

2018 CU Anschutz State of the Campus Address

Delivered by Don Elliman, Oct. 30, 2018

Good afternoon. Thanks for joining us today.

There's a lot more to say about the state of this campus than our scheduled one hour today will allow, and in any case no one wants to hear me pontificate for that long so I will try to be concise. After all, it's said that listening to speeches is like reading in the car. It's alright for 15 or 20 minutes but then you start to feel sick.

Let me get right to the point: The state of the CU Anschutz Medical Campus is strong and growing stronger. That is because people like you feel called to make this institution excel.

I don't mean to imply that we don't have challenges — we certainly do, and I'll get to that later— but for the moment the picture is pretty impressive.

A remarkable growth trajectory

The numbers you are about to see are just for the last five years and they are extraordinary.

- Total university revenues grew 67% to \$2.16 billion, an average rate of 11% a year. Clinical revenues account for nearly half that total and grew even faster.
- Speaking of clinical, take a look at outpatient visits. Just on this campus the total is now over 2 million a year, up 76% from 2013.
- The faculty grew by 37% and total university employees grew 30%, but when you combine that with our partners, we now top 25,000 employees, up over 40% in five years. And that does not include the VA.
- The research trajectory isn't quite as dramatic, but 32% growth is certainly not insignificant in light of the pressures both internally and externally on funding.
- Student growth was modest, but as I think we all know it is constrained by a number of external factors. One significant aspect of the student population has shown good progress: enrollment of underrepresented minorities has grown by 44%.
- Philanthropy has been nothing short of phenomenal. Scott Arthur and his team, in partnership with the faculty, have done a remarkable job. Within the number for last year we did count a part of the gift we announced two months ago from the Anschutz Foundation, but only part. In case you missed it, that gift was the largest in campus history and in cash terms the largest in the history of all of CU. Ted Harms, the executive director of that foundation, is with us today. Would you please join me in giving him a warm hand in thanks?

Taken all together, the picture is a trajectory that may be unmatched by any other academic medical campus in North America. But we are on a journey and it is one that is far closer to its beginning than its end.

Let me ask a simple question: What is the most powerful word in the English language? There are obviously any number of possibilities but for the purposes of this discussion, let me suggest one: Imagine.

Back in the late 1990's a group of leaders at CU, facing considerable opposition, had the imagination to look at 230 acres of dirt and decrepit buildings and envision a health care campus.

Look at what has happened in the 20 years since.

Our task is now to imagine the course for the next 20 years.

The overall goal remains steadfast, ambitious and far-reaching: To provide the finest medical care in the world, to push the science behind that care to new horizons, to train those who will deliver that care in the future.

How will we get there? As Leonard Bernstein once said, “To achieve great things, two things are needed; a plan, and not quite enough time.” Well, we certainly have the urgency. And I’d like to update you on thoughts about the plan. The road ahead is in many ways a continuation of the road we’ve been on.

Progress on Priorities

Two years ago, I talked about a number of priorities for the future of the campus. Let’s take a look at the progress we’ve made.

1. *Invest in clinical excellence.*

Our goal of providing the finest medical care in the world depends entirely on the clinical excellence of our faculty and our partner hospitals.

We are in the enviable position of having highly ranked pediatric and adult hospitals right on one campus. By our estimation, we are among a select group in this regard of about six academic medical campuses nationwide. This is a tremendous asset, and one we need to leverage.

Both hospitals have received a number of recent accolades:

- USNWR ranks Children’s Hospital Colorado #9 in the country for 2018-2019, with high national rankings in 10 of 10 pediatric specialties.
- University of Colorado Hospital is #1 on the state’s list of best hospitals, and nationally ranked in 11 specialties. These include #1 in the country for pulmonology and #6 for diabetes and endocrinology, for the second consecutive year.
- With the award earlier this month for University Hospital, both our affiliates now offer Level 1 trauma care.
- And also this month, CU Medicine and University Hospital were ranked first among U.S. academic medical centers in the Vizient Ambulatory Care Quality and Accountability study. Let me repeat, first.
- You cannot underestimate the importance of our affiliate partnerships. They are at the foundation of our success.

There is no magic here. The story is people. Recruiting and retaining the best of the best is the game we are in and our success in these efforts will define our future.

That effort got two big boosts in the past year: the \$47 million in program support from UHealth to the Cancer Center with Rich Schulick as its new director, matched by a similar investment from the School of Medicine; and a portion of the Anschutz Foundation gift in program support for our brand new Chair of Orthopedics, Evalina Burger.

2. *Increase and diversify research funding.*

What distinguishes us from regional and community providers in the competition for care is our proximity to and use of research to redefine the future of healthcare. The best clinicians want to either be a part of that research or work closely with those who are, and vice versa. The two go hand in hand.

As I said a minute ago, the good news is our research awards are continuing to increase; total awards crested over a half a billion dollars last year for the first time ever, up 22% from just three years ago.

And we're making progress in diversifying our research portfolio. Funding from sources other than the NIH is up 38% from three years ago. That trend should continue.

The NIH portion of our total funding, at \$221 million, remains about 42%. Congress is poised to increase NIH funding by about \$2 billion next year (a 5.4% increase), and we have a real opportunity to be competitive in applying for these additional funds. With the roster of current faculty and a significant number of new recruits we are poised to do just that.

One of a number of focal points for these efforts is the Colorado Center for Personalized Medicine, led by Kathleen Barnes, combined with Health Data Compass as the database home. With the support of the university and both hospital partners, this team is gaining major traction in integrating biospecimens with data from the Electronic Health Record and other sources to power bioinformatics for research and for precisely tailored treatment. With 70,000 participants and 30,000 samples in the biobank to date, it is a huge part of our future.

Lastly on this front, we are making strides in streamlining our processes to support research grants. Under Amy Gannon's leadership, the Office of Grants and Contracts has significantly reduced contract processing time and has been collaborating with schools and colleges to provide direct training to grant administrators. Finally, after two years of discussions with Children's Hospital, we have eliminated the need for subcontracts on grants between Children's and the schools, resulting in efficiency gains in both cost and time.

3. *Invest in innovation.*

Since creating CU Innovations in 2015, we've rebuilt our technology transfer operation from the ground up. Under the leadership of Kimberly Muller and Steve VanNurden from the University and Rich Zane and Robin Deterding representing UC Health and Children's Colorado, we've totally re-engineered the innovation development process, created real clinical validation programs with both UC Health and Children's Colorado, and built new corporate partnerships with the likes of Elli Lilly and GSK, among others.

Over 200 companies visited this campus in the last year alone. They came because of the combination we represent: our affiliate hospitals plus our faculty. What we've built has become a true national model. And it's just beginning.

Internal invention disclosures have also increased over the past three years from 70 per year to more than 200 annually. We have started eight companies that have raised over \$85 million in the last two

years. With our access to incubation space on FRA property across the street, we are one of a very few places where our scientists can develop commercial ideas without ever having to move their car.

Supporting those efforts, we've launched several programs that are building our innovation ecosystem. The Spark Program provides grant funding and industry mentorship for faculty seeking to advance a drug or device. The Entrepreneurs-in-Residence program helps advise faculty seeking to advance an invention with high commercial potential. And the Faculty Liaison Program, started just last month, will help connect academic departments with CU Innovations to make it easier for faculty to pursue commercialization of their ideas. All of these also come on top of the \$4 million in grants distributed last year through CU Innovations, including through the Gates Grubstake awards.

4. *Significantly escalate our work in mental health and wellness.*

We are committed to making significant progress in our efforts on the mental health front and I am pleased to say it is happening.

The National Mental Health Innovation center, now two years old, is using new ideas and methods — including virtual reality — to break barriers to mental health care. It's developing a technology innovation network, and cultivating commercial partnerships.

These efforts complement the expanded work of the Depression Center (both on campus and via telehealth to rural communities); the Marcus Institute for Brain Health, which has been ramping up its care for traumatic brain injuries since it opened last summer; and the Cohen Military Family Clinic, which after opening just five months ago recently celebrated serving its 100th client. All of these programs will be boosted by the Anschutz Foundation gift.

At home, we have made progress in support of mental wellness, substantially increasing our investment in student services. But the fact is that our support for all the campus constituencies — students, faculty and staff — must be increased even further. We need a more cohesive structure and increased assets for support along the wellness continuum and we are working hard at that plan right now.

5. *Increase regional and national marketing efforts.*

As I've said many times, while we in this room know how amazing this place is, we've been far too quiet about it.

I'm pleased to report that we are building a first-rate communications team focused, for the first time, on elevating the CU Anschutz profile regionally and nationwide. Under the guidance of Kathy Green, this team will oversee the rollout of our brand identity, a newly redesigned CU Anschutz website, and more robust content sharing across our platforms and channels — celebrating the stories and people behind the extraordinary research, innovation, education and treatment that makes this campus a premier health destination.

The shift of our domain name to "cuanschutz.edu" early next year will help with these marketing, branding and identity efforts. Using a domain name that actually reflects the name of this place will

help us convey our identity with each email we send and each web page we manage.

It's time – past time – we start telling the world what CU Anschutz is all about.

The year ahead

So, what is ahead for the year to come? Let me cite a few highlights.

Our research efforts will continue to develop novel therapeutics and see them brought from the bench to the bedside.

This could potentially be a breakthrough year in immunotherapy on this campus. With the recruitment of Terry Fry, Eduardo Davila and others, combined with the existing immunology excellence already here, we will start to see our own efforts deliver clinical trials in more-than-minimally-manipulated cells to patients in our partner hospitals.

This development would not have been possible here without the investment in creating the Gates Biomanufacturing Facility to handle the process of the development of these cells, giving us an asset that is a major competitive advantage.

We are planning to retool the Office of Research (currently being led by interim VC of Research Robert Eckel) to take more of a lead role in connecting researchers with complementary interests. Our search for a permanent replacement for the Vice Chancellor position will begin shortly. I envision us creating and sustaining a functional real-time database of campus-wide research and connections to outside entities, with tools to help us identify areas of collaboration and also potential gaps for recruitment targets. The goal is to turn a field of stars into sets of constellations.

We'll also rely on the revamped Research Office to promote more collaboration on multi-project, interdisciplinary and trans-campus grants, including working with CU Boulder and CSU.

It is my hope that under the guidance of our new Chair of Psychiatry, Neil Epperson, working with leadership from the Depression Center, NMHC, The Marcus Institute, family medicine and others, we will begin to develop a comprehensive plan defining our position and role in addressing the mental health crisis in our region and our nation.

It's also my hope that under the leadership of our new nursing dean, Elias Provencio-Vasquez, we will develop and begin to execute plans to grow our efforts in expanding nursing education and research.

Continuing in the area of expanding education capacity, a Masters of Public Health with a concentration in mental health and well-being is slated to start next fall as is a masters in personalized medicine. Other degrees – in growing fields such as genomic medicine – are in the works.

The new Office of Digital Education, led by Sheana Bull and Scot Chadwick, brings a significant new resource to our efforts in on-line and digital education initiatives.

Our pharmacy school is redefining the role of pharmacists as clinicians.

The dental school is revamping its curriculum to better incorporate technology and the results are stunning. Medicine is doing the same for a roll out in next summer.

As the CO School of Public Health observes its 10th anniversary, Dean Jon Samet is setting the strategy for its next decade.

We are in the process of working on a plan to significantly increase the size of our bioengineering program. We will do this as we have in the past in partnership with the Denver Campus but it is my hope that we will also bring Boulder faculty into the effort of creating a truly world class asset.

The Office of Information Technology will announce a grant program for faculty to develop new tech related advancement, from apps to system solutions.

With our dedicated CU Anschutz marketing team in place, we will launch both a regional and national marketing effort with the goal of beginning to make the CU Anschutz Medical Campus name renowned from coast to coast and our brand synonymous with world-class health science and care.

Our advancement team has their eye on beating last year's record for philanthropic contributions. Some of those contributions, both past and future, will go into funding a project that will start coming out of the ground in January: our new Anschutz Health Sciences building. It's beautiful and it is very much needed.

Last, but certainly not least, we will very shortly be announcing two commercialization reserves coming out of CU Innovations. The first reserve, with a corpus of \$5 million, will support early-stage proof-of-concept development. The second reserve will support follow-on investments in intellectual property and technology either coming from or working with partners on the campus. Details on both will be released shortly. The source of our contributions to these reserves comes from philanthropy and returns on earlier IP commercial successes and, combined, they will for essentially the first time allow the university to provide some real fiscal support for and enhanced participation in commercialization of IP.

Meeting Challenges

While we are increasing our momentum, we still face challenges. The big one is the healthcare marketplace. We're facing possible if not probable reduction in reimbursements at the federal level, restrictions on population coverage and, depending on who our next governor is, the possibility of a complete overhaul of Colorado's health system. Insurance providers are more and more demanding of reduced rates from efficiencies and service locations. Any of these changes would have huge impacts on us and our affiliates.

The one thing we do know is that the cost of healthcare cannot continue to rise as it has; it's not fiscally sustainable. We have to be partners in finding ways to reduce the cost of care. We ignore that at our peril.

On the flip side, while many of our counterparts are dealing with market stagnation, we're facing problems from growth. We continue to have issues with parking, infrastructure and space. And while these are good problems to have, they're still problems.

While managing that current growth, we need to keep our eyes on achieving our long-term goals. Whether and how we are able to bend the arc of our momentum to move to the top tier among academic health centers will depend on our success in two areas: talent, and our ability to innovate.

As I said at the outset, we have succeeded in drawing remarkable talent here and those efforts need to continue to grow. We have also gone from being a talent poacher to a place where our talent is being poached. Retention of our best is every bit as important as recruitment.

With our remarkable community of scholars and clinicians, we need to support their innovation and entrepreneurship. Whether their creative ideas for improving health emerge from our classrooms, labs or clinics, it's on us to help them turn these ideas into reality.

Innovation is our strongest tool to meet the disruptive forces affecting health care today – in technology, regulation, competition from new nontraditional entrants into the health care marketplace, and new patient choices in delivery models. Our greatest strength is intellectual entrepreneurship, and we need to build on that.

Conclusion

I've talked a lot about where we've been, what we've accomplished, and ideas on where we should focus. In short, we have built huge momentum here, and we have many unique strengths. The most important of these is the fact that we have, on one unified campus, six wonderful schools and colleges and two highly ranked hospitals.

How we leverage these to get us where we want to be brings me back to where I started, with human imagination. Vince Fulginitti had a dream 20 years ago, and it's now been realized. Carl Sagan said something about this that feels apropos: "Imagination will often carry us to worlds that never were. But without it we go nowhere."

There are many people here on this campus — right in this room, hunkered down in a lab, treating a patient with a novel therapy, or in a classroom teaching future investigators and health providers — who are already scanning the horizon for fresh ways to imagine our future. It may be something we can envision now or it may be something beyond the confines of our current thinking. But it will be a path on which we imagine, we take risks, we look for fresh opportunities and take hold of them.

And in the end, the path we're on, the work we do, the changes we make — come down to people. All of this talent and all of this enterprise is in the service of improving health and health care for people in Colorado and beyond.

Before I take any questions, I'd like to show you a short video that illustrates just one example, among thousands, of the impact of our work on a person's life. It's a great story and the stars are people just like those in this room. It is the first of many you will see in the year ahead.

[Video]

This is why we do what we do. And these are the kinds of stories we're going to be sharing to promote the great work of the people in this room and on this campus. They are your stories. And we can't wait to tell them.

Thank you.