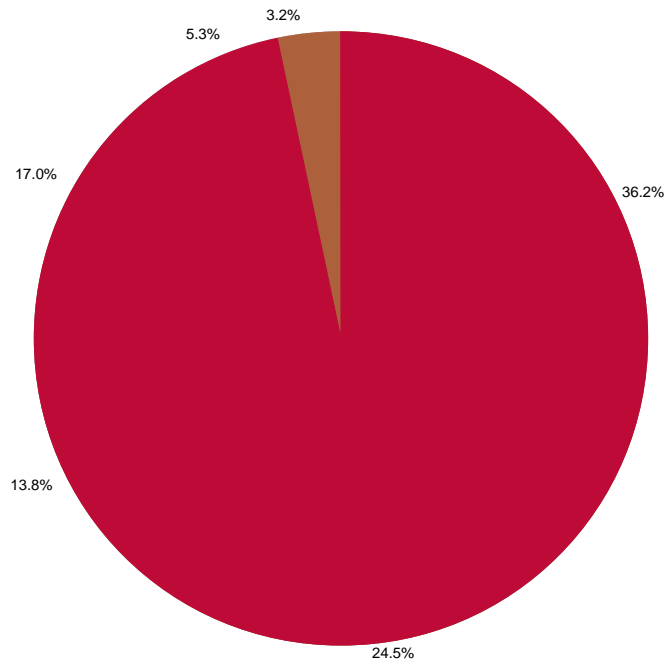
- Research shows that students who are from a rural community are 6 times more likely to practice in a rural community.
- Preference in the SHOI program is given to students who:
 - Are from a rural heritage
 - Are from a diverse or underrepresented community
 - Are first generation college students
 - Graduated from one of Oregon's 4 regional universities

SHOI Awardees

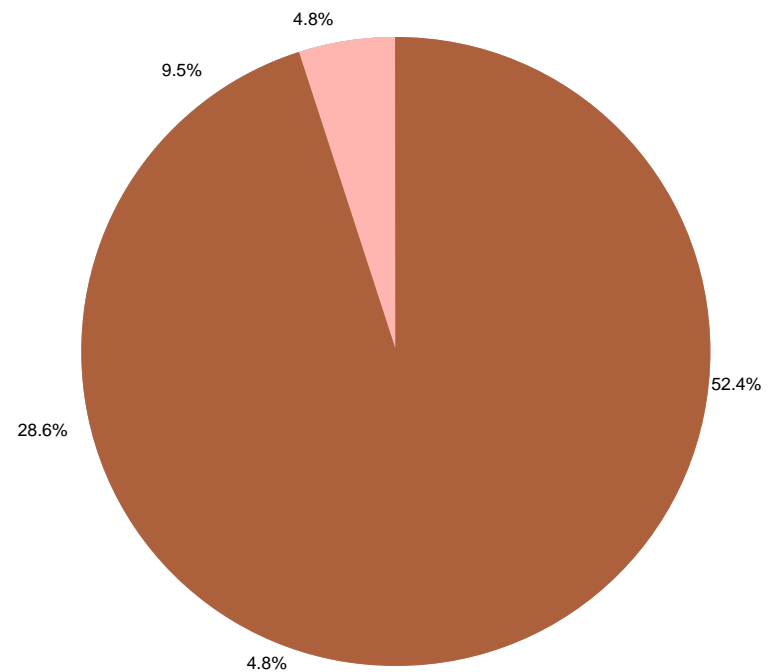
- 89 applications received, 21 scholarships awarded
- The 21 awards were divided among the schools as follows:
 - 4 Master of Physician Assistant Studies students
 - 8 awards to Master of Nursing students (2 Family Nurse Practitioner students, 3 Midwifery students, 1 Psychiatric Mental Health students and 2 Nursing Anesthesia students)
 - 3 awards to Doctorate of Dental Medicine students
 - 6 awards to Doctorate of Medicine students
- 14 students graduated from a high school in Oregon, including high schools in: Albany, Banks, Eugene, Hermiston, Independence, Madras, Pendleton, Portland, Rainer, Toledo, Troutdale and Tualatin.
- At the time of matriculation to OHSU, 11 students had a Bachelor Degree from an Oregon College or University.
- 61% reported growing up in a medically underserved community

Reported Childhood Community Size for 2014-15 Scholars for a Healthy Oregon Applicants & Recipients

Applicants



Recipients



Legend: 10,000 or less, 11,000-19,999, 20,000-39,999, 40,000 or more, Did not report



SHOI: Margo Roemeling – Medical Student

- Grew up on a farm outside Albany
- Studied biochemistry at Oregon State University
- Wants to practice medicine in Enterprise, OR

*“Without Scholars for a Healthy Oregon, I would not be studying medicine in Oregon at OHSU. **Without knowing I would receive this scholarship before I committed to OHSU I would have committed to a different school that had already offered me a rural scholarship.** I can honestly say that it is because of this program that I am pursuing my dream of caring for patients in my native rural Oregon.”*



SHOI: Eddie Ramirez – Dentistry Student

- Grew up in Gresham, OR
- Studied Organismal Biology at Portland State University
- PSU Student Commencement Speaker 2014
- First generation college student
- Wants to practice dentistry within the immigrant community of Oregon.



“As an immigrant to the United States that has lived through poverty and unfortunately lacked a lot of the traditional funding sources of other students, becoming a dentist seemed to be a just a dream. SHOI has not only caused this dream to come true, but has granted me the opportunity continue to support and be an example for the community that I grew up in, but this time as a Dentist.”

SHOI: Keva Southwell – PA Student

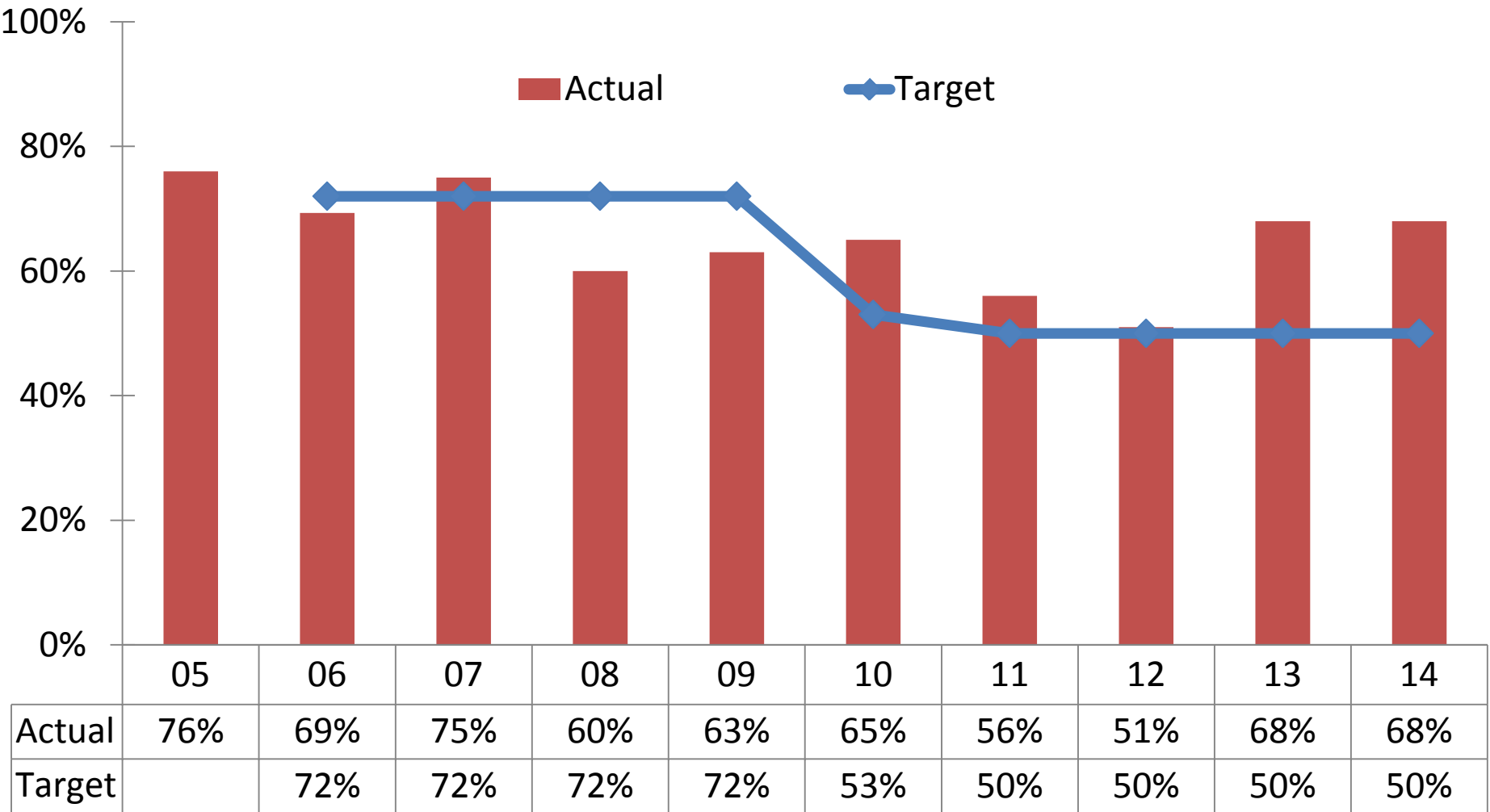


- Moved to Portland at age 18
- Struggled with addiction and homelessness
- Completed recovery program at Central City Concern and Old Town Clinic
- First generation college student
- Studied psychology and biology at Portland State University
- Wants to be a physician's Assistant at Old Town Clinic or at a Critical Access Hospital in Astoria or Tillamook
- Proud to be 9 years sober

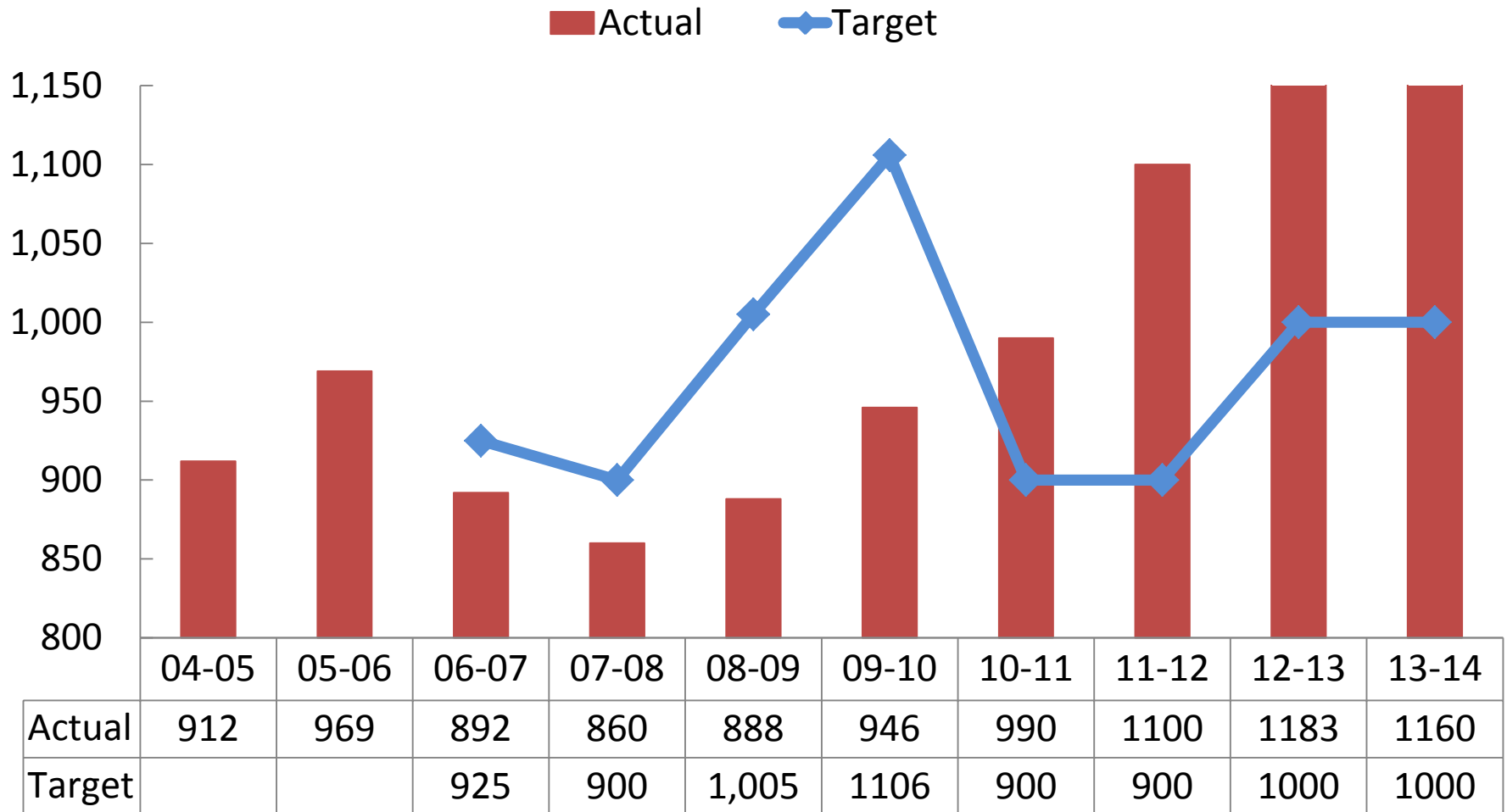
*“I cannot begin to express my gratitude for the SHOI scholarship. the scholarship will allow me to have a manageable amount of debt upon graduation. **I will be able to buy a home, something no one in my family has really ever had. I will be able to do so even while working underserved, with a somewhat lower salary.** I will be able to donate services through organizations like Project Access Now, ensuring that all people have access to the best care possible, regardless of status or resources. I am living my dream.”*

Educational Outcomes

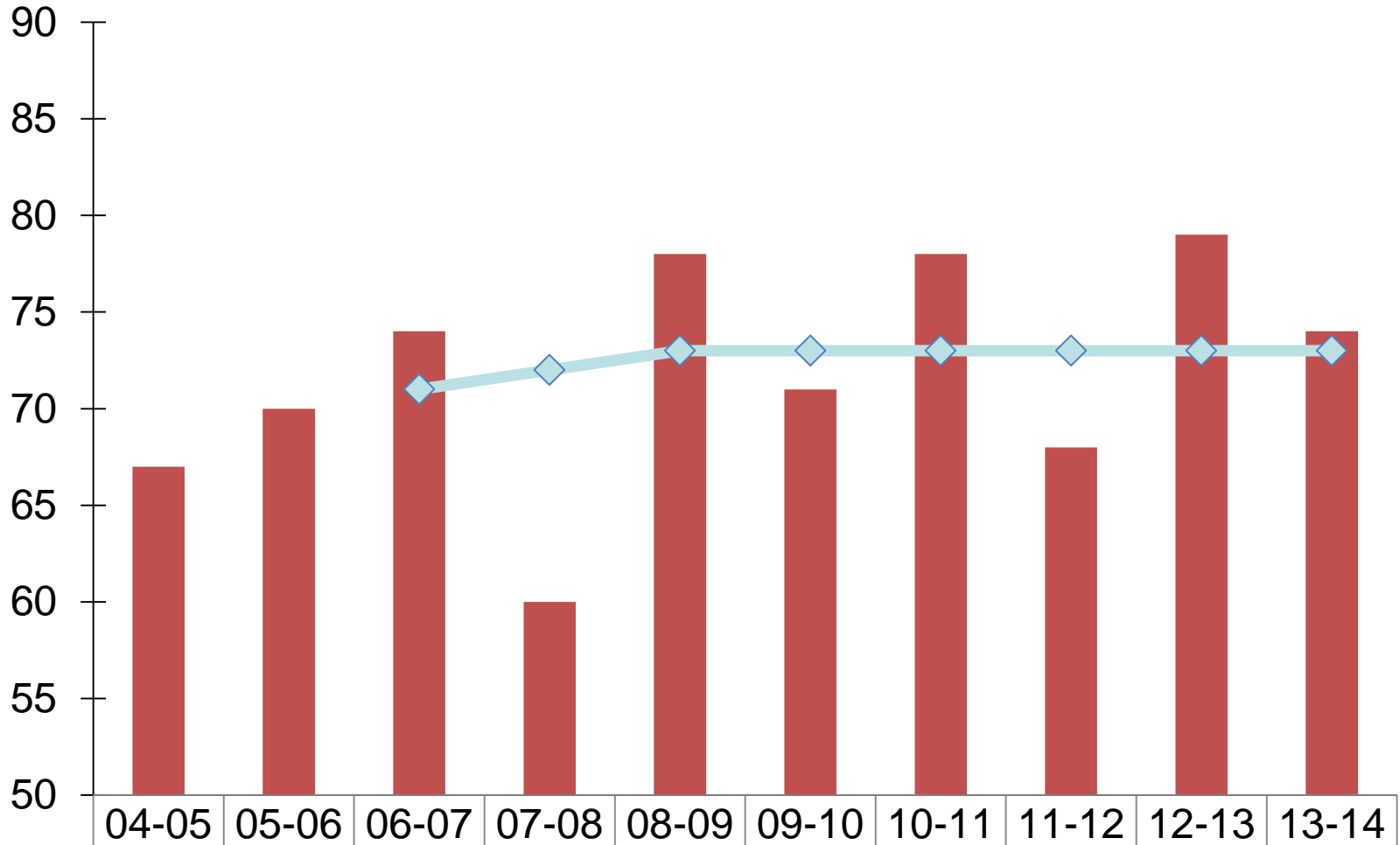
OHSU KPM: First-Year DMD Students That Are Oregon Residents



OHSU KPM: Total Degrees and Certificates Awarded

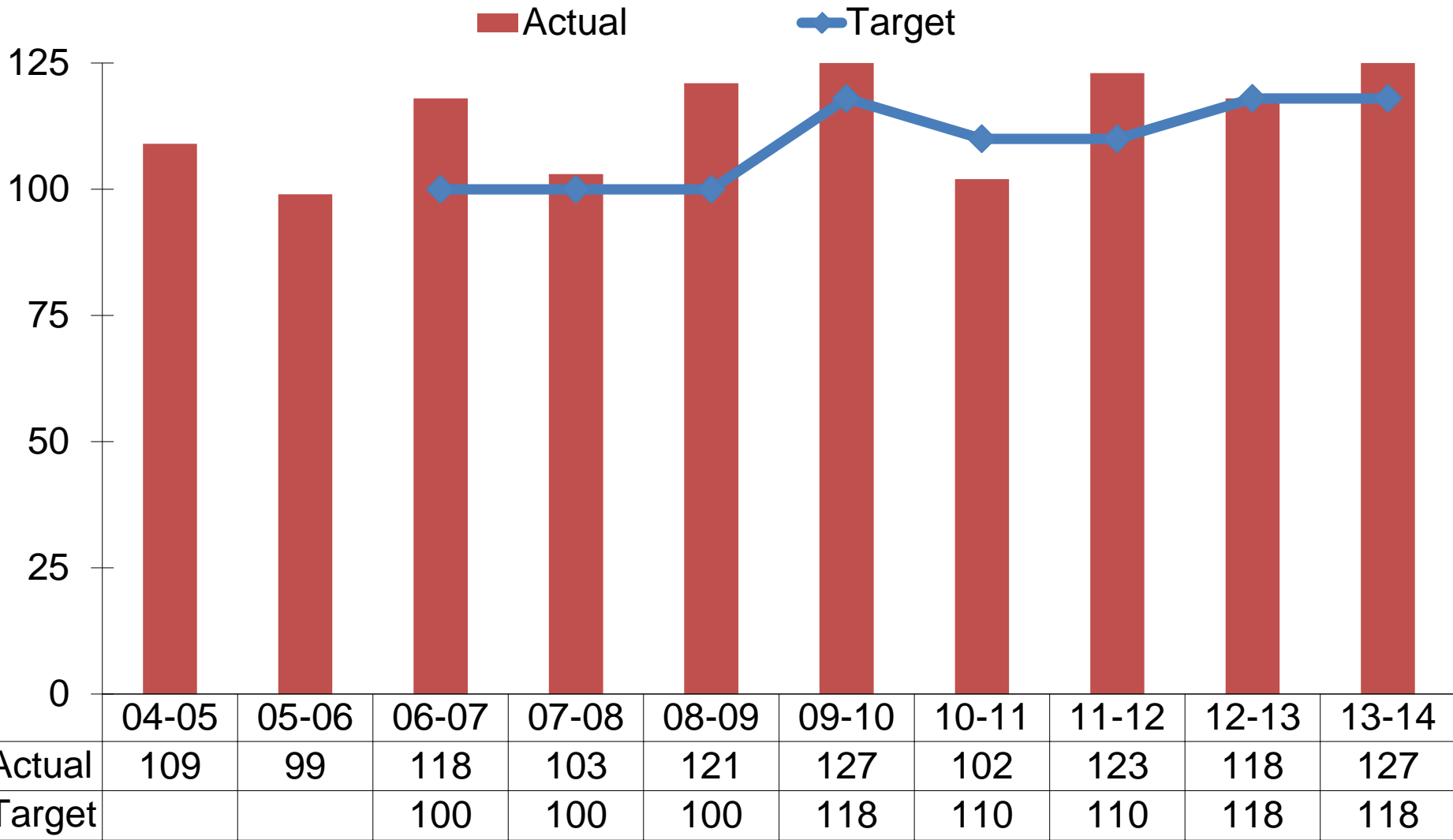


OHSU KPM: Total DMD Degrees Awarded



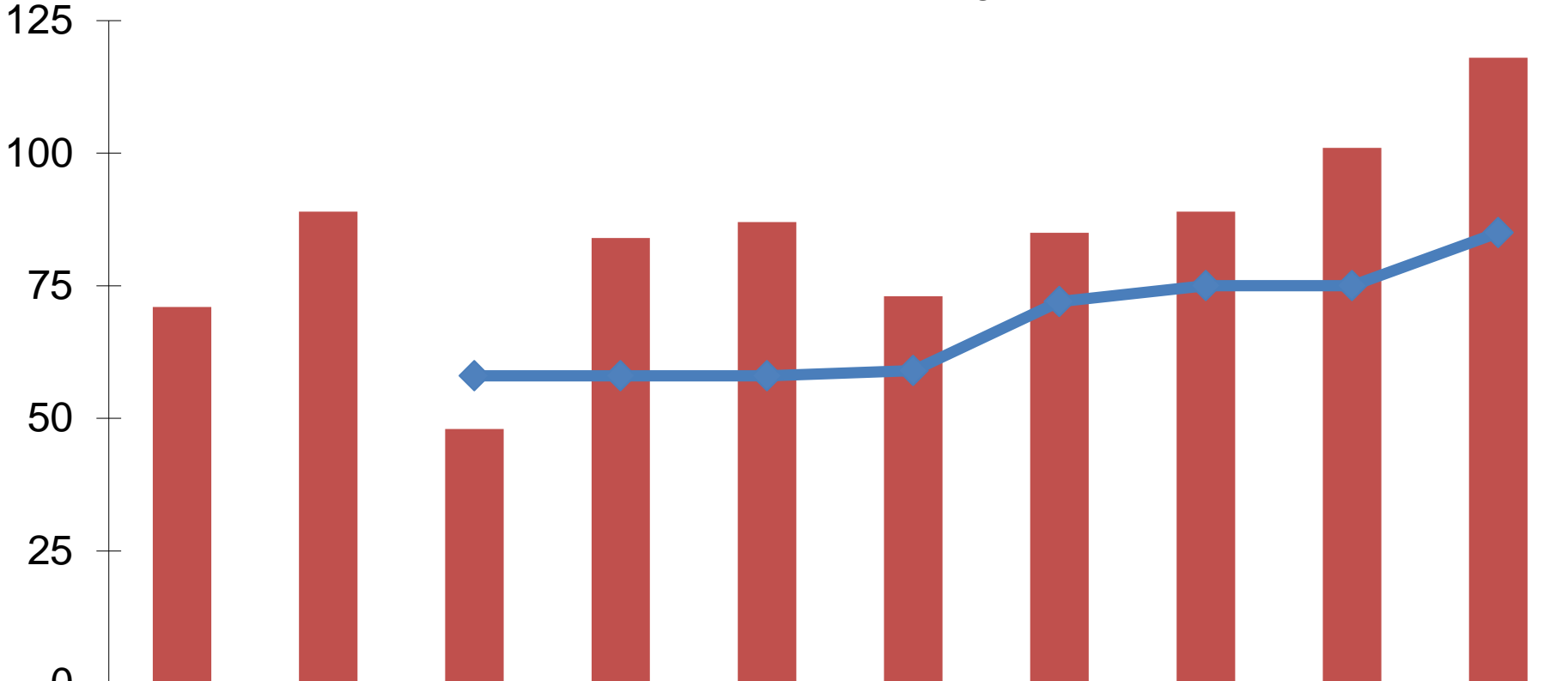
Actual	67	70	74	60	78	71	78	68	79	74
Target			71	72	73	73	73	73	73	73

OHSU KPM: Total MD Degrees Awarded



OHSU KPM: Graduate Degrees & Certificates Awarded in Nursing

Actual Target



	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14
Actual	71	89	48	84	87	73	85	89	101	118
Target			58	58	58	59	72	75	75	85

Mission: Research

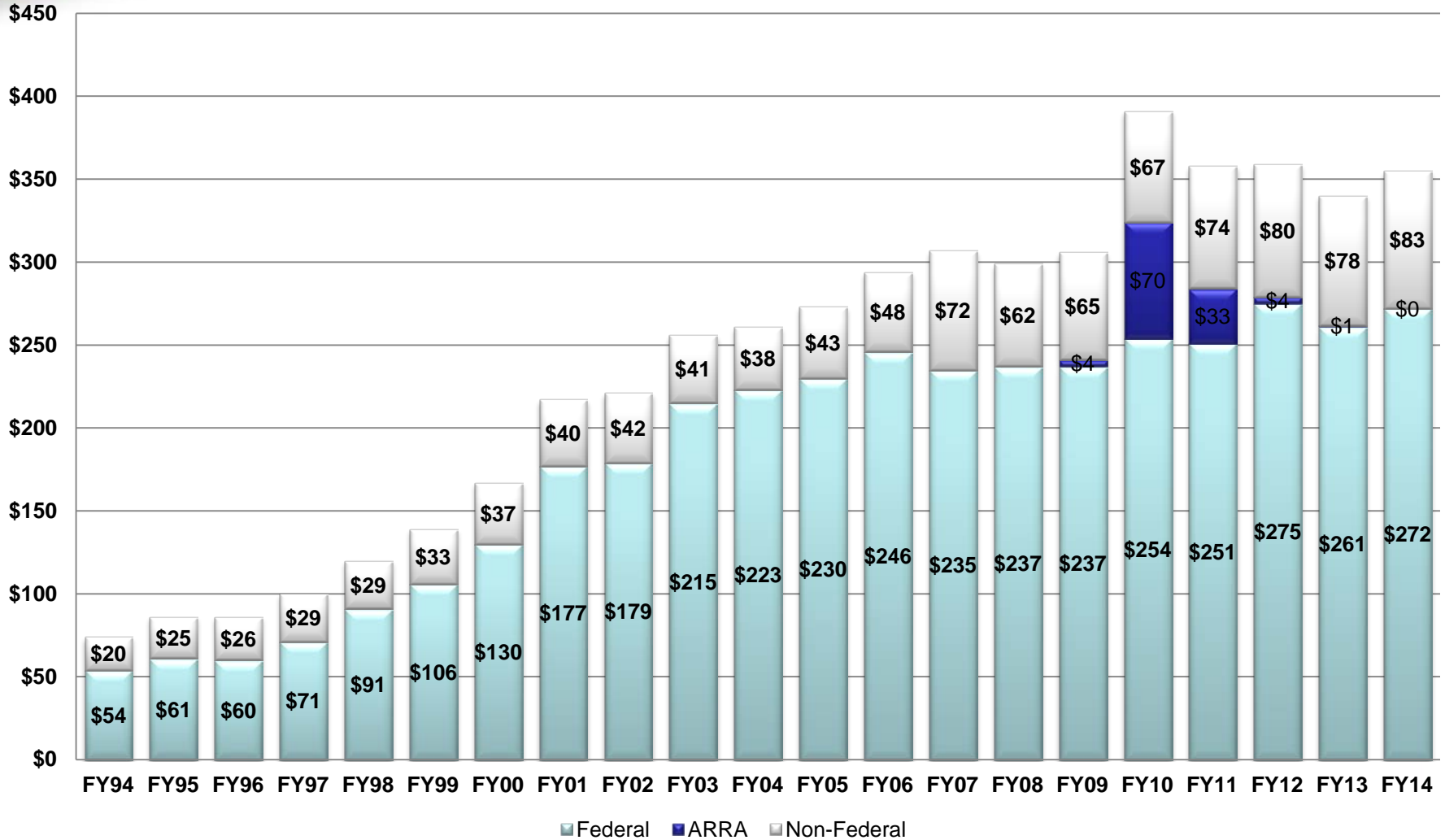
OHSU Research Highlights

- 1,750+ faculty scientists
- 1,242 research staff
- 3,000 funded research projects
- Only Oregon recipient of a **clinical and translational science** award, to speed research from bench to bedside.
- Discoveries that have and could potentially save hundreds of thousands of lives:
 - Louis J. Picker, M.D. who is close to initiating clinical trials for a vaccine candidate against HIV
 - Starr-Edwards valve (artificial heart valve)
 - Gleevec: Brian J. Druker, M.D., whose research led to the development of Gleevec, the first targeted cancer pill

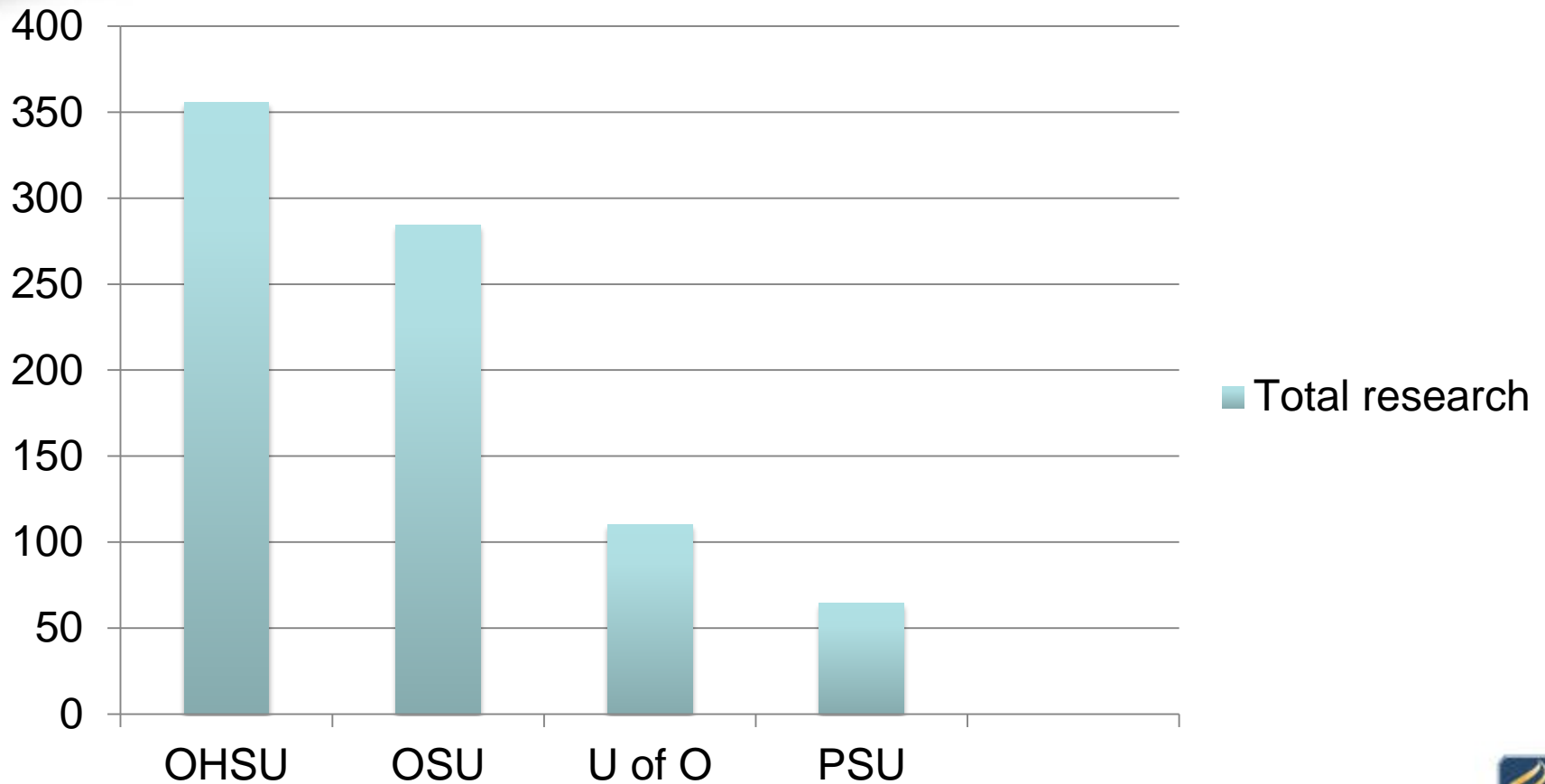


FY 14 Total Sponsored Research Awards

(In Millions)



Research Awards



Economic Impact of OHSU Research

- 93% of FY 2014 research dollars came from out of state.
- Research grants are like small businesses, requiring new staff, services, and equipment—as well as generating tax revenues for the state.
- Oregon’s research grants are estimated to have a 2.13 “business multiplier effect”—for every dollar awarded, the institution generates an additional \$2.13 for Oregon’s economy
- For FY 2014, this multiplier contributed an additional **\$758 million** to Oregon’s economy.

Source: AAMC

Research Leads to New Oregon Businesses

- Since 1998, OHSU research has resulted in 48 startup companies, 80 total companies since the early 1970s.

INTELLECTUAL PROPERTY	FY10	FY11	FY12	FY13	FY14
Invention Disclosures Received	116	128	117	103	128
Patent Applications Filed on New Matter	42	47	27	33	29
Total US Patent Applications Filed	59	69	54	90	67
US Patents Issued	21	12	20	26	24
New Companies Formed	3	2	1	2	4

- In 2014 OHSU also issued a record 80 license agreements

Mission: Health Care

Healing



OHSU hospital and clinic highlights:

- Over **978,000 patient visits** in FY14, from every county in Oregon
- Doernbecher Children’s Hospital ranks **#1 in pediatric quality** out of 123 similar children’s hospitals according to the University Healthsystem Consortium
- Only place in Oregon on *US News and World Report's America’s Best Hospitals* list
- Only Oregon National Cancer Institute center: The **Knight Cancer Institute**



Key Elements of OHSU Clinical Care

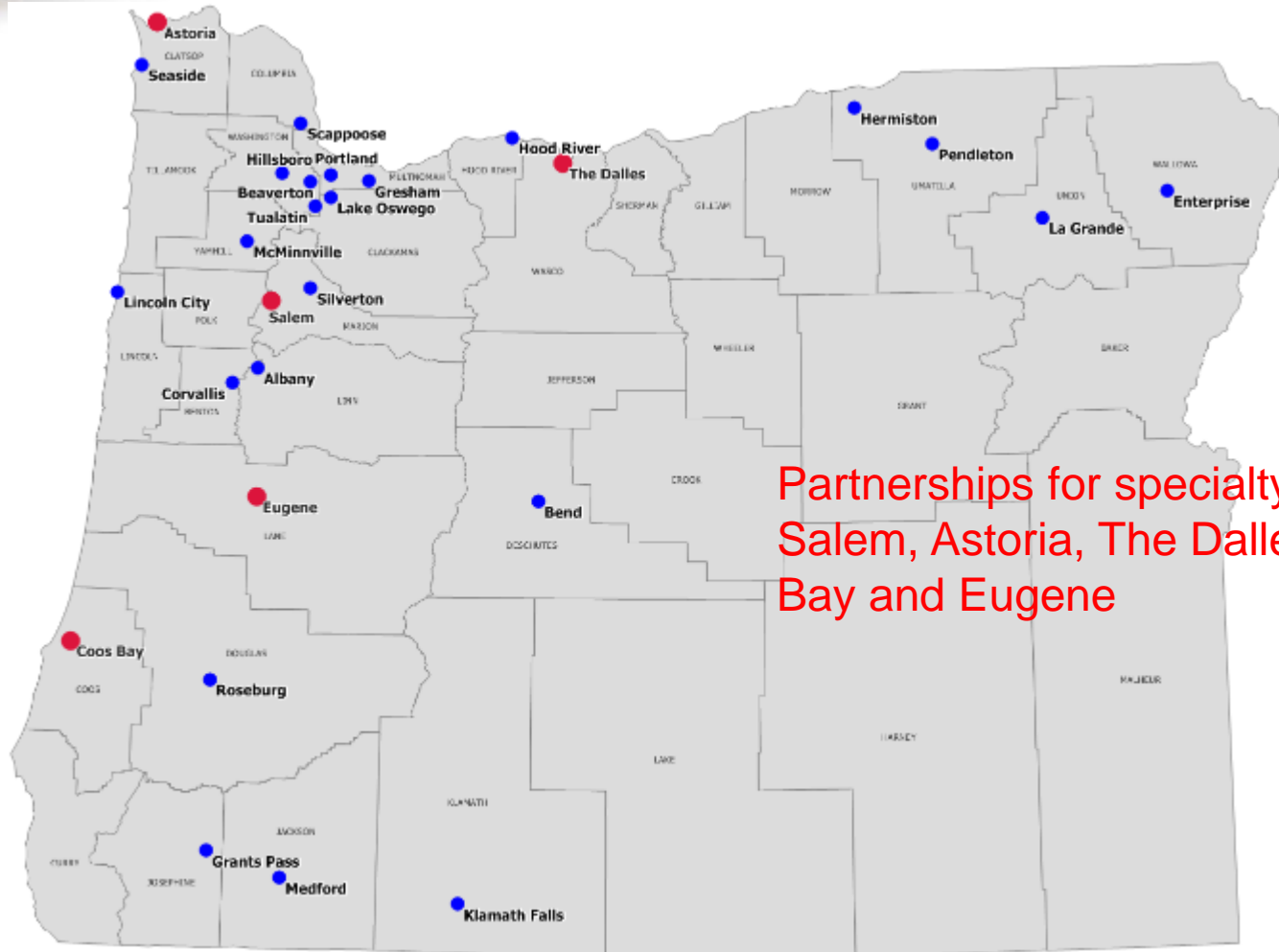
- OHSU Hospital and OHSU Doernbecher Children's Hospital
 - 572 beds
- Educational platform for
 - 811 resident physicians and fellows in advanced training around Oregon
 - 528 MD students
- Also major clinical education site for nursing, physician assistants, pharmacists, dental and other health professionals
- Catalyst for success of all other missions
- A statewide resource for tertiary (specialty) care
 - Serving all of Oregon, SW Washington, Idaho
 - About 50% of OHSU Medicaid patients reside outside Portland metro area

Hospitals Serves a Key Role in Supporting all OHSU Missions

- Hospitals competes regionally and nationally for staff, physicians
- Complex accreditation and regulatory environment
- Self funds capital, reinvestment
- Integrate MD and Hospital interests to optimize performance
 - Support community partnerships
 - Lead in quality and evidenced-based care
- Support innovation in care models and translational research
- Financial support for education mission

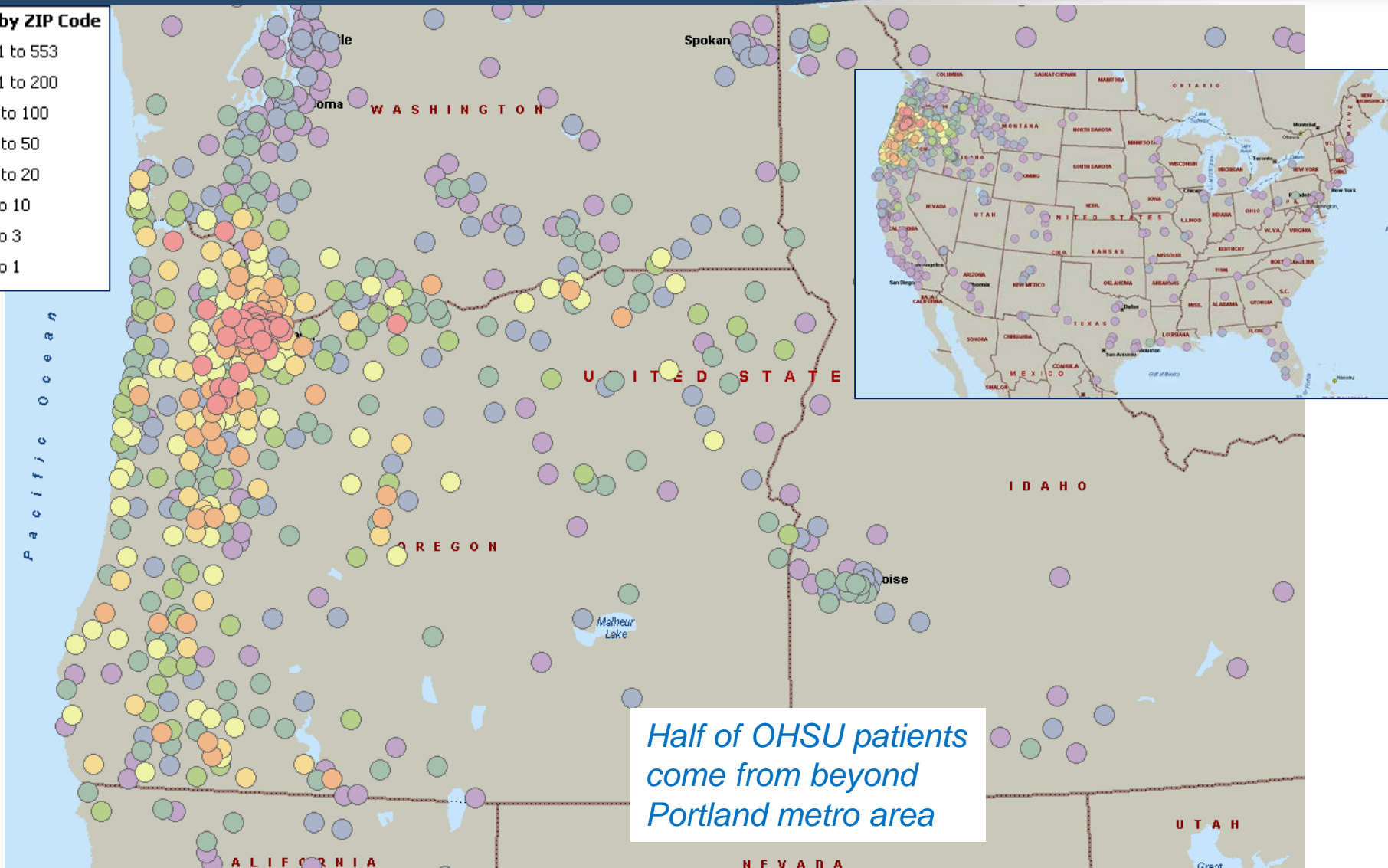
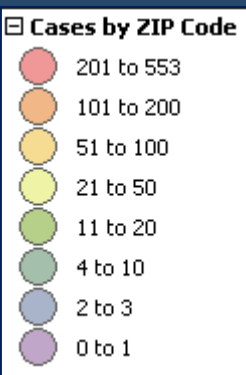
Statewide Clinical Care

789,633 visits across 55 affiliated clinic sites in Oregon in FY14



Partnerships for specialty care in Salem, Astoria, The Dalles, Coos Bay and Eugene

OHSU's Patients Span Oregon & Beyond



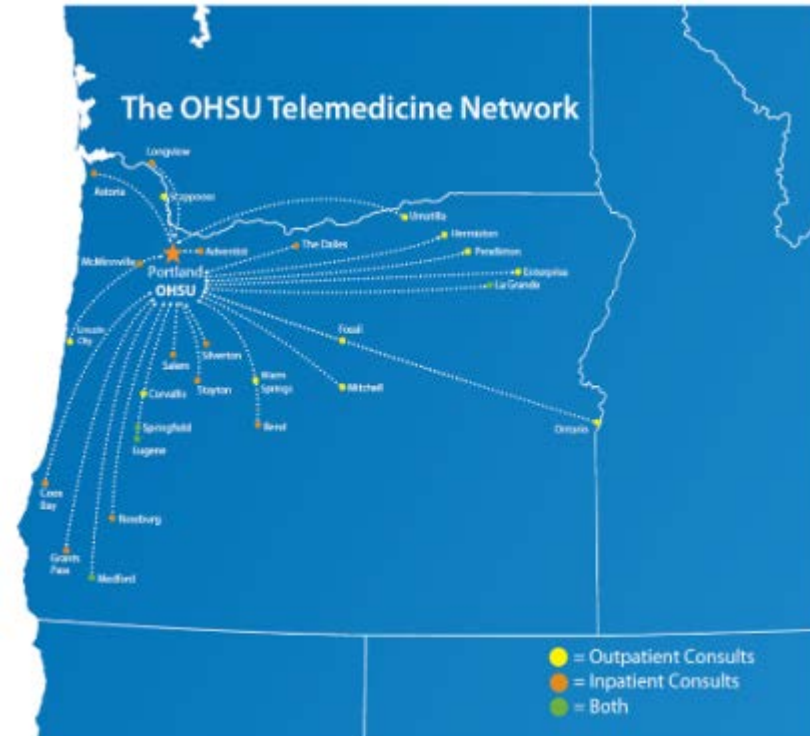
Half of OHSU patients come from beyond Portland metro area

The Partnership Imperative

- Health care market is consolidating
 - Reorganizing care to meet the Triple Aim
- Seeking strategic partners to coordinate and integrate care
 - Oregon-based, Oregon-focused
 - Committed to health care transformation
 - Delivering world-class, value-based care

Statewide Telemedicine Partnerships

- Healthcare dollars and patients stay in local communities
- Improves patient satisfaction
- Supports rural providers & decreases isolation
- 27 ambulatory and inpatient service sites currently
- Kept 431 inpatients (46%) in their home communities
- Saved more than **\$6.8M** in transport costs since 2010



Child Development & Rehabilitation Center (CDRC)

CDRC: Serving Children with Special Health Needs

- **1 in 6** children in Oregon has a disability or special health need; this ratio is expected to increase.
- Children with disabilities are typically the most complex to serve and more than half of these children have **multiple disabilities**
- 28% of rural Oregon residents who have children with special health needs report having unmet needs versus 16% nationally
- **OHSU Child Development and Rehabilitation Center (CDRC)** is state mandated to provide services to Oregon children and youth with special healthcare needs (CYSHN)

CDRC: Who We Serve

CDRC serves children, youth with developmental disabilities and complex health care needs.

Most services provided at CDRC are not available elsewhere in Oregon.

- **Developmental Delays**
- **Cerebral Palsy**
- **Intellectual Disabilities**
- **Learning Disabilities & ADHD**
- **Communication Disorders**
- **Autism**
- **Hearing and Visual Impairments**
- **Spina Bifida**
- **Cranial Facial Disorders**
- **Metabolic Disorders**
- **Genetic Disorders**
- **Hemophilia**
- **Feeding Disorders**
- **High Risk Infants**
- **Congenital brain anomalies**
- **Down Syndrome**
- **Pediatric Stroke**

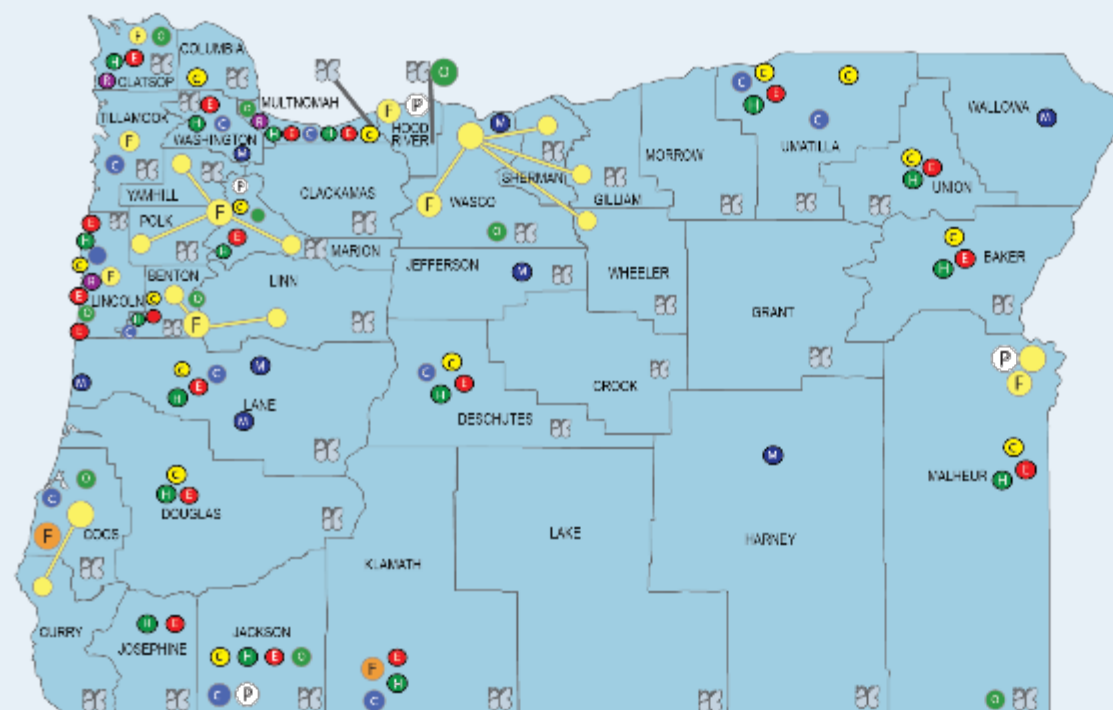
CDRC: What We Do

- CDRC provides services to children with disabilities and special health needs from every county in Oregon
- Helps local communities meet the needs of children with the most challenging disabilities and special health needs.
- CDRC professionals work in partnership with families to ensure the best care
- More than 50% of CDRC patients come from outside the Portland metropolitan area
- Between 2000 and 2014 demand for CDRC services increased by over 30%

CDRC Statewide Programs

OHSU Institute on Development & Disability

Statewide Clinical and Outreach Services 2014

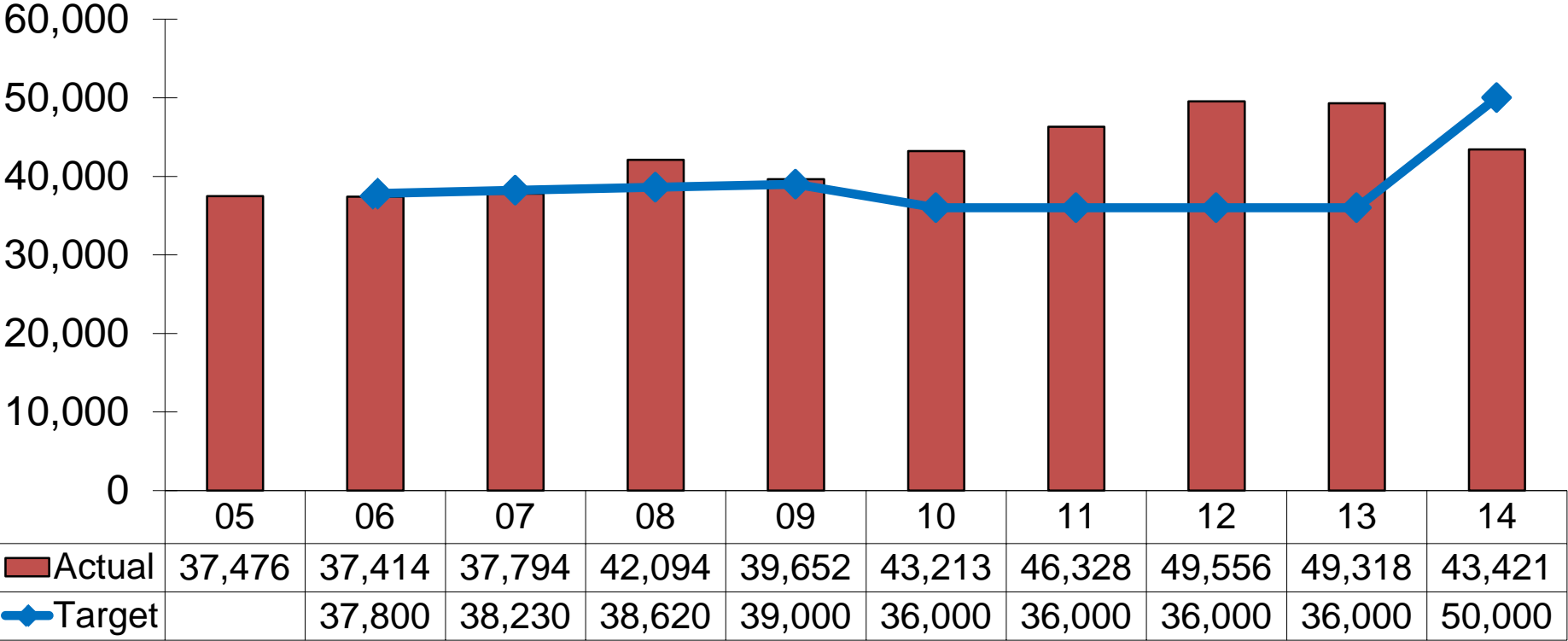


- Community Engagement
- Right to Know
- Healthy Lifestyles
- Emergency Preparedness
- Mammography Clinic Evaluations

- F Family Liaison
- F Other Family Partnerships
- P Promotora
- CCN Clinics & Catchment Counties
- CCN Statewide CaCoon Public Health Nurse Program: CYSHN Care Coordination
- O Oregon Family 2 Family Health Information Centers
- C CDRC Clinic & Outreach Clinic Locations

OHSU KPM: CDRC Services Provided to Patients

Actual Target



Mission: Outreach

Outreach

OHSU outreach highlights:



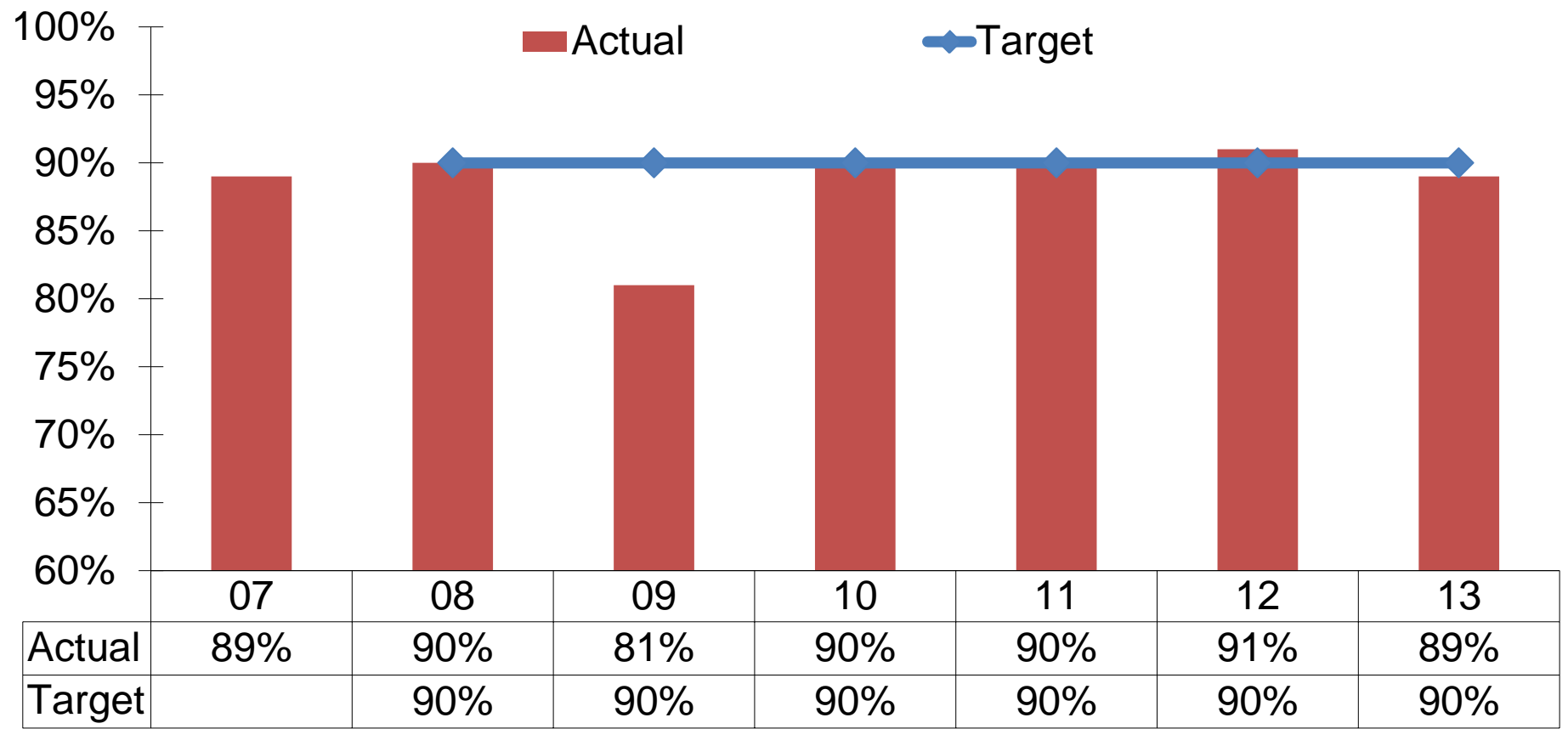
- OHSU’s total community benefit contribution: **\$341 million**
- More than **200 outreach programs** serving people throughout Oregon
- **Oregon Poison Center**, providing all of Oregon with 24/7 support
- **Institute of Occupational Health Sciences** serves workers and employers
- **Science Education Opportunities** offers internships, education for children
- **Preschool vision screening**, through a partnership with the Oregon State Elks
- **Give Kids a Smile Day** to provide dental treatment for underserved children
- **Area Health Education Centers (AHEC)** provides rural and pipeline supports

Oregon Poison Center

- Statewide 24-hour healthcare information and treatment resource
- Staffed 24/7 by doctors and nurses trained in toxicology
- Handles over 41,000 calls a year
- 62% of the patients receiving assistance from the Oregon Poison Center are children and teens
- In 2014 OPC managed 90% of cases at home
- Saved an estimated **\$14M** in alternative healthcare costs in 2014



OHSU KPM: Accidental Poisoning or Toxic Exposures Managed at Home



Area Health Education Centers

AHECs educate current and potential health care students in rural Oregon

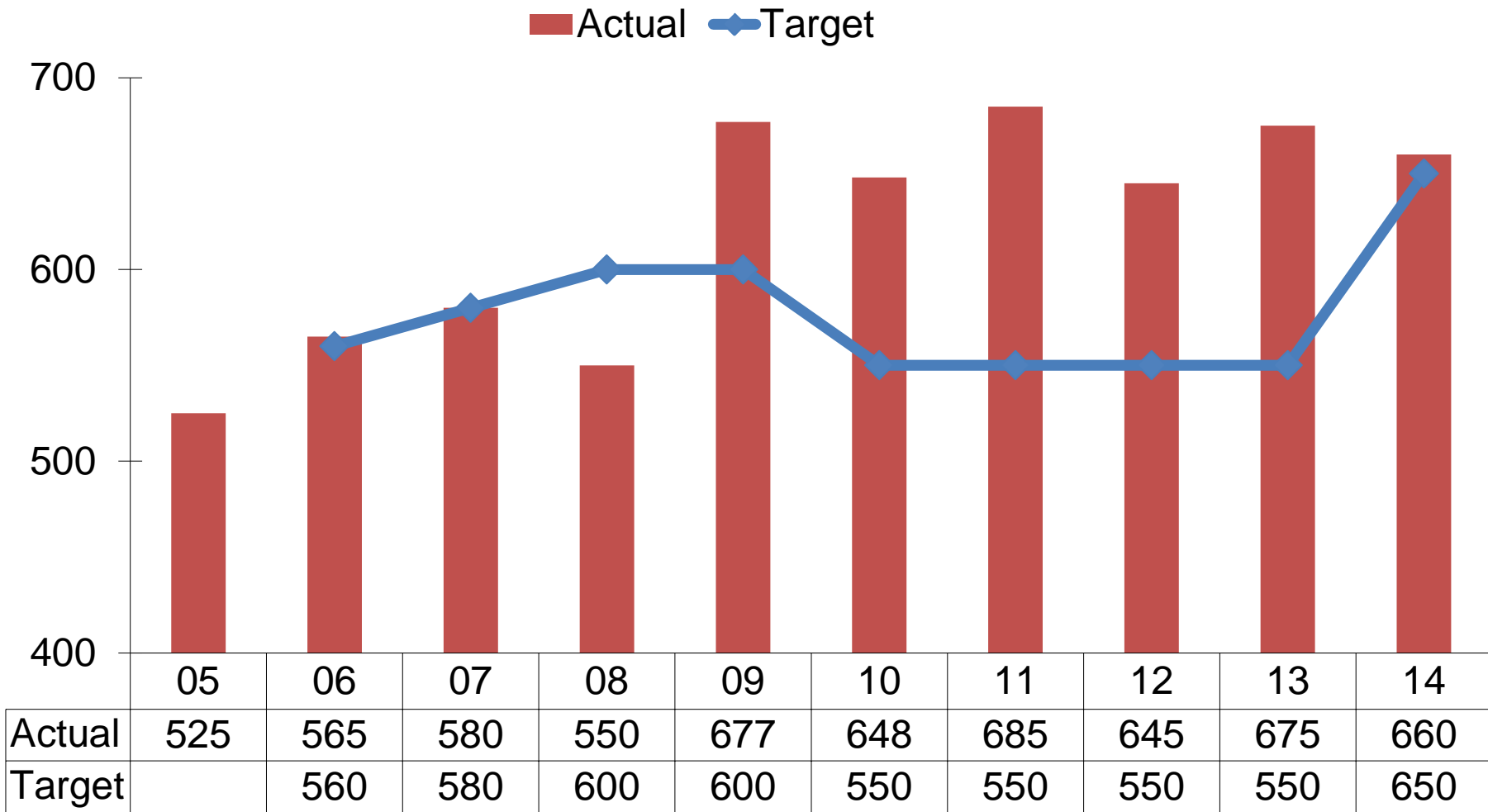
- In the last year 115 OHSU medical students completed at least one five-week rural rotation at one of 40 sites staffed by 80 preceptors
- 9 MD students completed 15-week rotations in rural locations as part of the Oregon Rural Scholars Program
- Helped support the training of 50 family medicine residents across the state
- Provided health career education support to over 1,700 K-12 students across 112 schools across Oregon. For example:
 - Future Health Professionals of Oregon – 109
 - Girls in Science – 107
 - Healthcare Professional Preparation Program (HPr³) – 196
 - Health Occupations – 133
 - Teen Volunteer Program - 100

Office of Rural Health

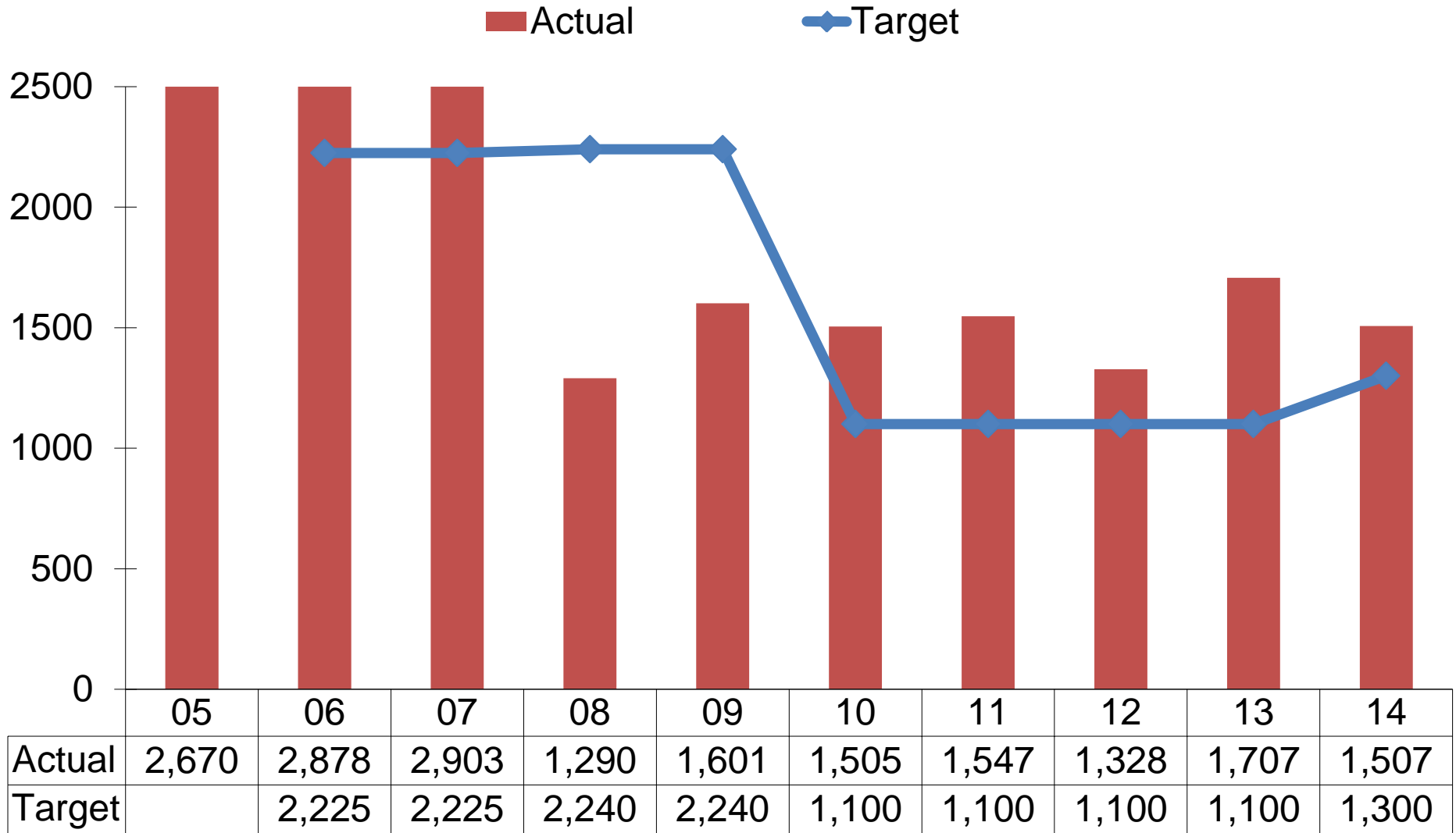
Coordinating statewide efforts to provide health care in rural Oregon:

- ✓ Community Health Improvement Partnerships:
 - Community decision-making to improve the health status of local residents
- ✓ Administer the Oregon Rural Provider Tax Credit to 2,114 practitioners and the Rural Volunteer EMT Tax Credit to 522 Emergency Medical Service Providers
- ✓ Administers the Rural Malpractice Subsidy Program to 692 physicians and nurse practitioners
- ✓ Operate an Information Clearinghouse:
 - Community Profiles for every primary care service area in the state
- ✓ Conduct in-depth community health care needs assessments for hospitals and CCOs

OHSU KPM: MD Student-weeks Served in Rural Communities

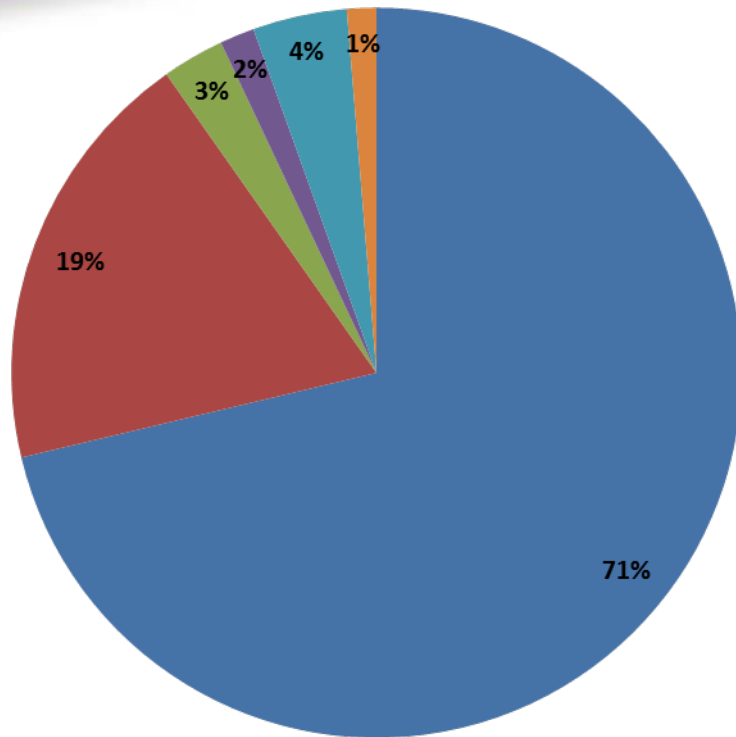


OHSU KPM: Rural Healthcare Education Pipeline Participants



OHSU Finances

How is OHSU Funded?



Fiscal Year 2014

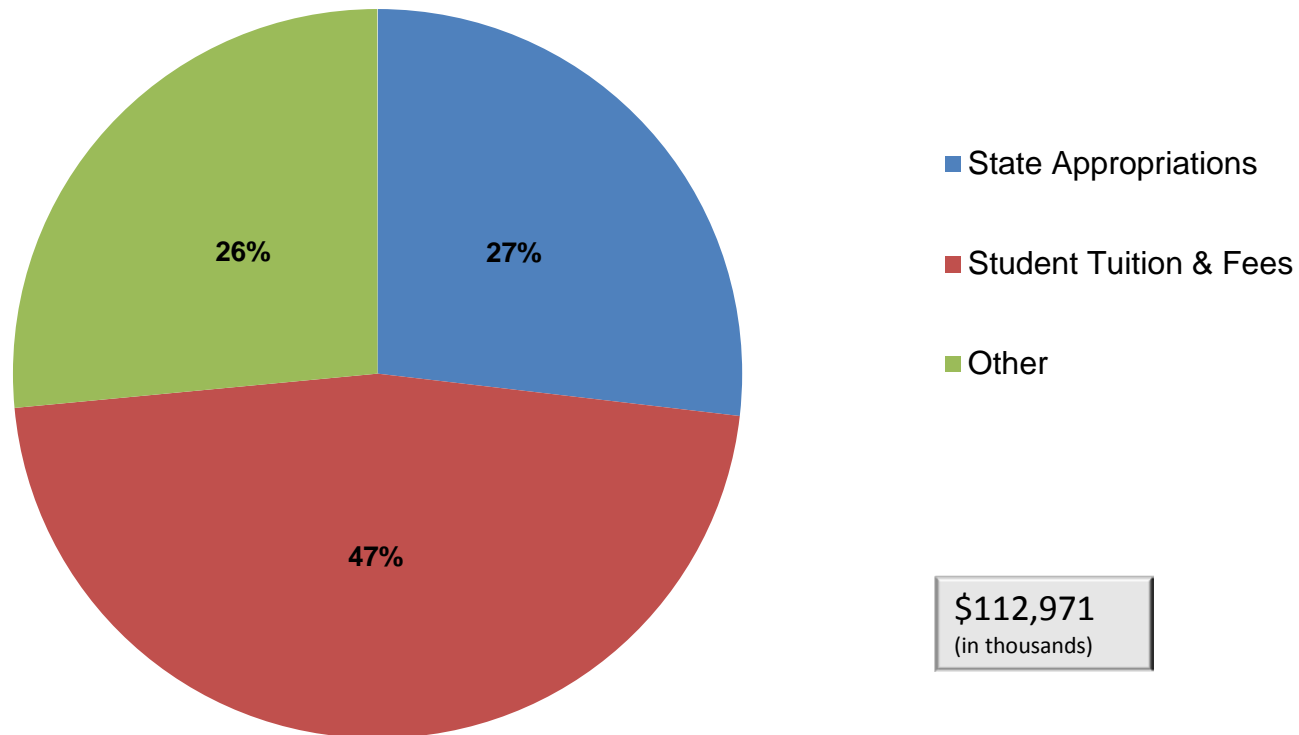
- Patient Service Revenue
- Gifts, Grants, & Contracts
- Student Tuition & Fees
- State Appropriations
- Sales & Services/Other
- Investment Income/Change in FMV of Assets

\$2,307,423
(in thousands)

Note: Includes both Unrestricted and Restricted Funds; Patient Service Revenues include reimbursement from Oregon Medicaid.

How are State Supported Academic Programs Funded?

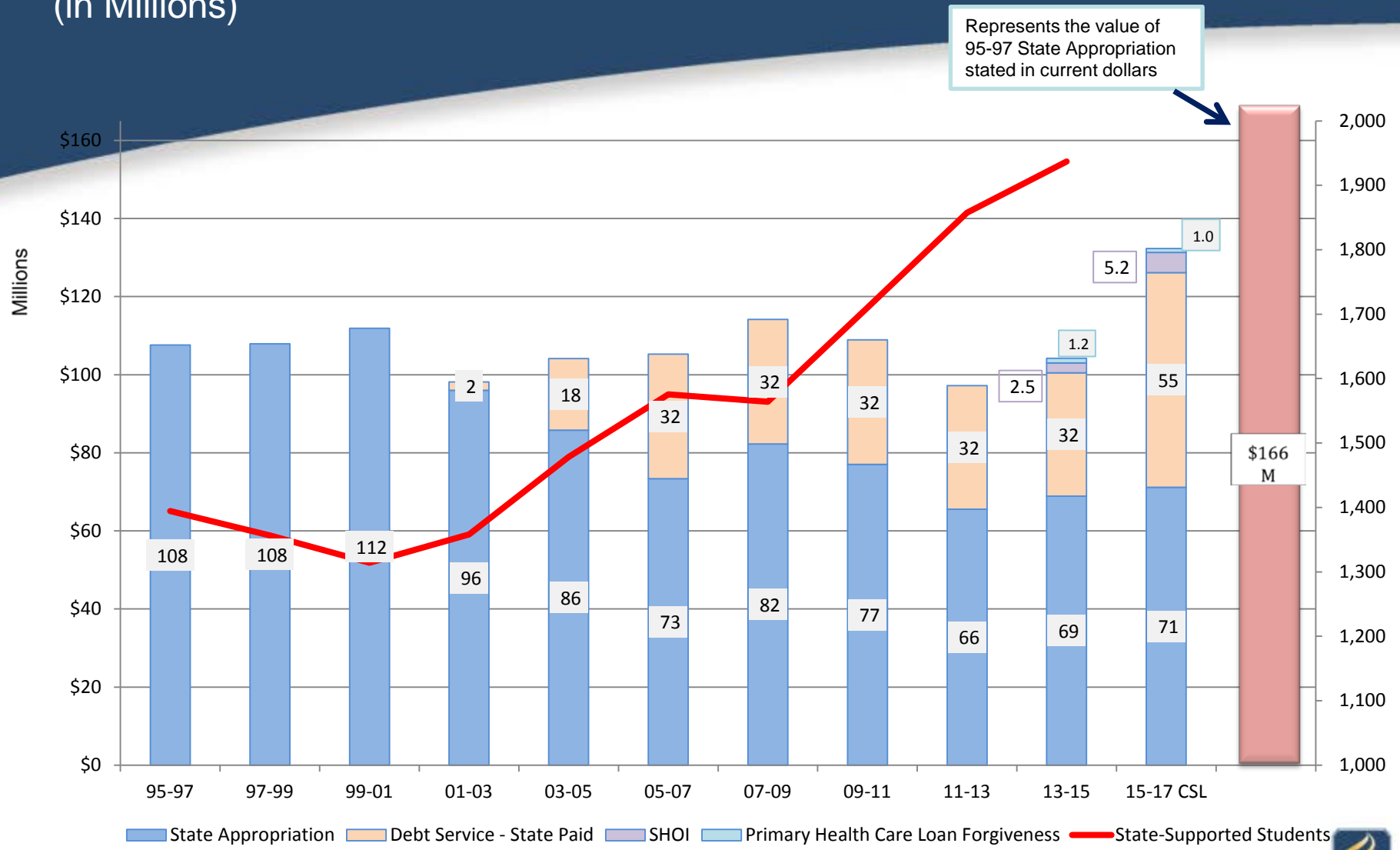
Fiscal Year 2014



Note: Includes both Unrestricted and Restricted Funds; Other includes Internal Transfers to fund Education missions, Gifts, Grants and Contracts and Patient Service revenue.

OHSU State Appropriation Including Debt Service

(in Millions)



Note: Inflation data taken from the Consumer Price Index (CPI-U: All Urban Consumers), compiled by the Bureau of Labor Statistics. Inflated totals reflect value of 95-97 appropriation adjusted for inflation beginning July, 1995 to December, 2014; Student figure is based on 2-year average headcount of state-supported programs

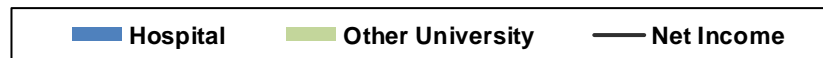
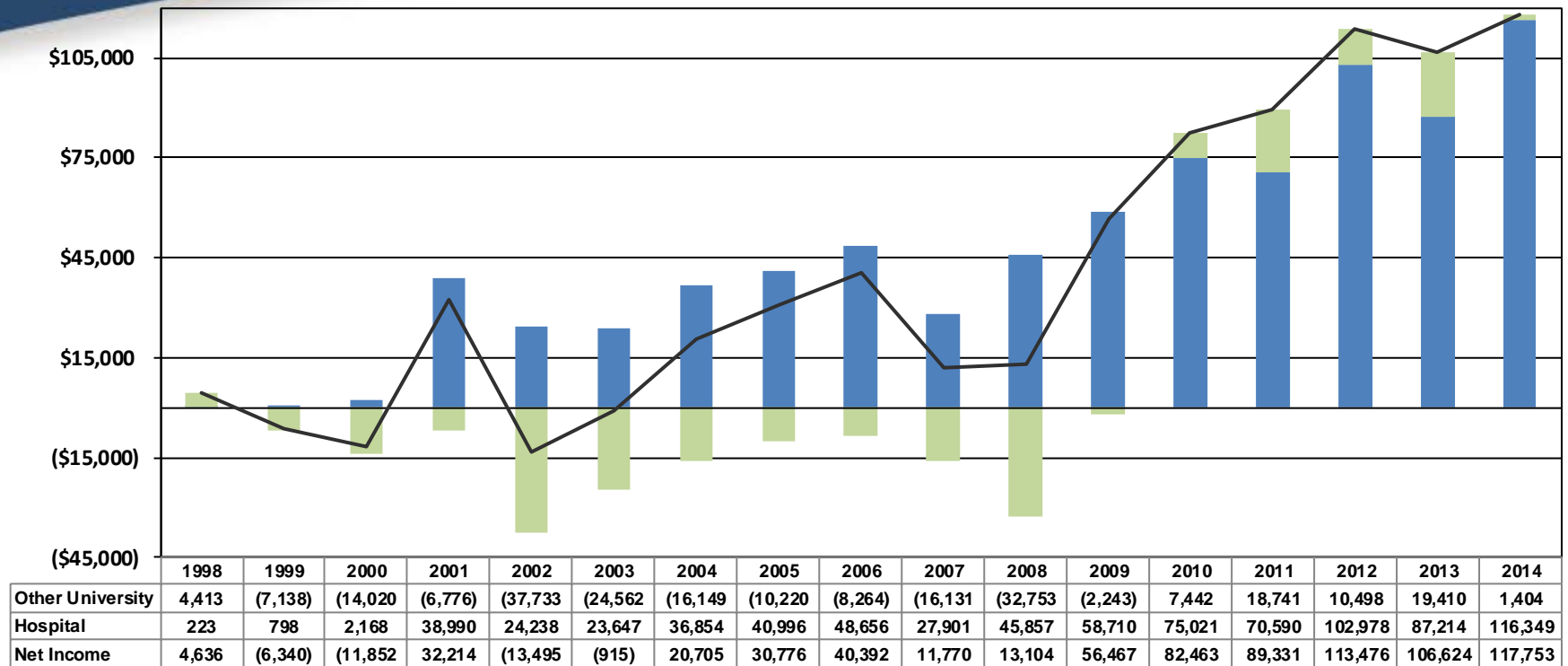


Growth and Change

Fiscal Year	Operating Revenue	State Appropriations	Oregon Opportunity Debt Service	Employees	Students
1975	\$80 million	\$34 million		4,325	1,610
1985	\$190 million	\$53 million		5,200	1,200
1990	\$340 million	\$65 million		6,500	1,536
1995	\$499 million	\$60 million		6,651	1,855
2000	\$882 million	\$56 million		10,100	1,854
2005	\$1.18 billion	\$43 million	\$16 million	11,500	2,511
2010	\$1.85 billion	\$38 million	\$16 million	13,292	2,721
2012	\$2.04 billion	\$35 million	\$16 million	13,984	2,802
2013	\$2.13 billion	\$30 million	\$16 million	14,135	2,849
2014	\$2.28 billion	\$35 million	\$16 million	14,616	2,838

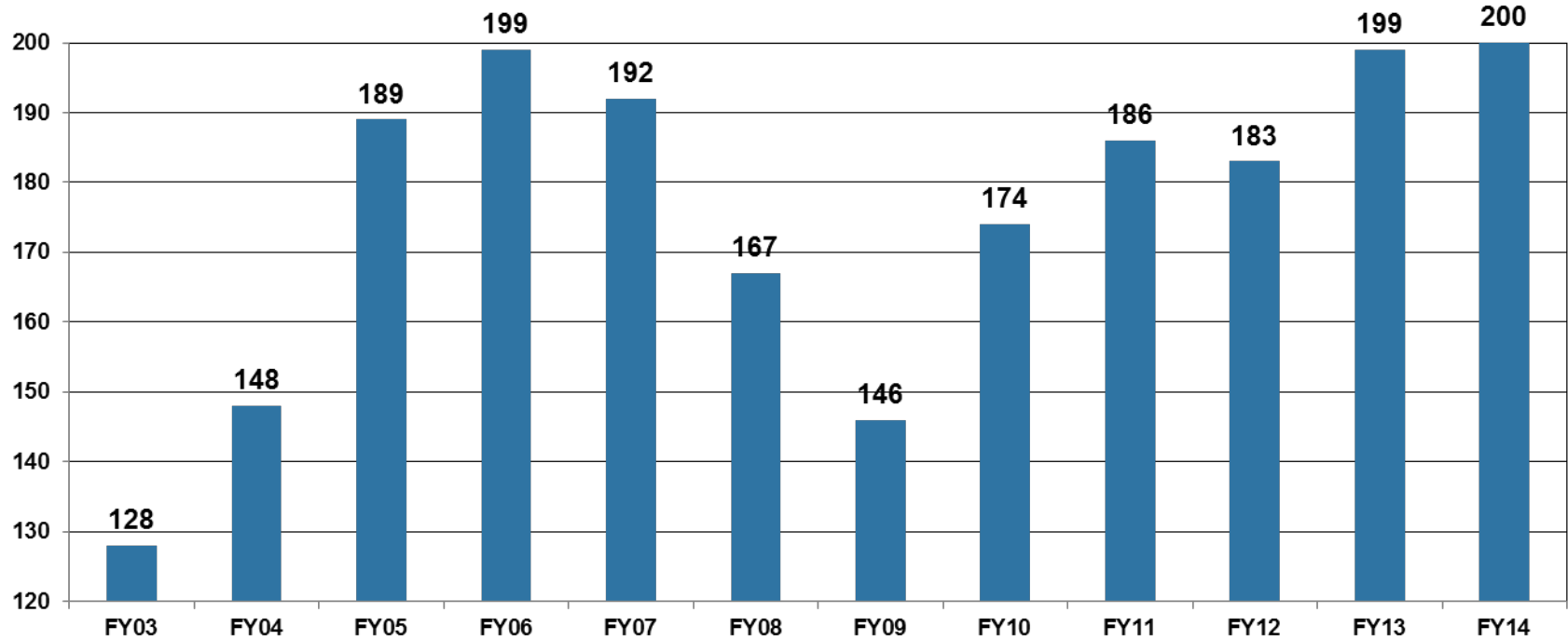
University & Hospital Net Income

(Unrestricted, Excluding Foundation, *In Thousands*)

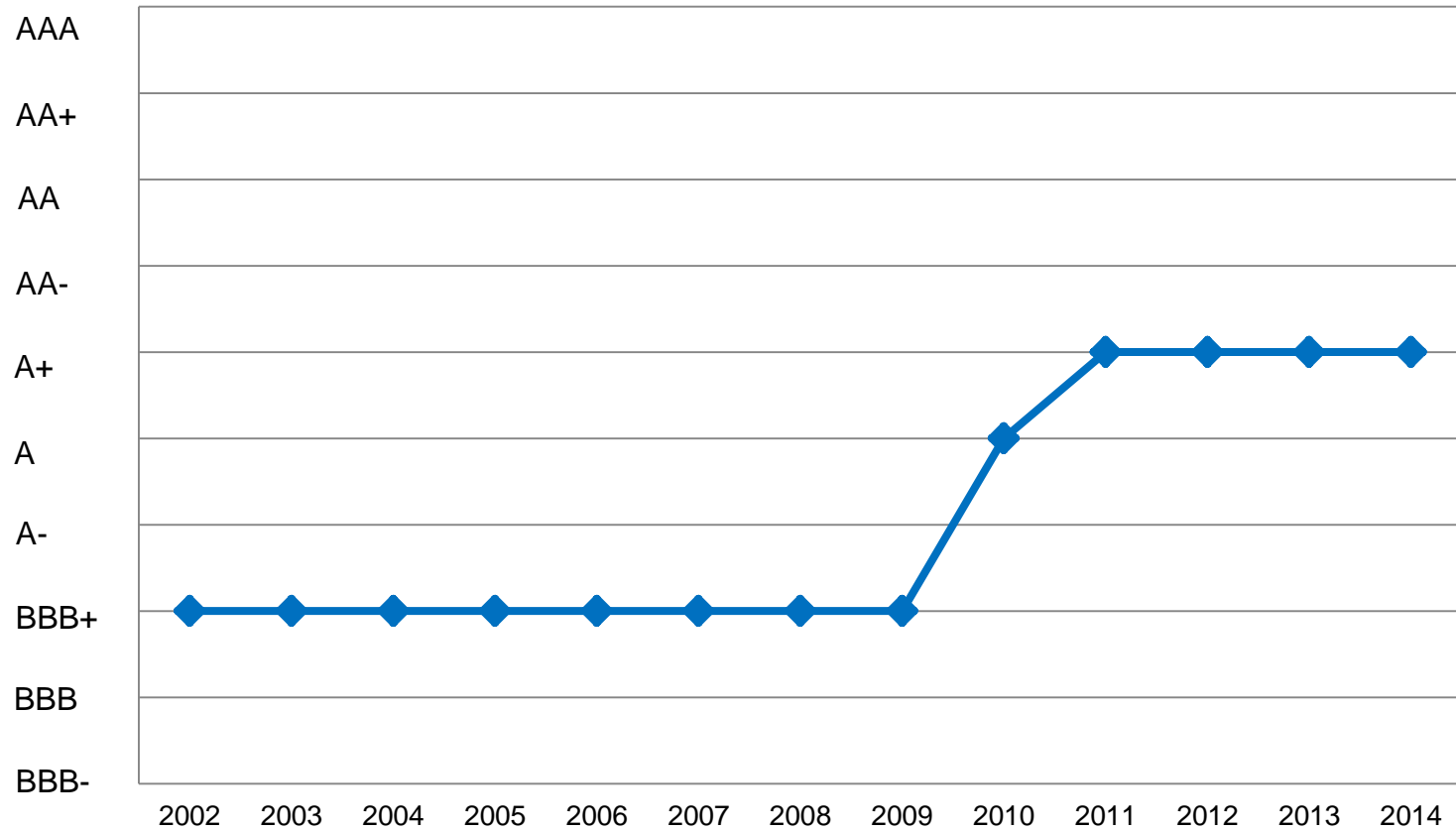


Note: Does not include the impact of the asset accounting change in 2003 and 2004. These figures exclude capital expenditures, but include depreciation expense. Faculty Practice Plan Integrated into Other University in 3rd Quarter of FY09

Days Cash on Hand



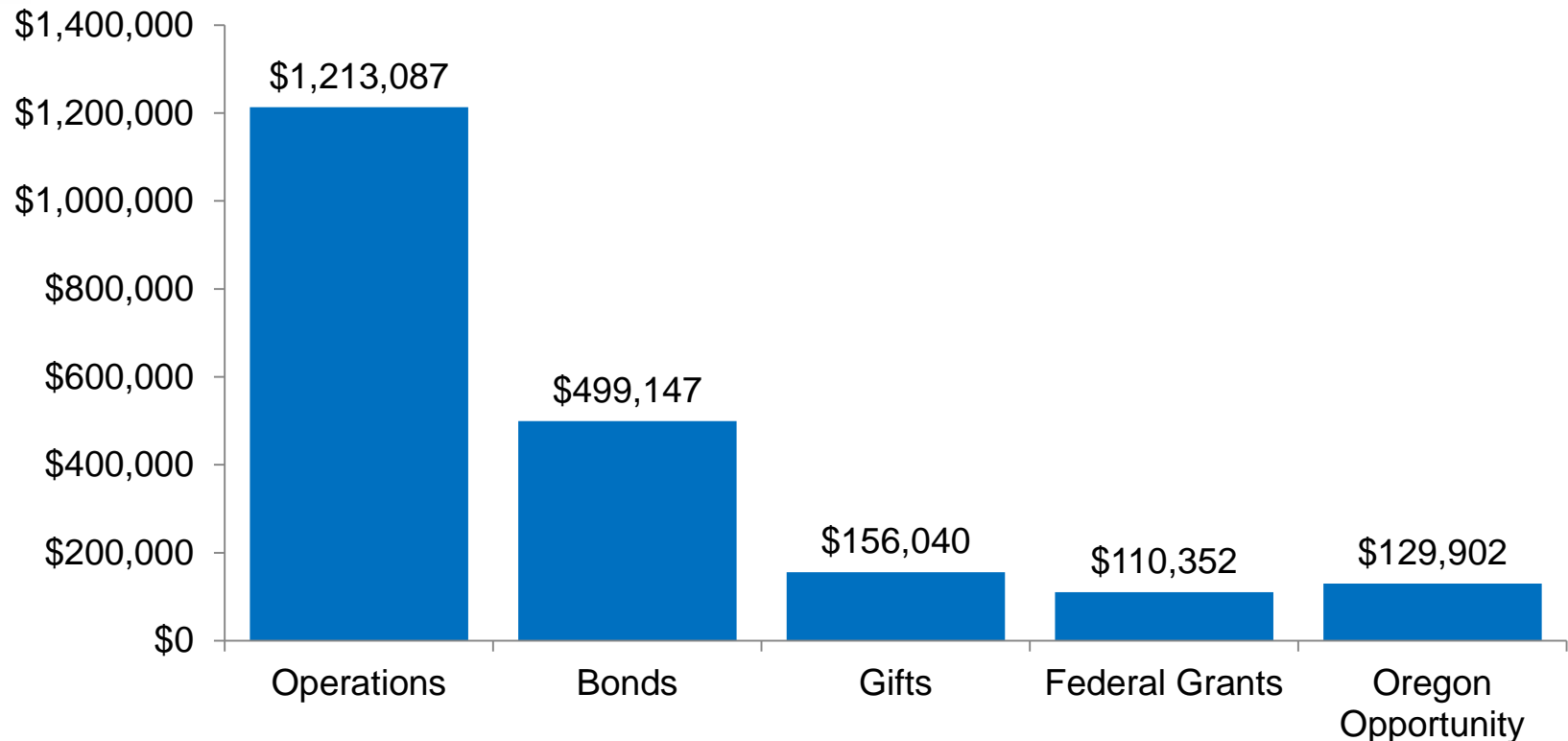
OHSU S&P Bond Ratings



Note: These are OHSU's overall S&P Bond ratings in Fiscal Years

Total Building and Equipment Expenditures

(by Funding Source, FY01-FY14 , *In Thousands*)

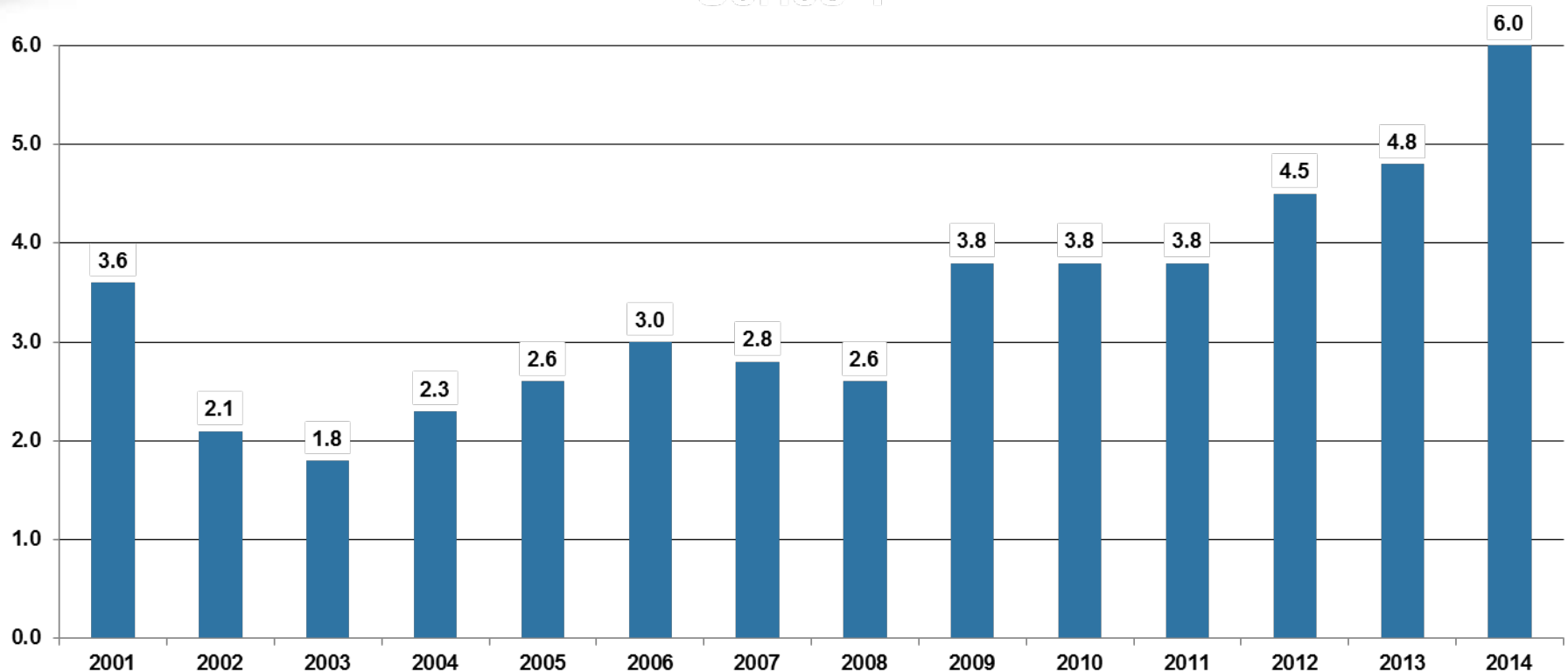


Total Investment:
\$2,108,528
(in Thousands)



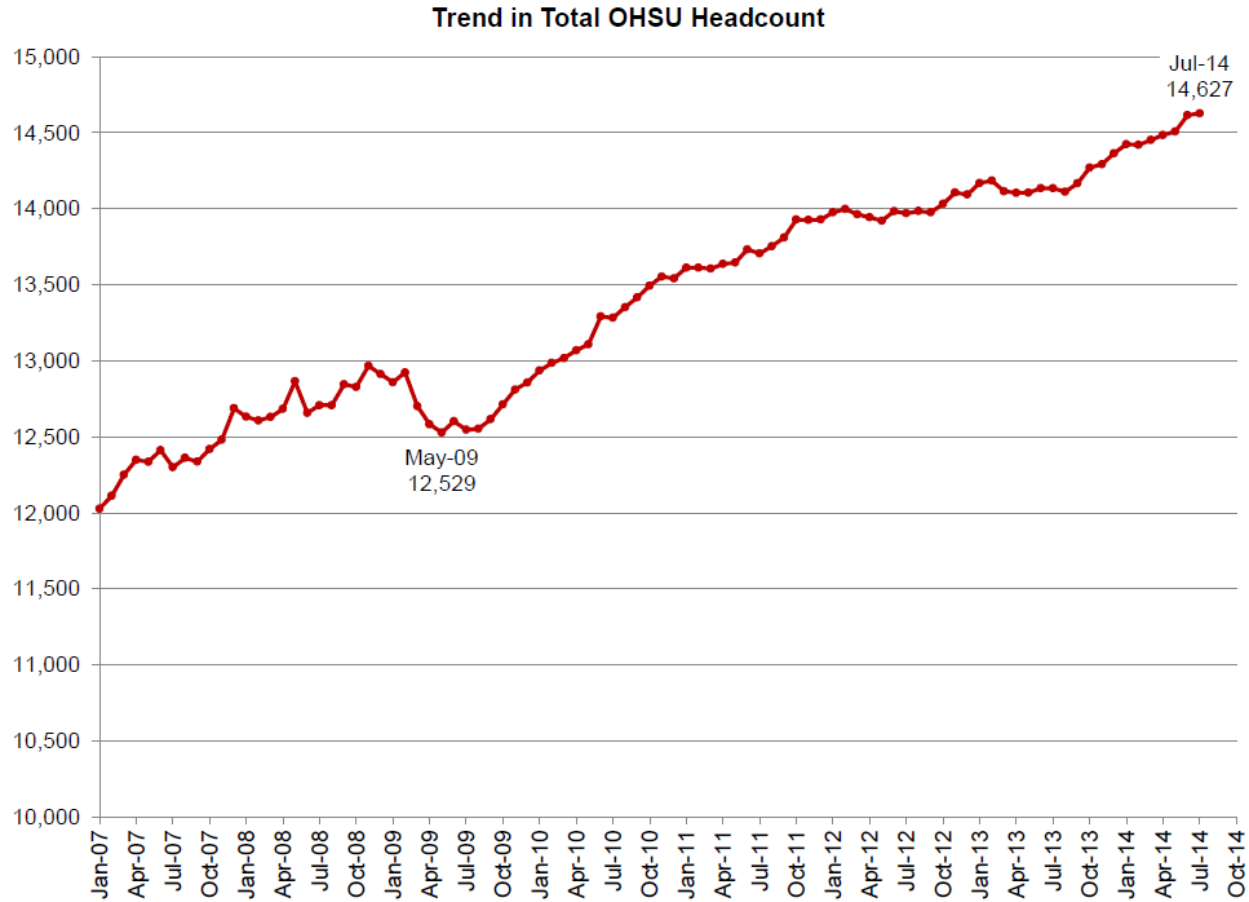
OHSU Debt Service Ratio

Series 1



Note: This ratio represents the amount of cash flow available from operations to meet the maximum annual interest and principle payment on debt.

2,100 Jobs Created Since Financial Crisis

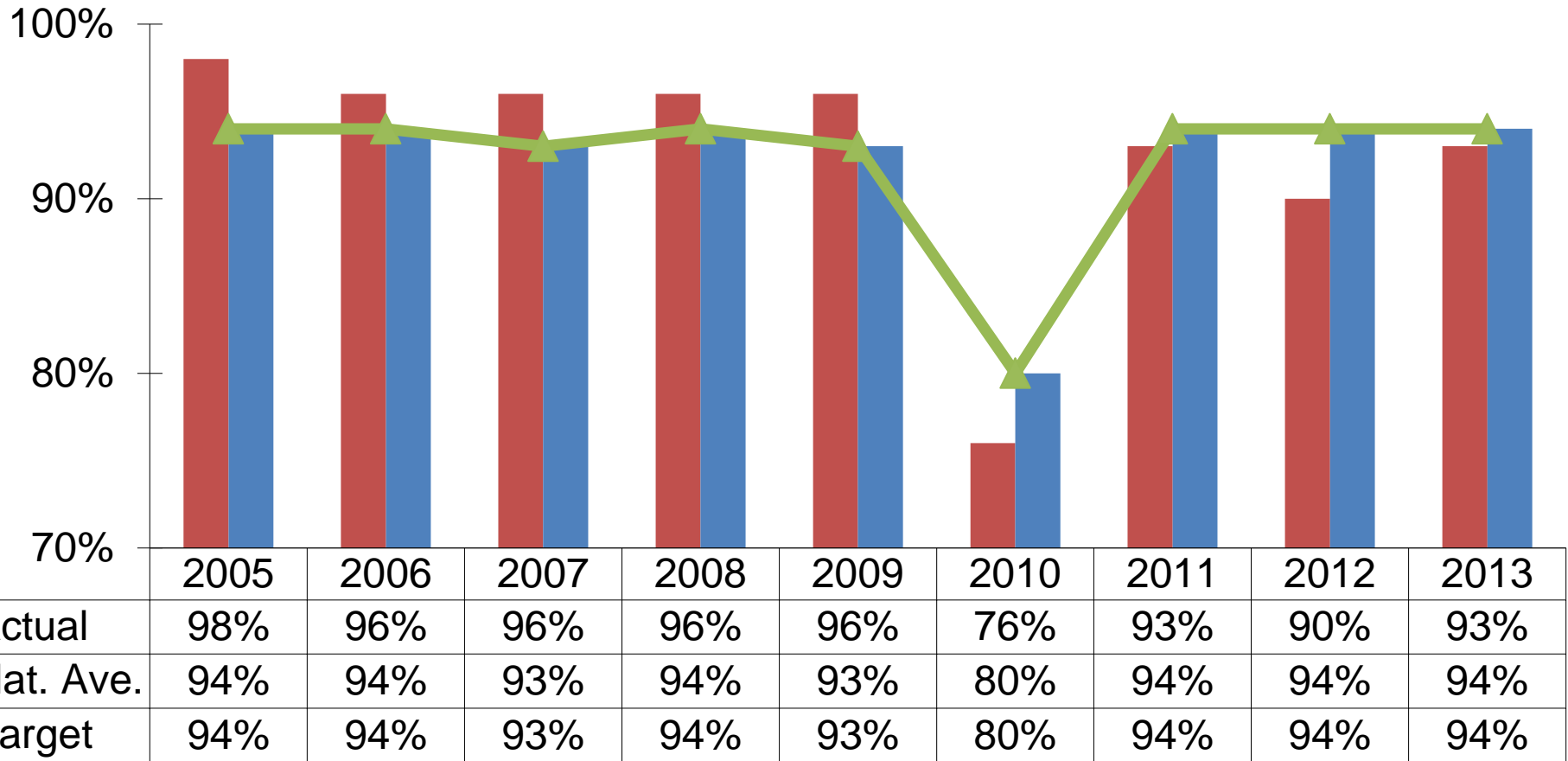


Questions?

OHSU KPM: First-time Pass Rate of DMD Students

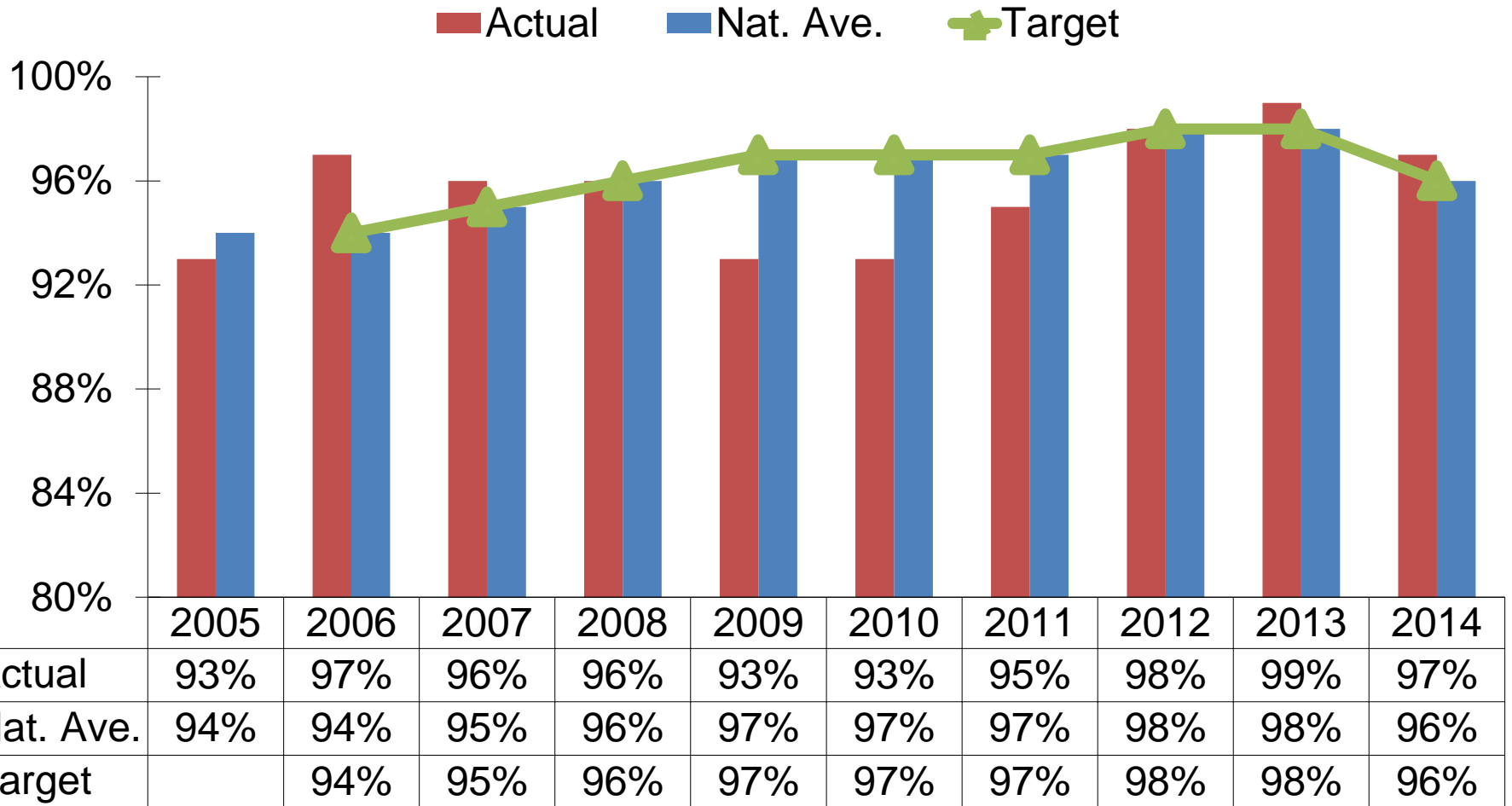
Targets based on actual and projected national pass rates

Actual Nat. Ave. Target



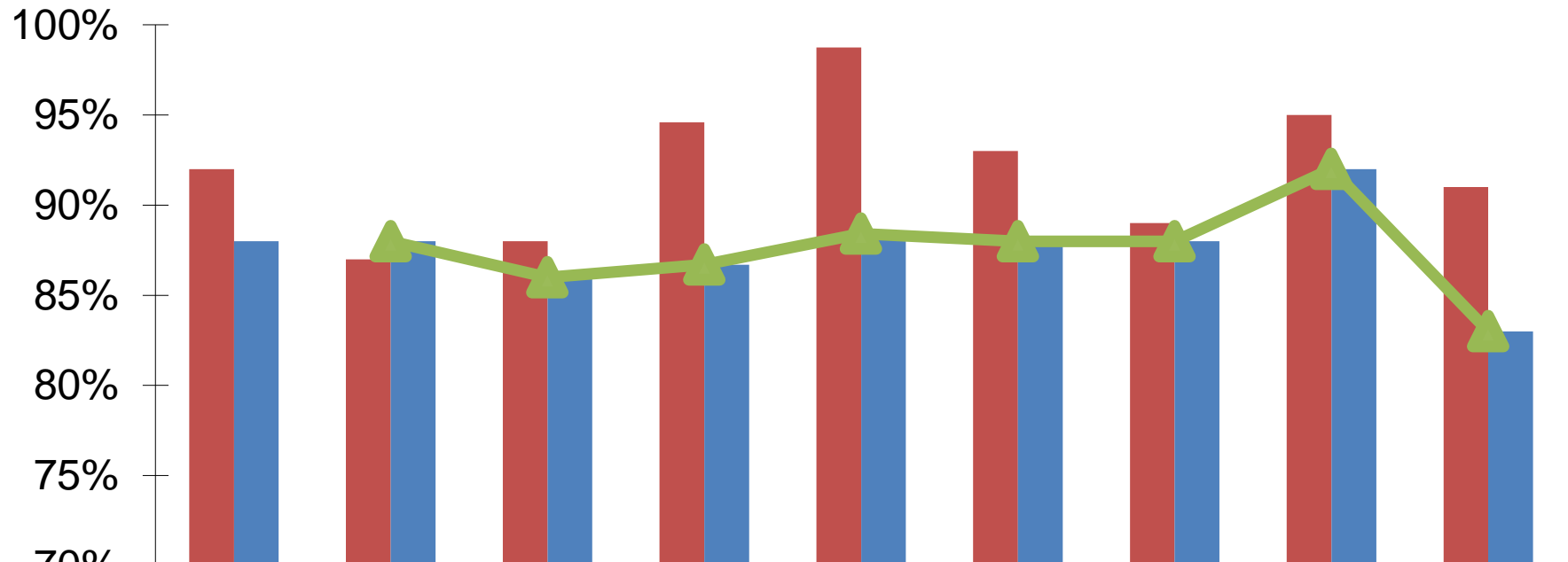
OHSU KPM: First-time Pass Rates of MD Students

Targets based on actual and national pass rates



OHSU KPM: BS Nursing Students Passing Credentialing Examinations

Actual Nat. Ave. Target



	05/06	2006*	2007	2008	2009	2010	2011	2012	2013
Actual	92%	87%	88%	95%	99%	93%	89%	95%	91%
Nat. Ave.	88%	88%	86%	87%	88%	88%	88%	92%	83%
Target		88%	86%	87%	88%	88%	88%	92%	83%