



**The Methodist LeBonheur Center for  
Healthcare Economics**

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# **The Methodist LeBonheur Center for Healthcare Economics**

## **Annual Report**

**2003-2004**

**April 2004**

**Mission and Brief History:** In March 2003, Methodist LeBonheur Healthcare, Inc. donated \$1,000,000 to The University of Memphis to establish The Methodist LeBonheur Center for Healthcare Economics (hereafter the Center) in the Fogelman College of Business and Economics. The mission of the Center is to address complex healthcare issues of efficiency, effectiveness, and equity, with a focus on emerging healthcare issues that affect Memphis, Shelby County, and the State of Tennessee.

**Objectives:** Through a variety of research, internship, instruction, and public service programs, the Center works closely with entities both internal and external to the University to accomplish its mission. In the near term, the key policy areas emphasized by the Center will include, among other issues:

1. Evaluation of government healthcare programs such as TennCare and development of strategies for improving the efficiency of these programs.
2. Study of the impact and applicability of regional and state health economics trends.
3. Assistance to stakeholders such as hospitals, nursing homes, and health plans in developing market analyses and business plans.
4. Dissemination of best-practice models to assist employers in the development and implementation of cost-effective strategies for improving employee health and cutting healthcare costs.

**Expertise:** The Center is supported by a superb group of faculty associates who have distinguished themselves in the fields of healthcare economics and healthcare administration (see Attachment 1 for details). These faculty associates are experts in conducting research on a wide range of critical healthcare issues, including:

- Access to health care
- Health insurance coverage
- Racial disparities in health care
- Gerontology
- Healthcare technology
- Quality improvement in health care
- Employee health benefits
- Hospital cost management
- Methodological issues in data collection and management

**Staff:** The Center ran a very “lean” operation in its first year of existence. Dr. Cyril F. Chang serves as the Director of the Center. Graduate students were hired to provide research support and outsourced secretarial and administrative

tasks on an “as needed” basis during the 2003-04 academic year. As the Center takes on more funded projects and broadens its funding streams, a full-time administrator and one or two graduate students will be hired.

### **Specific Goals and Objectives for 2003-2004**

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**Goal 1:** Develop and increase visibility of the Center within The University of Memphis and in the external Memphis healthcare community

**Objective 1:** Launch an effective marketing campaign to increase public awareness of the mission, purpose, and objectives of the Center

#### **Actions and Results:**

- Published a feature article, “Center for Healthcare Economics,” in the Spring 2003 issue of *Business Perspectives* to introduce the Center to the Memphis and Mid-South community and to highlight the capacity of the Center and the expertise and skills of its research associates (see Attachment 1).
  - Engaged the print media, which resulted in the Center being featured extensively in the following articles (copies of articles included as Attachment 2):
    - “Prescription for Change,” by Jackie Fluam in the Winter 2004 issue of *The University of Memphis Magazine*.
    - “Center Created to Study Economics of Healthcare,” by Andre Chery in *The Daily Helmsman*, March 18, 2003.
    - “Recession-Proof Health Care A Big Boost to City,” by Mark Watson in *The Commercial Appeal*, December 13, 2003.
    - “Despite Long Hospital Stay, Number of Beds Shrinking,” by David Roger in *Memphis Business Journal*, Feb. 13-19, 2004.
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**Goal 2:** Promote workplace health promotion programs

**Objective 2.1** Develop a close working relationship with external partners and stakeholders to explore collaborative opportunities

**Actions and Results:**

- Contacted, met, and discussed projects of mutual interest with representatives of:
  - Baptist Memorial Healthcare
  - The LeBonheur Health Systems, Inc.
  - The Methodist LeBonheur Healthcare, Inc.
  - The Regional Medical Center of Memphis
  - Pfizer
  - FedEx Express
  
  - The Memphis Business Group on Health
  - Community Institute of Early Childhood
  - College of Medicine of the University of Tennessee Health Science Center
  - College of Nursing of the University of Tennessee Health Science Center
  - College of Pharmacy of the University of Tennessee Health Science Center
  
  - The Center of Health Services Research of the University of Tennessee Health Science Center
  - The Methodist University Hospital Cancer Center
  - Memphis Mental Health Summit
  - Carol Chumney, City Councilwoman, City of Memphis
  - City of Memphis
  - Shelby County Government

**Objective 2.2** Participate and sponsor workplace health promotion and disease management programs

**Actions and Results:**

- Partnered with Pfizer, a major international pharmaceutical company; the Memphis Business Group on Health; and the City of Memphis in organizing and sponsoring a disease management conference. The conference was held on February 24, 2004, at the Wilson School of Hotel and Hospitality Management's Holiday Inn, with over 70 corporate benefits managers and CFOs in attendance.
  
  - Began making plans for hosting another healthcare meeting for employers in 2005.
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**Goal 3:** Study and analyze health economics trends

**Objective 3:** Measure the economic contributions of the Memphis medical community

**Actions and Results:**

- Commissioned and funded a study to document and measure the economic contributions of the Memphis medical community.
  - Published article, "The Economic Contributions of the Memphis Medical Community," in the Fall 2003 issue of *Business Perspectives* (see Attachment 3).
  - Made presentations to various civic, nonprofit, and academic groups around the Memphis area to highlight the results of the economic contributions study.
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**Goal 4:** Analyze TennCare and assess its future

**Objective 4.1** Collect and compile reliable data and information on TennCare

**Actions and Results:**

- Collected reliable financial and utilization data and searched for publications and analysis reports to build a TennCare database for a better understanding of TennCare, Tennessee's experimental managed-care program for Medicaid eligibles, the previously uninsured, and the uninsurable.

**Objective 4.2** Analyze TennCare's financial problems and disseminate information to inform the public of TennCare's past, present situation, and future

**Actions and Results:**

- Compiled a TennCare database with data collected from dated budget documents and other sources for an in-depth analysis of the budgetary trends of TennCare since its inception.
- Analyzed and prepared a PowerPoint presentation to trace TennCare's financial history and the underlying causes of its current problems.
- Made presentations to, and shared data with, the Honorable AC Wharton, Mayor of Shelby County; Mr. Gene K. Cashman, Jr., CEO and President,

Le Bonheur Health Systems, Inc.; Mr. Gary Shorb, CEO and President, Methodist Healthcare; and many others.

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**Goal 5:** Seek funded projects to broaden funding sources and to increase funding level

**Objective 5.1** Write and submit federal grant proposals

**Actions and Results:**

- Participated in the preparation of a NIH RO1 proposal to study the cost-effectiveness of using telehealth as a means to improve the quality of life for post-transplant patients.
- Received a subcontract (\$57,624) from the University of Tennessee Health Science Center under a five-year, \$1.6 million RO1 grant funded by the National Institute of Nursing Research to study the cost-effectiveness of a nurse-led telehealth intervention program to improve the quality of life for post-transplant patients.

**Objective 5.2** Seek private foundation grants

**Actions and Results:**

- Prepared with Dr. Paul Fitzgerald of the Master's of Health Administration Program a proposal for submission to LeBonheur Healthcare System, Inc., for funding to support the establishment of a healthcare journal club on The University of Memphis campus.
- Awarded in January 2004 a total of \$75,000 for the journal club, with the amount to be paid in three installments over three years.
- Prepared and submitted a research proposal to Pfizer to study the outcomes of prescription drug utilization and the role of health system performance in determining the outcomes of drug utilization. The proposal, which seeks total funding of \$119,600, is currently pending.

**Objective 5.3** Explore consulting opportunities

**Actions and Results:**

- Met with representatives of various businesses and organizations to discuss consulting projects, including:

- FedEx
  - The Memphis and Shelby County Medical Society
  - Pfizer
  - Community Institute for Early Childhood
  - Shelby County Government
  - The Memphis Mental Health Summit
- Received a contract (\$52,525) to conduct a study of the childcare industry's economic impact on Memphis and Shelby County.
  - Began making plans to prepare a larger proposal to study the long-term effects of child care on early childhood development.

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**Goal 6:** Provide analytical expertise to external stakeholders

**Objective 6.1** Provide technical assistance

**Actions and Results:**

- Analyzed hospital trend data and prepared a market share analysis for Methodist Healthcare.
- Analyzed Shelby County safety net healthcare system and explored innovative and alternative models to streamline the existing county-sponsored healthcare system.
- Provided Shelby County with preliminary data on the feasibility of a Shelby County Health Authority.

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**Goal 7:** Promote health economics research in the Fogelman College of Business and Economics and campus-wide interdisciplinary research

**Objective 7.1** Provide research opportunities and assist in the development of the research environment

**Actions and Results:**

- Offered to assist with the purchase of healthcare data and to defray travel expenses for graduate students and faculty members to attend healthcare conferences.
- Offered to sponsor healthcare speakers for graduate seminar series.
- Offered internships to graduate and undergraduate students to work on healthcare projects.

**Objective 7.2** Participate and/or sponsor campus-wide healthcare research

**Actions and Results:**

- Met with faculty of the Loewenberg School of Nursing to discuss collaborative relationships and joint projects.
- Worked with Loewenberg Chair Professor Nancy Lackey, Ph.D., R.N., to develop a research proposal to be submitted to LHS, Inc., for funding support. The proposal was for a study of the prevalence of young caregivers who care for a frail, homebound adult or a sick sibling.