

MEDICAL COLLEGE OF WISCONSIN (MCW) – WHO WE ARE AND OUR UNIQUE VALUE TO THE COMMUNITY

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President and CEO, MCW

June 5, 2017



Agenda

1. Who We Are
2. MCW Financial Model
3. Value to the Community
4. Value to Employers
5. Bringing it All Together
6. Questions and Answers

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124 Years - Contributing to the Vitality of Milwaukee, Wisconsin and Beyond

1893



Wisconsin College of Physicians and Surgeons and Milwaukee Medical College established



1913



MCW becomes Marquette University School of Medicine

1967



MCW becomes private, free-standing medical school after Marquette terminates sponsorship

1978



MCW relocates to the Milwaukee Regional Medical Center campus

1980



Froedtert Memorial Lutheran Hospital opens on MRMC

1988

Children's Hospital of Wisconsin relocates to the Milwaukee Regional Medical Center campus

2000



Froedtert Health takes on Froedtert & the Medical College of Wisconsin co-brand for M-7 region

1967 to 2017

1967

- Marquette and its medical school dissolved their relationship.
- The Greater Milwaukee Committee recognized the value of having a world-class academic medical center built around a strong medical school and partnered with the State of Wisconsin to maintain the medical school; it became MCW.*

2017

- MCW now anchors one of the nation's finest academic medical centers known as the Milwaukee Regional Medical Center – MRMC.
- MCW is the driving force behind the MRMC and provides the clinicians and scientists for Froedtert Health, Children's Hospital and Health System, BloodCenter of Wisconsin, and Milwaukee VA Medical Center.



* Wilson CP for Medical Center Study Committee (Heil J, Nuzum J, Jacobus DC, Fitzgerald E) of the Great Milwaukee Committee for Community Development. *Milwaukee's need for a comprehensive medical center.* January 9, 1967.

MCW as the Essential Engine



MCW's Four Core Missions

“Academic medicine is indispensable to the health of any metropolitan community...”*

Education

900 medical students
380 graduate students
Nearly 40% of Wisconsin
physicians trained by MCW

Research

2nd largest research institution in Wisconsin
\$225M invested annually
\$93M NIH-funded

Patient Care

1,650+ physicians
525 APPs
>530,000 patients annually
>2.5 million patient visits annually

Community Engagement

>1,100 outreach programs
\$48M in public health funding
Carnegie Foundation Classification



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MCW Education Drives Quality Care

“The comprehensive academic medical center isthe model of excellence in which physicians and other health personnel can adequately be trained...”*

- Medical School with three campuses:
 - Milwaukee
 - Green Bay
 - Wausau
- Graduate School of Biomedical Sciences granting PhD and Masters degrees in various disciplines
- School of Pharmacy



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MCW Research Spearheads Innovation

“A focal point for scientific leadership that contributes to the excellence of the entire community’s medical care program, directly or indirectly...”*

- MCW as a Regional Innovation Engine
 - Spin-out companies, licenses, Inception Health, patents
 - Groundbreaking clinical advancements (*e.g.*, genomics, spinal cord trauma, rabies, hyperbaric O₂, fMRI, rapid blood screening for lead poisoning)
 - >3,000 ongoing scientific studies and clinical trials
 - Pioneer in development of technologies (*e.g.*, 7-Tesla MRI, MR-Linac)
 - Clinical and Translational Science Institute takes findings from bench to community



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MCW Provides Unique Clinical Power

“A resource for the care of complex patients... essential expertise...”*

- MCW enhances region by bringing:
 - Sole Level 1 trauma care site
 - Comprehensive cancer care center, providing treatment for: bone, bone marrow transplantation, endocrine, gynecological, pancreatic, brain, *etc.*
 - Only institution with a full complement of pediatric services and sub-specialties
 - Epidemic response capabilities, *e.g.*, federally designated Ebola Center
 - World-class talent from around the globe that adds vibrancy and diversity and attracts others to the market



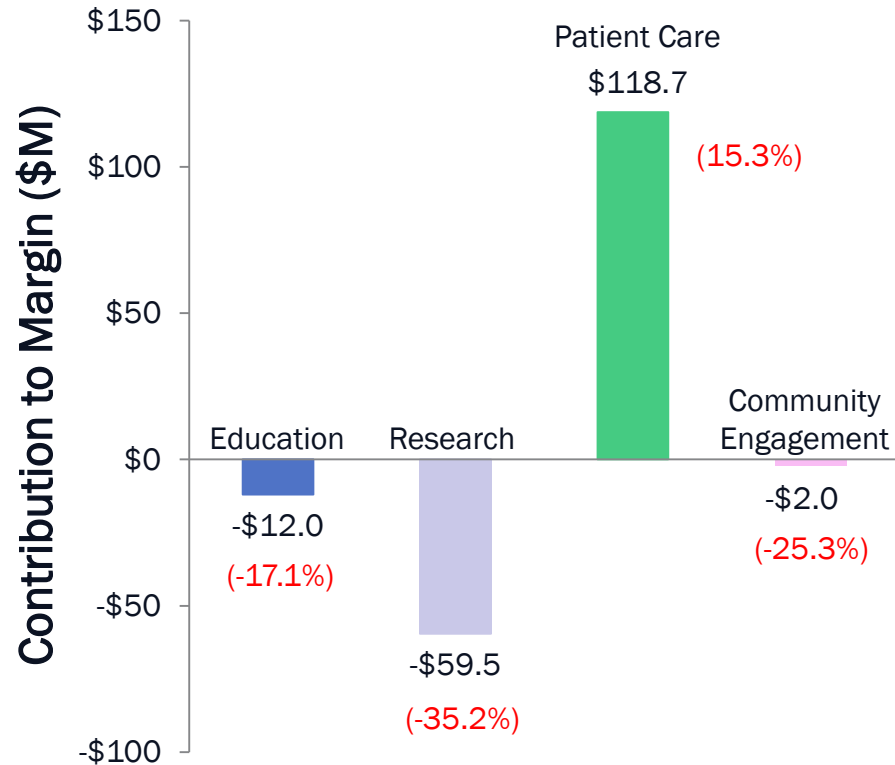
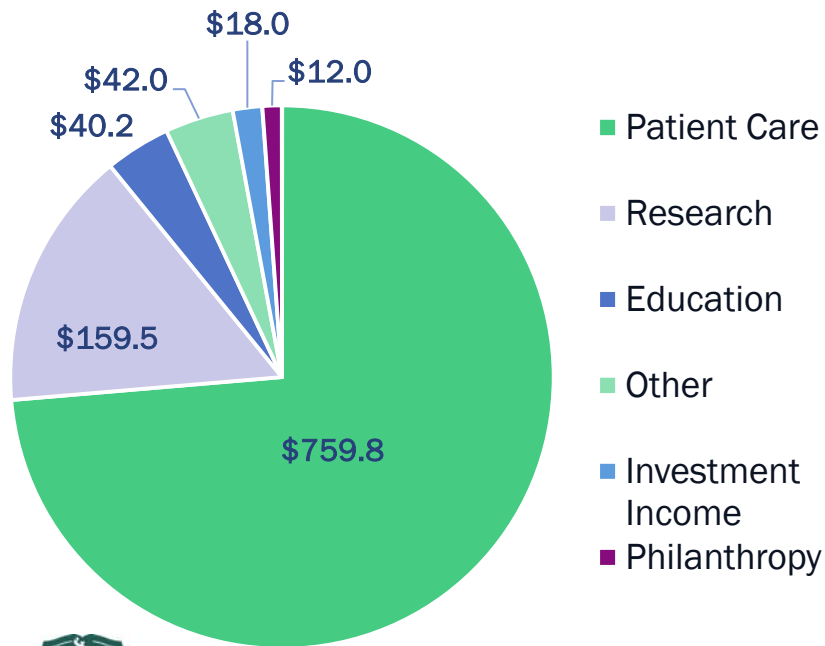
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MCW is a Significant Economic Enterprise

FY16 Revenues (\$M)



Clinical Care Supports the Four Missions

FY16 Expenditures



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Quantitative and Qualitative Value

- **Tangible Benefits**

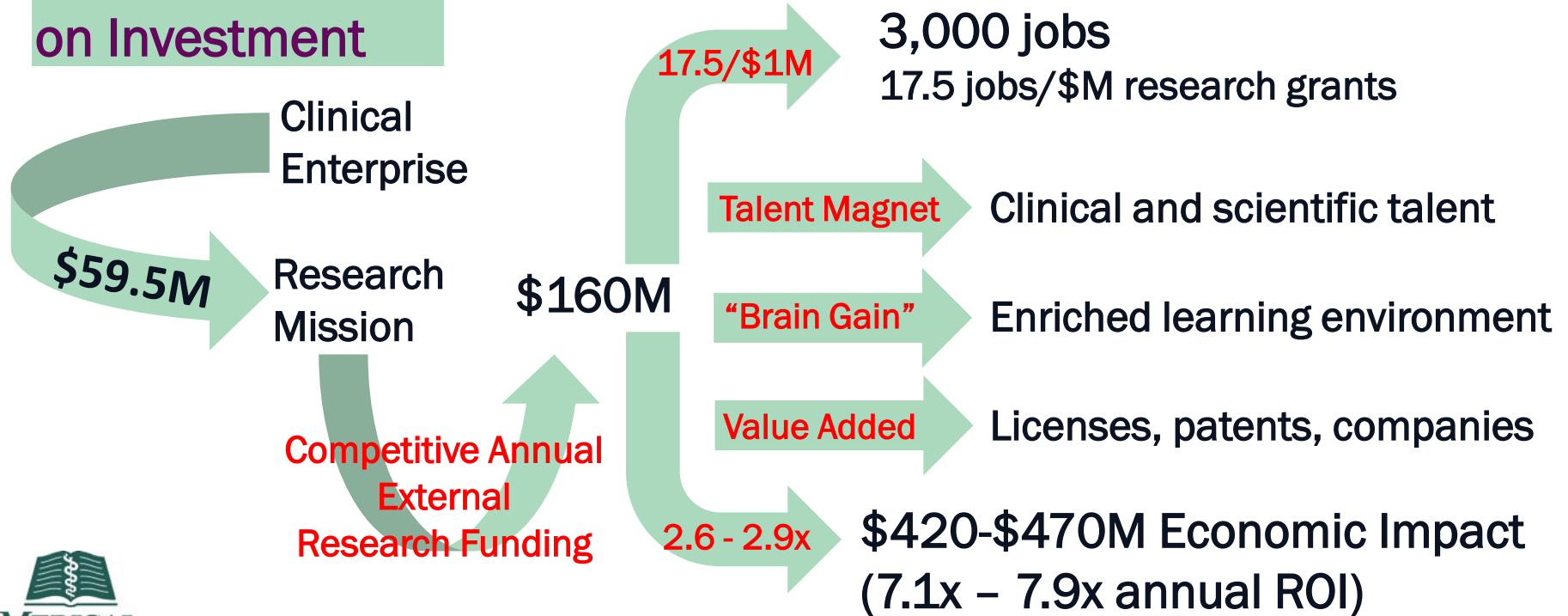
- Research funding “multiplier”
- Economic enablement of other academic medical center/MRMC entities
- Employment in high-skill jobs
- Local and regional supplier of clinical workforce
- High quality of healthcare services

- **Intangible Benefits**

- Workforce diversity
- “Brain gain”
- Community partnerships in every county of Wisconsin through Advancing a Healthier Wisconsin endowment

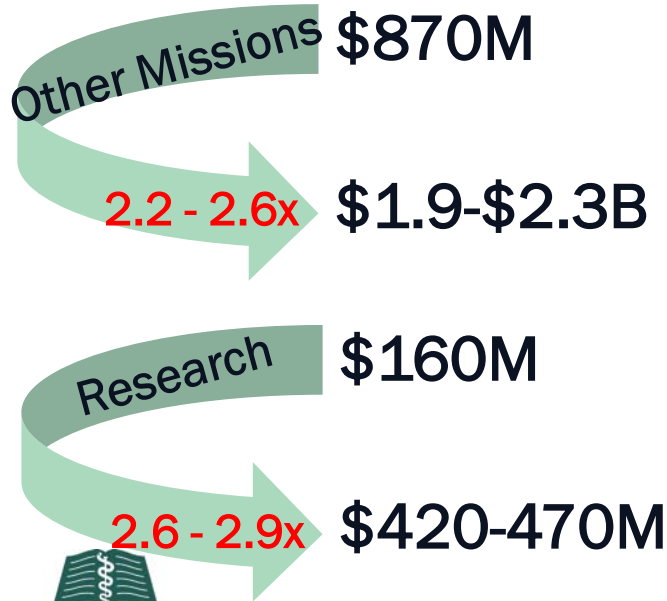
Research “Multiplier”

Research Return on Investment

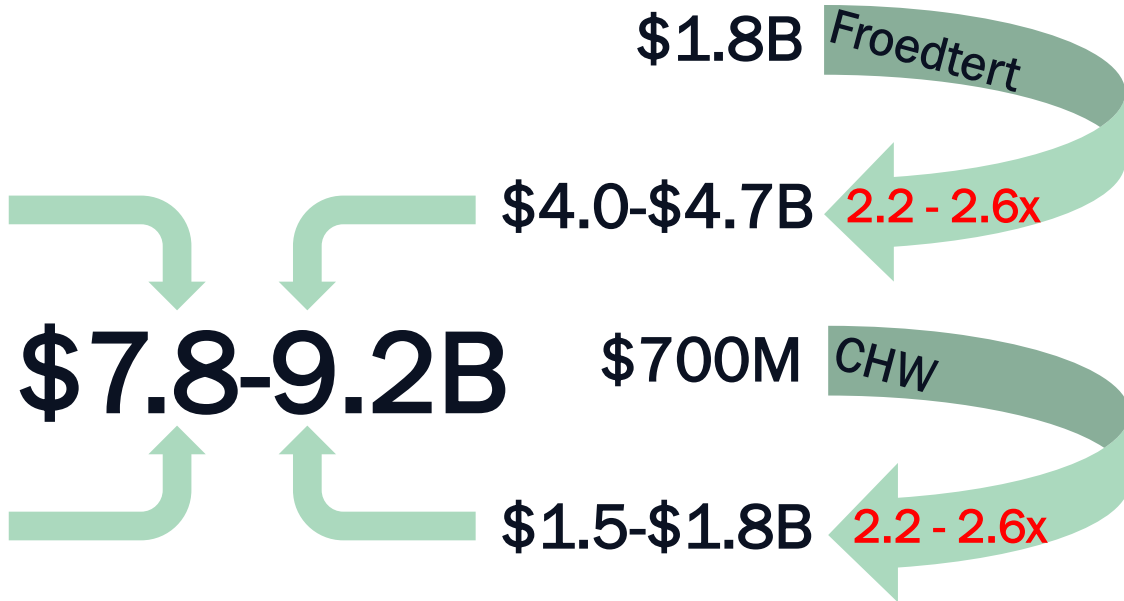


Economic Enablement and Impact

MCW



Main Partners



\$7.8-9.2B



* Excludes VA, BloodCenter, Milwaukee Behavioral Health Division and other partnerships (M-7 and out-state)

Clinical Workforce Supplier

50% of practicing
physicians in Eastern WI

More than 1/3 practicing
physicians in Wisconsin

140 post-doctoral
fellows in training

260 medical school
matriculants annually

900 interns,
residents, fellows

MCW

1,650+ physicians at
FH, CHW, ZVAMC

65 PharmD
graduates annually

400 scientists pursuing
PhD & Master's degrees

15 anesthesia assistant
graduates annually

Wisconsin Healthcare Quality – Strong

- Wisconsin ranked 3rd in 2016 for healthcare quality according to Agency for Healthcare Research and Quality (AHRQ)
- Wisconsin has ranked in top 5 with AHRQ since 2006 – except for 2010 (#7)
- Wisconsin ranks 4th in 2017 for patient safety according to Leapfrog



Agency for Healthcare Research and Quality
Advancing Excellence in Health Care



MCW Excellence

- MCW: Most peer-designated Best Doctors® in Wisconsin (>400)



- Froedtert Hospital



- Children's Hospital of Wisconsin



Parents
#4

- MCW: Inaugural Baldwin Award for GME Excellence

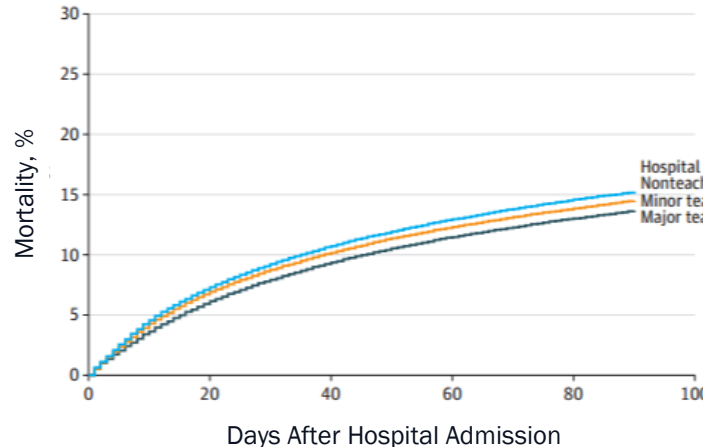


- MCW: Carnegie Community Engagement designation



Major Teaching Hospital Quality Higher

Mortality After Hospital Admission Among Major Teaching, Minor teaching, and Non-teaching Hospitals



No. at risk ^a					
Major teaching	71847	67585	65208	63645	62539
Minor teaching	143350	133743	128919	125825	123592
Nonteaching	212410	197342	189860	185090	181594

9 fewer deaths/1,000 admissions
270 fewer deaths/30,000 admissions

0.9% lower adjusted mortality
at major vs minor teaching hospitals

1.2% lower adjusted mortality
at major teaching vs. non-
teaching hospitals

12 fewer deaths/1,000 admissions
120 fewer deaths/10,000 admissions

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The Healthcare Value Equation

$$\text{Value} = \text{Quality} \div \text{Cost}$$

EMPLOYER

Individual

Payor

Community

etc.

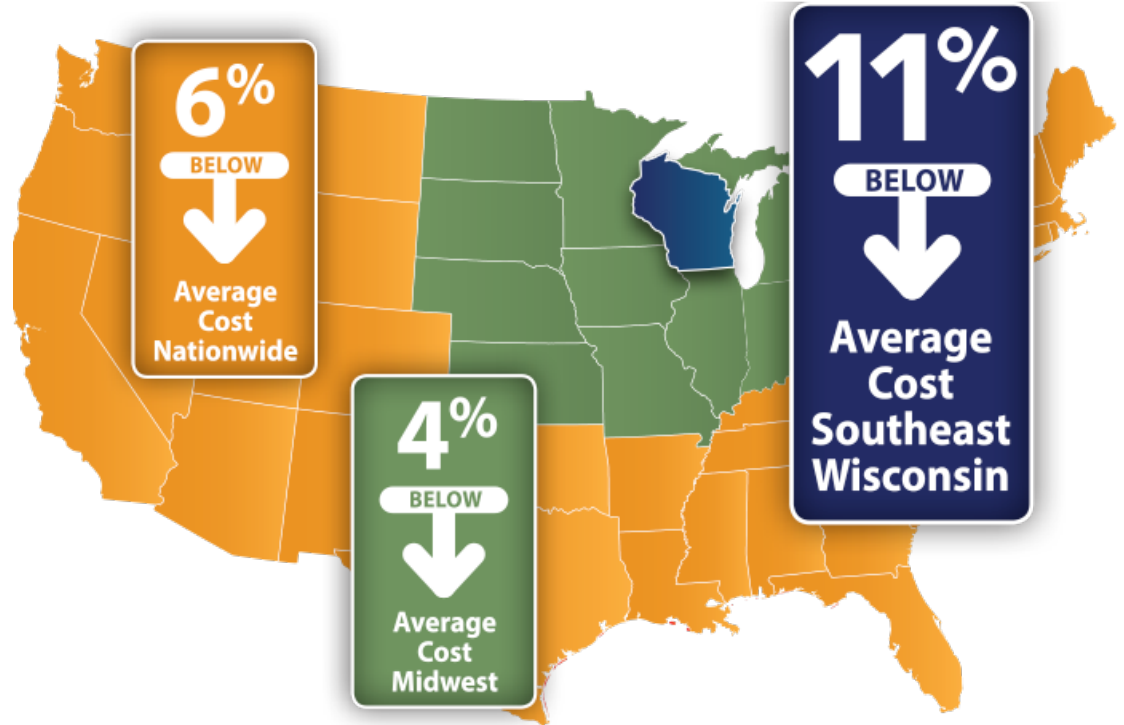
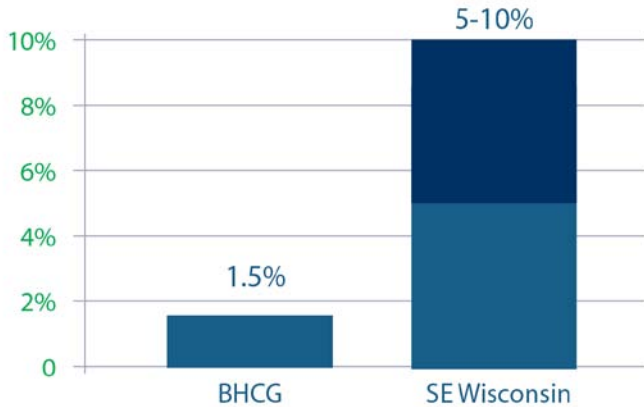
- Employee (patient) satisfaction
- Publicly available outcomes data
- Wellness/prevention
- Chronic disease management
- Access (timeliness, close to home or work)
- Specialty and subspecialty breadth
- Access to leading-edge care

- Rates/ unit costs for services
- Units of service provided (utilization)
- Absenteeism/presenteeism due to medical issues
- Total annual employer expenditures for employee/dependent healthcare
- Cost of provider to deliver care

BHCG Cost Trends

BHCG has moved the accountability needle in Southeastern Wisconsin

Average Annual Trend for BHCG Self-Funded Employers Compared to Southeast Wisconsin Market: 2006-2016



MCW Cost Reduction Initiatives

MCW and its clinical partners are migrating our care distribution models to more cost effective settings.

- Separating community and academic rate structures
- Moved orthopaedic services to lower-cost chassis (Community Memorial)
- Robust interdisciplinary care with complex care patients (*e.g.*, asthma)
- Developing and evolving SpineCare Program
- Establishing Tele-Psychiatry Programs
- Lean/Six Sigma initiatives with clinical partners

Cost Reduction Initiatives

- Education:
 - Medical students graduating with less debt and getting into practice more quickly
 - Ramirez Scholars Lean healthcare curriculum with MSOE students
- Research:
 - MCW runs a lean research enterprise compared to other medical schools
- Community engagement:
 - Leverage and accountability for AHW endowment
 - Leverage partnerships to build programs and reduce costs

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Bringing It All Together (1)

- 124 years of contributing to the vitality of Milwaukee, Wisconsin & beyond
 - Workforce
 - Talent
 - Return on investment
 - Jobs
- MCW is an essential clinical engine for Wisconsin
- MCW's clinical care mission supports its four missions

(research, education, clinical care, community engagement)

Bringing It All Together (2)

- **MCW education drives quality care**
 - Major teaching hospitals deliver better quality care
 - Wisconsin is top 5 for healthcare quality
- **MCW research spearheads innovation**
 - Attracts \$ to our of region (\approx \$160M annually)
 - 7.1 – 7.9x ROI annually
 - Creates jobs
 - Attracts talent

Bringing It All Together (3)

- MCW brings quantitative and qualitative value
- MCW is committed to working with you on all components of the Healthcare Equation:

$$\text{Quality} = \text{Value} \div \text{Cost}$$

- MCW will partner with you on accountability
- We thank you

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