

2017 CU Anschutz State of the Campus Address

Delivered by Don Elliman, Oct. 18, 2017

Good afternoon. Thank you for coming.

Every time we talk about the state of this campus, I think it is important to start with what we are trying to achieve. I keep coming back to a very simple vision. We seek to be the place where anyone who needs it can find the finest medical care in the world; where the science of that care is being pushed to new horizons; and where the healthcare workforce of our future is being trained. Three missions, interdependent and entwined.

National perspective

I stood here about a year ago and mentioned that we were a week away from the election... who knew? I will refrain from making any political observations but I think it fair to say that the last nine months have brought the potential for some very challenging changes in health research and healthcare, and that is putting it mildly.

As you remember, the President's initial budget proposal slashed funding for the National Institutes of Health by 18% and strongly hinted at cutting F&A reimbursement to a draconian 10%. Happily, at least for the moment, neither cut has been enacted.

On top of that we've all followed the tortured process of "Repeal and Replace" of the Affordable Care Act, which in any form would have massive impact on our economics and those of our affiliate partners. I don't know about you but this pretty much sums up how I feel.

The fact that for the moment these policies are still in flux should not be taken as a signal that all is peachy in our nation's capital. We have to be prepared for whatever lies ahead, not really having a clue of what that will be and recognizing that the challenges will almost certainly be significant. No thoughtful citizen can argue that our current formula for funding health care is where it needs to be. We all wish we could have rational discussion on what to do about the issues. It doesn't appear that prospect is likely.

State of our campus

With national uncertainty as a caveat, though, the headline on the state of our campus and our institutions is that we are in good shape and growing stronger all the time. We are one of a very few health science centers with the assets we have, six schools and two nationally ranked hospital affiliates, on one contiguous campus. Clinical revenues, which are the economic backbone of our institution, grew by 10% last year. Research grant revenues grew by 8%. And our student bodies are increasing in both quantity and quality. By any metric, we are gaining.

If you look back ten years, the track record is astonishing. Outpatient visits have more than doubled to 1.9 million. Research has grown by 43%. Clinical revenues have more than tripled and private support has more than doubled.

It is an amazing story and it is the people in this room and on this campus who made it happen. One byproduct of that success is our own internal growth. Last year alone our faculty grew by a net 296 positions or 7%. We are bursting at the seams.

So how do we keep this momentum up?

CU Anschutz strategies

Last year I suggested a number of possible strategic focal points. I think most are still valid so let me briefly talk about progress — or, in some cases, lack of progress — in them.

Investing in clinical excellence led the list and I believe it still does. With our partnership with National Jewish, University Hospital again attained the top *U.S. News & World Report* ranking in pulmonology, and our endocrinology and diabetes service rose in rank to number 6, with others close behind. Pediatrics also had five specialties in the top ten, led by GI, making Children's Colorado one of only nine pediatric hospitals with that number of honors. Perhaps the most notable news on that front is that overall, University Hospital rose to be ranked number 15 nationally out of nearly 5,000 in total, up five full spots from the year before.

We can all be forgiven for a healthy dose of skepticism whenever we hear the term “national rankings” about anything, but these are actually pretty robust. The largest single factor considered on the adult side, are case adjusted survival rates, and UCH's are 32% better than the national average.

As we strive to be the best, these rankings need to continue to rise. What makes it happen is very simple: the recruitment and retention of great faculty. That is you.

The companion to great clinical care is the research enterprise. I said before that total research sponsorship funding increased by 8% last year to a little over \$490 million. The NIH portion of that was about 42% at \$209 million and up about 4% from the previous year. I believe our focus needs to be on increasing that stream.

Most pundits opine that the number of serious players among academic medical centers in research is bound to decline. We have to be one of the winners. The School of Medicine's investment in transformational research grants clearly will benefit this effort. It is also notable that the Skaggs School of Pharmacy now ranks number 5 in NIH funding among its peers.

Here again, the recruitment and retention of high quality faculty is the recurring theme. The Gates biomanufacturing facility is scheduled to come on line early next year and, joining with facilities at Clinimune, will give us state-of-the-art capacity for cellular and protein-based therapies, which will be an important factor in a number of those recruits.

We *are* seeing success in research diversity, with growing industry funding and clinical trial revenues. As you can see, over the last two years, funding from sources other than the NIH is up 32%.

We continue to improve our clinical trial management and our grants and contracts operation in our adult practice. We are working with Children's to make similar improvements on the pediatric side of the house.

One final aspect of the research enterprise is support for commercialization of our own IP and connections for cross collaboration with industry partners. Our CU Innovations team, now in Building 500, has completely retooled the model of tech transfer -- and it is working.

On the invention side, invention disclosures and patent applications are both growing. Beyond that, because of our talent and the depth, breadth and volume of our clinical operations working with our partners at UHealth and Children's, we've become a test bed for commercial innovations. More than 200 companies literally from all over the globe have applied to come to this campus to work with us.

A byproduct of these efforts is increasing need for commercialization space in the FRA development north of Montview. The FRA Board approved this month the plan and design of Bioscience 3, a 120,000- square-foot building that should break ground next spring.

I mentioned last year that I believed we had an obligation because of our mission to up our game in the area of mental health. We have done just that.

The newly renamed National Mental Health Innovation Center is hitting stride with a focus on technology, education and a best-in-class program in support of first responders of all types. The Depression Center continues to grow its capacity and is leading the development of telehealth in rural areas where little or no mental health support exists. A grant from the Cohen Foundation is allowing us to set up mental healthcare clinics for veterans and their families, regardless of their ability to pay. And with one of the largest program grants we've ever received, the Marcus Family Foundation is supporting the Marcus Brain Health Institute led by Dr. Jim Kelly to treat veterans who are suffering from severe traumatic brain injury.

As we looked at these and other efforts in mental and behavioral health, it became apparent that there was extensive activity going on in the area throughout the campus. We have commissioned a study to essentially catalogue that activity to provide a map that should allow us to make connections between clinicians and researchers in ways we have not been particularly effective at before.

We have yet another obligation, I believe, to try to enhance our capacity to educate the healthcare work force at all levels.

The College of Nursing has continued to grow and has expanded a program specifically targeted at psychiatric nursing. I think the opportunity and need to continue to grow nursing education is very

real and we should take advantage of it. Project ECHO received a new \$3 million grant to continue their program, bringing specialty education to physicians, nurses and other providers throughout the state. For the future, we have commissioned a study to explore expanding into new allied health fields, led by Sarah Thompson.

We have also, in my mind for the first time, brought together a team to take a serious look at opportunities to grow our digital offerings. That effort is being led by Sheana Bull and Scot Chadwick.

While we're on the topic of education, I'm pleased to report that we are making strides toward increasing the diversity of our student body, 26% of whom are students of color. At the School of Medicine, students of color have represented 27-30% of each incoming class over the past five years. And due to great focus and effort on the part of the School of Dental Medicine, this year's incoming class includes 46% students of color and 60% women.

Another area that I brought up last year was marketing. We have not done a good job at telling the world our story and I am disappointed to say that we didn't make much progress on that front this past year.

We have been successful at generating press coverage of specific stories within the schools and colleges, and our advancement team has certainly been effective bringing faculty accomplishments to the donor community. But, although much work has been done on developing an overarching message, we have not yet been able to bring that to fruition, and as such, we remain one of the better kept secrets in the region. I promise you that will be something we will work on in the year ahead.

One other area that I think we've underperformed in is taking advantage of the co-location of six schools on a contiguous campus for cross pollination of ideas. There is some activity but not at the level I believe should be there. As the dean of the School of Medicine is quoted as saying, healthcare is a team sport today. More on this later.

Speaking of teams, we've just (and I do mean just) added a great new addition to ours: Jon Samet, formerly of the University of Southern California, joined us as the new dean of the Colorado School of Public Health and has been with us for all three days.

The last two issues I mentioned a year ago were the need to become more risk-tolerant and to make sure we were disciplined in setting and following our priorities.

On the risk-taking front, I don't know if it is a signal, but I've probably signed more indemnification waivers in the last 12 months than we've ever granted before. The projects were all judged to be worth it on the risk/benefit ratio and I am glad the Regents delegated the authority to us.

A far more substantial bet is now before us in dealing with our space issues.

As far as priorities, I think it is clear that each school and college is establishing and pursuing its own priorities. The School of Medicine's investment in the Transformational Research Grants is but one example, albeit a good one, of that philosophy.

Drivers of Progress

With these strategic roads still to navigate, what is the fuel we need to make the progress we seek? Here again I would cite some of the same forces I talked about last year.

This campus is largely built on clinical revenue. I said that earlier. It is the economic engine that is foundational for helping to support nearly every aspect of the enterprise. We recognize that the majority of those funds come from the faculty practice plan at CU Medicine, but with growth also coming in dental medicine, nursing and pharmacy. Our foot needs to stay on that accelerator.

Our ability to do this clearly depends to some large degree on our relationship with our affiliates, principally UHealth and Children's Colorado. Call it joined at the hip or a marriage, whether we like it or not, we will rise or fall together on the same tide. It would be impossible for three institutions such as ourselves and the two hospital systems to be totally in synch, to have perfectly aligned in our agendas. That said, it is equally clear that our common success depends on the strength of the partnerships. I would assess that, in spite of occasional and sometimes strong differences of opinion, those relationships are now either as good as or better than they have been in a long time, perhaps ever. It will take constant effort on all sides to continue that and improve it. It isn't easy at times but it is critical.

I alluded to this earlier but part of those partnerships is a growing effort around innovation, connecting the IP of our faculty and that of external sources with the hospitals as clinical test beds. CU Innovations, led by Kimberly Muller and Steve VanNurden, has driven a powerful change in how we look at both our own IP commercialization and our relationship to external partners. This work needs to grow.

Philanthropy is another key accelerant. Scott Arthur and Jim Hodge and their colleagues have partnered with the faculty and UHealth to create new levels of support we had never come close to before their arrival. We have ambitious goals for philanthropic funding over the next several years aimed at the strategic priorities in the schools. We need it.

We know advances in technology are poised to make dramatic inroads into the healthcare space, both in the science behind care advances and in the delivery of that care. One shining example of that may be the potential of virtual reality in a host of applications and especially in mental health.

I am frustrated that we haven't come up with a way of systemically connecting with broad swatches of the health tech fields. CU Innovations certainly plays a role in this, along with the innovation teams at both hospitals, but my concern is that we are still viewing only a small slice of the pie. I have joked about creating a new position labeled "vice president of what's next" and charge them with the job of wandering tech hotspots wherever they are growing to see what's coming that we ought to be connecting with. Maybe that shouldn't be a joke.

Now to two subjects that I know are near and dear to many hearts in our community: campus infrastructure and space. Dick Krugman used to joke that the only way he could last 25 years as a dean was because no one ever made him responsible for parking. Once again, maybe not a joke.

We issued 300 net new parking permits last year, a growth number that has been consistent for some time. Whatever you believe about the long-term impact of UBER, driverless cars and mass transit on access to the campus, it is undeniable that today we need more parking. We are beginning planning for our next garage east of the Wellness Center and north of RC2. We should begin construction next year.

There is obviously more to infrastructure than parking. AIMCO, the owner of the Fitzsimons apartments, is also about to start building the next phase of their development. Part of that plan is for a new hotel and expanded light retail, including a food market in an expanded commons. The goal is to see the campus, including the lands to our north, begin to offer more amenities, as well as homes, to create a more holistic atmosphere for both those of us who work here and for future residents.

Last but not least, space. It is the most precious commodity on our campus today, and to put it bluntly, we are out of it. We are totally out of clinical office space, virtually out of wet lab space and our vivarium is packed as well. We completed our last major new building on campus, RC2, in 2008. Our faculty alone, not including support staff, has grown by close to 2,000 since that date. It's time to renew our campus mascot, the crane.

We have received Regent and state Capital Development Committee approval to begin planning for what is now envisioned as a 391,000-square-foot building that will be sited immediately to the west of RC2. It is planned to be home of the Colorado Center for Personalized Medicine and of the consolidation of many of our activities in mental health. It is also planned to accommodate a number of other programs including simulation space, more educational space and a significant increase in clinical office space. The cost of this modest edifice is estimated at \$240 million. We have received a lead philanthropic gift to help with the funding. We will seek more. And we have reserves that have been built in anticipation of the need, but the reality is that we will also have to look to increased debt capacity. We are tied for the top spot in the state priority list for capital construction funds should they become available, and while it certainly would be wonderful for those to materialize, we can't count on it.

I mentioned earlier that we need to accept risk tolerance as a condition of our future. This project sits squarely on that issue. We have been seeing increased indirect cost recovery funds over the last several years. We will need to see those increases continue, to cover both the operating expenses and debt service for the facility. I don't see that we have a choice. The goal – and our critical need -- is to have steel coming out of the ground late in 2018.

One final area I know we can improve upon is leveraging the co-location of our five health-related schools and colleges for the cross-pollination of ideas. We need to do better at connecting the dots.

I can't tell you how many times I hear the expression from faculty that goes something like "I had no idea we were doing that." Every academic center has silos. Some are more permeable than others and our culture may be more collaborative than that of many of our peers but we, like all the rest, have them. How do we build more bridges between them, both within individual schools and colleges and across health disciplines? Part of the trick is how to get more information out, at least on who is doing what in our broad fields of focus.

I noted earlier the mapping effort we are doing in mental health campus-wide. The School of Medicine just announced that it was holding a daylong symposium featuring eleven projects flowing out of the RNA Bioscience Initiative. These are ideas we should build on.

We recognize that everyone already has too much to do and efforts like this add to the demands. That said, I think the effort merits trying. I don't know whether it is a series of seminars or even more simply panels aimed at getting people together around a given topic or perhaps some form of web development we have yet to design. I just feel we are missing an opportunity and probably a big one to take advantage of our co-location. There is enormous power in collective intelligence and we have to try to do a better job of harnessing ours. I am very open to suggestions on how we do this.

Speaking of location, there is the matter of our name. Our identity is an issue. The branding of our institution as CU Denver/Anschutz on our URL lacks focus and is not reflective of reality. Our grants go under the title "CU Denver."

CU Denver has a new branding campaign tagged "CU in the City." If anything, we are "CU in the Rocky Mountain West," though that's hardly the line I'd suggest we develop.

I know we went through a painful exercise of changing our URL once before to get us to where we are today. I don't look forward to doing it again but I think identity is important and we need our own: CU Anschutz. We do not have a plan today that will get us there. We will make one.

Concluding remarks

There is an old punch line about public speaking where the speaker says that his job is to speak and the audience's job is to listen. The trick is to get them finished at the same time. I hope I haven't worn out my welcome but I'd be remiss if I didn't end with one final acknowledgement.

We all know one unassailable fact. This campus has wonderful facilities and strong partners but neither of these are what make it what it is. We are built on one simple ingredient: talent. The quality of the faculty and staff are both the key to our success and the key to our future. You got us to where we are today. I hope you are as excited as I am, even given the challenges, of where we can be tomorrow.

I am happy to take questions afterward, but let me end with a video developed by our Advancement team that some may have already seen, but I think very beautifully shows why this place is so special.