



**The Methodist LeBonheur Center for
Healthcare Economics**

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Annual Report

2004-2005

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Mission and Brief History: In March 2003, Methodist LeBonheur Healthcare, Inc. and the LeBonheur Health Systems, Inc. gave the University of Memphis a donation of \$1,000,000 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. Currently, the Center has \$1,242,764 total endowment (see Attachment 1).

Objectives: Through a variety of research, internships, 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 topics:

1. Evaluation of government health care 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 health care economics and health care administration. These faculty associates are experts in conducting research in a wide range of critical health care issues including:

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

Staff: The Center runs a very “lean” operation in its second year of operation. Dr. Cyril F. Chang, Professor of Economics, serves as the Director of the Center. It hired graduate students to provide research support and outsourced secretarial and administrative tasks on an “as needed” basis during the 2004-05 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 added.

Specific Goals and Objectives for 2004-05

Goal 1: Explore external opportunities to broaden funding sources

Objective 1.1 Plan, prepare, and submit federal grant proposals

Actions and Results:

- Wrote, in collaboration with an interdisciplinary team of prominent UoM researchers, a CDC Center Core Grant (P30) proposal for establishing a Center for Health Promotion Economics at the University of Memphis. The Center, if funded, would apply economic theories and methods to promote health and reduce health disparities in high need areas such as the greater Memphis area; \$2.14 million total budget; favorably reviewed, but not funded due to budget cutbacks
- Participated in the preparation of a federal Health Planning Grant to determine: (1) the number and characteristics of people in Tennessee without health insurance, (2) the attitudes of health care providers and employers toward the uninsured, and (3) to suggest options for expanding insurance coverage. Received a sub-contract grant (\$12,028) from the University of Tennessee Health Science Center in Oct. 2004 to offset Dr. Chang's time devoted to the project
- 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 and received a sub-contract grant (\$57,624) from the University of Tennessee Health Science Center under a 5-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 to improve the quality of life of post-transplant patients

Objective 1.2 Seek private foundation grants

Actions and Results:

- Wrote, with Dr. Paul Fitzgerald of the Master's of Health Administration Program, a proposal to the Le Bonheur Healthcare System, Inc. to establish a health care journal club; awarded in January 2004 a total of \$75,000 for the journal club with the amount to be paid over three years (see Attachment 2)
- Prepared and submitted a "Letter of Intent" in Feb. 2005 to the BlueCross BlueShield of Tennessee Health Foundation to propose a study of the cost of providing health insurance coverage to the uninsured in Tennessee. The Letter was favorably reviewed and approved and a full proposal titled, "Covering the uninsured in Tennessee: How much medical care do the Uninsured use? How

much more would it cost to cover them?” was subsequently developed and submitted in March 2005 with a total budget of \$115,573 (see Attachment 3)

Objective 1.3 Explore consulting opportunities

Actions and Results:

- Met with representatives of many businesses and organizations to discuss consulting projects including:
 - The Regional Medical Center at Memphis (The MED)
 - The Bluff City Medical Society
 - Wright Medical
 - FedEx
 - College of Pharmacy, UT Health Science Center
 - Community Institute for Early Childhood
 - The Outreach Center of the UT Health Science Center
 - Shelby County Government
 - The Memphis Mental Health Summit
- Received a contract (\$52,525) to conduct a study on the childcare industry’s economic impact on Memphis and Shelby County
- Initiated negotiation with the Bluff City Medical Society to conduct an economic impact study of the contribution of African American physicians in Memphis and Shelby County

Goal 2: Increase visibility of the Center within the University of Memphis campus and in the external Memphis Health Care community

Objective 2.1 Engage in collaborative research and service activities with health-related units/department across the University of Memphis campus to promote engaged research

Actions and Results:

- Supported the planning and design of a new Master’s of Public Health Program. The Program has now received THEC approval as well as the necessary internal curriculum approvals at both the College and University levels and will begin its first class in the spring of 2005-06 academic year
- Collaborated with the Center of Community Health in joint projects including the submission of a joint proposal with Dr. Linda Clemens of the Department of Health & Sport Sciences to the FedEx Institute of Technology for funding

support. The purpose of this project was to study the cost effectiveness of a school-based breakfast program for improving eating habits and health outcomes of school-aged children in the Memphis City Schools (see Attachment 4)

- Worked closely with Dr. Andy Meyers, Vice Provost for Research, and his staff in seeking funding support from Methodist Healthcare and the Urban Child Institute for health-related research activities and projects

Objective 2.2 Engage printed and other media outlets to promote Center's visibility and outreach

- Engaged print media and contributed op-ed articles on TennCare and health-related topics (copies of articles included as Attachment 5):
 - "Dumping Program Would Be A Calamity," The Commercial Appeal (Memphis, TN), Nov. 28, 2004.
 - "TennCare Most Add Sticks, Carrot for Plan Providers," The Commercial Appeal (Memphis, TN), Oct. 17, 2004.
 - "TennCare Value Left to Interpretation," The Commercial Appeal (Memphis, TN), August 7, 2004.

Goal 3: Promote wellness and health promotion programs for a healthier community

Objective 3.1 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 from a wide range of community partners including:
 - The Healthy Memphis Common Table
 - 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 at 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 3.2 Participate in community wellness and health promotion activities

Actions and Results:

- Participated actively in the wellness and health promotion activities of the Healthy Memphis Common Table with a focus on making a “business case” for workplace wellness and health promotion programs
- Worked closely with the Medical Center Alliance of UT Health Science Center and Methodist Healthcare in a variety of joint efforts to promote patient safety and improve healthcare quality
- Worked with QSource™, the Center for Healthcare Quality, in providing expertise in economic evaluation of health promotion and intervention programs
- Participated in the 4th annual Cooper-Jones Initiative (aka the Annual Martin Luther King, Jr. Commemorative Conference on Economics, Health, and Education) with Dr. Cyril Chang serving as a panelist (see Attachment 6)

Goal 4: Study and analyze health economic trends

Objective 4.1 Measure the economic contributions of the Memphis medical community

Actions and Results:

- Prepared and published a report, “The Economic Impact of Child Care Industry in Memphis and Shelby County,” that documented and analyzed the economic impacts of child care centers and other child care providers on the Memphis and Shelby County local economy (online accessible at: <http://healthecon.memphis.edu/publications.html>)
- Prepared and published, “The Child Care Industry in Tennessee and Its Four Major Urban Counties,” a report that detailed the structure and revenue sources of

the child care industry in Tennessee and its four major urban centers
(<http://healthecon.memphis.edu/publications.html>)

- Made presentations to various civic, nonprofit, and academic groups around the Memphis area to highlight the results of the child care impact studies
 - Maintained and updated the Memphis Hospital Trends Report with data from the 2003 Joint Annual Report of Hospitals of the Tennessee Department of Health
(<http://healthecon.memphis.edu/publications.html>)
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Goal 5: Analyze TennCare and assess its future

Objective 5.1 Collect and compile reliable TennCare data and documentation

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 uninsurables
- Analyzed the impact of TennCare benefits and enrollment cutbacks on the state and the economy of Memphis and Shelby County (see Attachment 7 for an example of data analyzed)
- Compiled and published a TennCare Timeline that traced the history of TennCare and its major events and milestones

Objective 5.2 Analyze TennCare's financial difficulties and disseminate information to inform the public of TennCare's past, present and future

Actions and Results:

- Compiled a TennCare database with data collected from state 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
(<http://healthecon.memphis.edu/publications.html>)
- Made presentations to, and shared data with, the Shelby County Mayor's Office, The Urban Child Institute, Methodist Healthcare, and many others

Goal 6: Provide analytical expertise to external stakeholders

Objective 6.1 Provide technical assistance

Actions and Results:

- Published, in response to a request from Methodist Healthcare, a report “Influence of Hospice Use on Hospital Inpatient Mortality: A State-Level Analysis” that analyzed the relationship between hospital inpatient mortality rates and the availability and utilization of hospice care across the 50 states in the U.S. and the District of Columbia (online accessible at <http://healthecon.memphis.edu/publications.html>)
- Analyzed hospital trend data and prepared a market share analysis for Methodist Healthcare (<http://healthecon.memphis.edu/publications.html>)
- Analyzed Shelby County safety net health care system and explored innovative and alternative models to streamline the existing county-sponsored healthcare system
- Provide economic analysis expertise to Children’s Hospital Alliance of Tennessee (CHAT), an advocacy group organized by the leaders of Tennessee’s four pediatric hospitals for keeping kids healthy and out of the hospital

Goal 7: Promote health economics research in the Fogelman College of Business and Economics and interdisciplinary research across the University of Memphis campus

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

Actions and Results:

- Offered to assist the purchases of health care data and to defray travel expenses for graduate students and faculty members to attend health care conferences
- Sponsored healthcare speakers for graduate seminar series
- Provided graduate and undergraduate students internships to work on health care projects

Objective 7.2 Participate and/or sponsor campus-wide health care research

Actions and Results:

- Organized, in collaboration with the Master's of Health Administration Program, the Health Care Journal Club for the promotion of health services research through sharing of journal articles among graduate students and faculty members who share a common interest in health care research
- Met with the faculty of the Department of Communications in the College of Communications and Fine Arts and the Loewenberg School of Nursing to discuss collaborative relationships and joint projects
- Worked with Dr. Michael Leff, Chair of the Department of Communications, and Dr. Amanda Young of the same Department on a collaborative relationship with the 21st Century Scholars Program under the directorship of Ronald Shorr, MD, of the Department of Preventive Medicine in the College of Medicine, the University of Tennessee Health Science Center