



CU Anschutz State of the Campus 2016 – Transcript

Remarks delivered by Chancellor Don Elliman, Nov. 1, 2016

Good afternoon.

The purpose of this event is to look at the state of the Anschutz Medical Campus which, at risk of stating the obvious, is a tall order for a one-hour session. Having said that, I'd a heck of a lot rather be talking about the state of this campus than the state of this nation.

The good news is the election is only a week away. The bad news is *this* election is a week away.

Anyway, today I'll address where we've been and where I think we could go, with the ultimate aim of creating a plan and set of strategies for the future of this amazing campus.

And it is an amazing campus. Let's take a second to reflect on the history of these surroundings.

- 18 years ago, virtually everything you see today, other than Building 500, didn't exist. It was just dirt and a bunch of old empty buildings that had to be torn down.
- 16 years ago, the first outpatient walked through a campus door.
- The first research department moved into RC-1 12 years ago.
- University of Colorado Hospital and Childrens' first inpatients moved in just 9 years ago.
- The first medical students came only 8 years ago.

I'm thinking the official mascot of this campus ought to have been a crane...

But seriously, these are primarily physical milestones and while they are incredibly impressive, they stop short of defining what is really important; namely, what do we do with all of it.

Today we educate more than 4,000 students, see something approaching two million patient visits and support a research portfolio of over \$420 million each year. All on what was essentially barren ground a very, very short time ago.

Looking back not 18 or even eight years ago, let's take stock of some of what's been accomplished just in the last 2 years.

- Four of our five schools and colleges went through reaccreditation and all passed with flying colors.
- We gained new leadership at both of our major affiliate hospitals and at the School of Medicine, providing us a critical opportunity to redefine and re-strengthen our inter-campus relationships.
- We have a revenue-sharing arrangement with UCHHealth that, along with a growing Academic Enrichment Fund, is allowing investments in research and talent recruitment at levels never seen here before.
- And those recruitment efforts have built our faculty base — in both quality and quantity — at an unprecedented rate.
- Both of our clinical affiliates are now nationally ranked, in no small measure because of that same faculty.
- On the research side, the School of Medicine initiated an \$80 million investment in five new transformational research projects.
- All three institutions — CU, UCHHealth and Children's — made a major financial commitment to developing the Colorado Center for Personalized Medicine and COMPASS, the data warehouse to back it up.
- We've commissioned the Gates Bio-manufacturing facility for GMP production of human cells and proteins.

- We are expanding our footprint in mental health with the start of the National Behavioral Health Innovation Center, the expansion of the Johnson Depression center, the funding of the Farley Center and our participation in the state SIM grant.
- We launched CU Innovations to replace and rethink how we support both internal intellectual property creation and connections to external IP.
- We have made significant strides in improving our research support through new leadership in the Office of Grants and Contracts and the establishment of a broad-based Clinical Trials Office with UHealth.
- And fueling a lot of the above, we have totally revamped our efforts in philanthropy, creating partnerships with the advancement team and faculty that have led to more than \$125 million in philanthropic contributions to this campus last year.

That is hardly a complete list and my apologies to those I left out, but it makes the point that there is a momentum on this campus that is driving us forward, and to capture it in a phrase: It's a hell of a story.

But, it is history. Henry David Thoreau said about planning for the future: "Never look back unless you are planning to go that way." Probably good advice.

So we find ourselves at a moment of opportunity. Today, we are one of only two academic medical centers in the country anchored by a public university with nationally ranked adult and pediatric hospitals as clinical partners on the same campus. We are one of a very few with all five major health science schools on a contiguous campus, and one of an even fewer based in a major metropolitan area with room to grow.

Our three main missions— clinical care, research and education — come together to form what could be seen as a virtual wheel, each supporting and reinforcing the other. Today that wheel is turning in the right direction.

So where do we look for our next horizons? I suppose you could ask why not just keep doing what we are doing. Who needs new directions? I would submit that we do, for two reasons:

1. The first is aspirational. In spite of everything I just said, all is not perfect. Not now, never will be. We seek to be a medical destination of such breadth and quality that no one from the Rocky Mountain Region should ever have to travel beyond this campus to receive the finest care in the world.

While delivering that care in the present, we seek to be a major force in redefining what care will look like into the future. We must also be at the fore in developing and training the workforce to deliver it.

We are very good now. We seek to be the best.

2. The second reason we need to continue to reinvent ourselves is to adapt to our changing marketplace. Clinical revenues for both our faculty and our affiliates will undoubtedly be impacted by reimbursement rates and policies. What will then happen with value-based care, bundled payments and or capitated payment models? How quickly will any or all of these displace the fee-for-service we now base our economics on? What will happen to federal research funding? We simply don't know.

At the same time our primary market, Denver, is one of the most competitive clinical markets in the country and that is showing no signs of slacking. The good news is we are in a rapidly growing market and as far as academic medical centers go, we have a geographic monopoly over a very wide territory. And that *is* good news.

If you put it all together it is fair to say we face a fluid future but with at least as much potential for wind in our face as we have at our backs... forgive the analogy, I am a lifelong sailor.

To really build on our momentum — to achieve our aspirations in our changing marketplace — I think we need a plan. And it needs to have one characteristic that an academic anything is not usually known for: It needs to be nimble. I want to offer some ideas on what the elements of that plan might look like but let me say at the outset these are largely my thoughts. They stem from countless conversations with faculty and staff, but they

are, at this point, more of a “straw man” clearly in need of refinement and perhaps even wholesale revision by many.

I will offer nine possible elements of a plan; some could be easily definable with metric goals, though we haven’t defined those goals yet, and some are more cultural. Here we go:

1. Invest in achieving a “top 5” national ranking in a major service line. I realize we are already there today in Pulmonology, but we share that distinction with National Jewish and I think we should consider a focus on another visible star that is both big and bright. This isn’t to suggest we ignore the pursuit of excellence in other areas. It is to say we need another “headline.”

The resources required for any major effort to do this are undoubtedly enormous and probably will dictate a narrowing of the goal from the broadest view of a service line to a number of specific segments within it but I think we ought to create that road map. The School of Medicine’s transformational research grants gave a leg up to some specific areas of research in this process. It is absolutely critical that both our affiliate clinical partners agree on the selection and be invested in this decision.

2. Move from the mid-twenties in ranking for NIH research funding to the mid-teens, headed to the top ten. Our role in helping to redefine the future of healthcare is at the core of who we are and represents the single biggest brand differentiator we have with our regional competition for care.

Most pundits expect a consolidation in research funding in the years ahead. Fewer academic medical centers are likely to be serious players and we have to be one of them both in terms of basic and translational science.

In today’s dollars, a move to the mid-teens would take a 40 to 50 % increase in our portfolio. That’s a very tall order, and I recognize that, but I would suggest one we need to shoot for. Here again, the transformational research grants should provide significant seed funding for progress.

3. Diversify our research portfolio. NIH funding is and will be for some time the “coin of the realm,” but it is far from all we need to be thinking about. As I said earlier, in the last 18 months we have totally revamped what used to be tech transfer into CU Innovations, and we have made significant progress in rebuilding Grants and Contracts into a customer-focused organization. Both are a work in progress but each represents a commitment to greatly improve our ability to serve our own internal assets, our faculty, and also our ability to partner with external intellectual property. We need to continue to grow our support for internal entrepreneurship and our infrastructure. We also need to dramatically accelerate our connections to industry. Intellectual property is a two-way street. We should be a preferred partner with others outside our campus.

There is also a larger question looming in the arena of “big data.” We, along with our affiliates, have invested huge sums in creating our own data resources with the Colorado Center for Personalized Medicine and Compass and I believe this was absolutely the right move. Having said that, it is equally clear that the biggest players in healthcare data and analytics are almost certainly going to be the Googles, Amazons, Apples, Microsofts and IBMs of the world. We have to think about how we interface with that reality.

4. Go big in mental health. Mental health is unquestionably the biggest un-met and/or underserved need in American healthcare today. In the past few years, as I also said earlier, we have expanded our footprint in this arena and we have several more initiatives on the horizon that should significantly increase it beyond what we now have.

To date, these efforts have been largely independent of one another. We need to bring them together into a common strategy and we need to match our clinical expansion with renewed emphasis on research and education as well. Funding is always a major barrier here but there is a growing interest and momentum in tackling mental health issues and we can build on that.

5. Expand our ability and our capacity to train the healthcare workforce. We know there is an enormous need for increasing the labor pool in health-related fields. Tied to that is immense pressure on the cost system which dictates creating levels of quality service below the highest and most expensive levels of care. We need to play a bigger part in expanding educational opportunities and output for physicians assistants, advanced practice nurses and mental health professionals, just to name a few. As payment options open for pharmacists, the same will be true in their field as well.

The hurdles here include funding, faculty availability and practicum slots, but if our workforce provider role in the region is to be fulfilled, we have to find a way. It is entirely possible we will need other educational partners in these endeavors.

6. Tell the world who we are and what we do. The CU Anschutz campus is an unknown entity to many in the metro area, most in the Rocky Mountain region and all but a few nationally and globally. A classic example of this locally is our cancer center. There are only 47 NIH/NCI designated comprehensive cancer centers in the US. We are one of the 47. The closest one to us is 800 miles away. I don't know about you, but if I were diagnosed with cancer, I'd sure as hell want to be in one of those centers. But only 14% of people in Colorado who have cancer come to the University of Colorado Hospital for treatment. We can do better than that.

We have a wonderful story to tell and it gets better every day. We need to tell it. While we work on our regional and national messaging, we cannot lose sight of our commitment to Aurora. The community we live in needs us to be an active partner in its development.

7. Take more advantage of our co-location on campus. Very few of our peers have the good fortune to have schools in all five health-related disciplines and two major hospital affiliates sharing a single campus. Healthcare is becoming increasingly complex and more and more of a "team sport." We have an opportunity to better leverage this proximity to build more bridges between our faculties, whether through better funding for inter-professional education, creating multidisciplinary teams in research and education or just plain idea sharing.
8. Become more risk-tolerant. I am not referring here to risk as it impacts patient care, government compliance or a number of other sensitive areas. Academia — and we are a part of that tribe — in general is risk-averse in nearly all of its actions. That creates an atmosphere of resistance to change and fuels bureaucracy at all levels. We have to get comfortable in dialing up our willingness to take calculated chances. In one sense, we already are headed there though I am not sure it is acknowledged as such. The transformational research grants are betting that we can make the right choices and succeed in attracting the best talent. This should lead to more grant funding, and with that increased indirect cost recovery, which will need to cover the infrastructure the new efforts will require. That is a bet, but I like it.

Our new building, which I'll get to in a minute, will almost certainly require a major debt component to finance the project and we will need growth in ICR to cover that. I like that bet as well.

9. Last but not least, set priorities and allocate resources accordingly. Whatever the plans turn out to be, we will have to be ready to make difficult choices to focus our resources on our priorities. That states the obvious but it is far easier to say than to do. We need to be resolute and that isn't something we are always good at.

This list is long and while several paths overlap and support one another, no doubt choices will have to be made. Yet if you take a step back as I did at the outset of these remarks and look at the larger arc of our progress over the last decade, it is clear we can accomplish a hell of a lot if we put our minds to it.

You hear in financial commercials all the time the caveat that "the past is no prediction of future performance." I think in our case the reverse is true.

The rate of progress will depend on a number of critical factors.

1. Clinical revenue growth. The campus, primarily the School of Medicine, is built on the back of clinical revenues. They have been growing at over 10% a year for more than a decade. We need to do everything we can to continue that trend, and that may be more difficult over time. Further, I'd suggest all our other schools need to look for ways to expand their clinical footprint. We have to transition from being an island in Aurora to being an integral part of regional care delivery systems, specifically with UCH and Children's, and lead in developing new and more cost-efficient ways of delivering healthcare and promoting good health.
2. Foster and improve relations with our hospital affiliates. We need them. They need us. The closer aligned we are, the better we all will be.
3. Philanthropic growth. The advancement team, with their faculty partners, has done a fabulous job at growing our philanthropic base. It needs to grow more. We need a bigger presence with national funders. We need more new prospects both locally and regionally as well.
4. Embrace technology. We can all see that technology will have a huge impact not only on the science of healthcare, but also on the execution and delivery of it. We have to broaden and deepen our connection to what's next.
5. Campus infrastructure. Transportation access, parking, housing availability, day care, shopping and dining options all impact the quality of life for everyone who works here. These issues are easy to put aside. We do so at our peril.
6. Space. We need it. We are either out of or almost out of clinical, office, lab, and infrastructure space. We need to make better use of what we have already built but no matter how successful we are at that, we need our next building. My goal is to begin with shovels in the ground on a new building next year. My bet is that by the time we move into that one, we'll need to be planning the next one. Innovation in design of space usage has to be a part of that programming.
7. The finale of all this is talent. At the end of the day, everything comes down to one key variable: the attraction and retention of great talent. All the plans, any bold visions for our future that we can articulate, are irrelevant without great people. We seek diversity, unrelenting curiosity and drive and, above all else, excellence.

Steve Jobs said, "Hiring the best is our most important task." I maintain that is even more true here than it was at Apple. Our faculty —your talent —make this place what it is. If the talent base is getting better, we will get better with it. The faculty is the foundation of the virtuous circle, fueled by innovation that elevates our clinical, research, education and outreach missions so that the whole is greater than the sum of the parts.

One more thing, again quoting Steve Jobs: "We don't hire smart people to tell them what to do," he said, "We hire smart people so they can tell US what to do." And that's where you come in. The ideas that I've laid out today are a starting point for us to determine a road map for the future of this campus. Now it's your turn.

We'll be posting today's remarks on our website at www.ucdenver.edu/AnschutzStrategies and we invite your feedback. Tell us what you agree with, what you don't, and why. We'll use your ideas as the basis for our next steps.

In the coming months, I'll be working closely with leadership – including the deans, other faculty and staff representatives – to assess and evaluate these ideas and ultimately translate them into a set of strategies and work plans driven by them.

You and the people who will join you will make this campus what it should be.

This is an amazing place. Together, we can make it even better.

Thank you.