



**The Methodist LeBonheur Center for
Healthcare Economics**

**312 Fogelman College of Business & Economics
Memphis, Tennessee 38152-3120
Office: 901.678.3565
Fax: 901.678.2865**

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Annual Report

2005-2006

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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. Since the inception, the Center's endowment has grown to more than \$1.32 million (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 two graduate students to provide research support and outsourced secretarial and administrative tasks on an "as needed" basis during the 2005-06 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 2005-06

Goal 1: Explore external opportunities to broaden funding sources

Objective 1.1 Plan, prepare, and submit grant proposals

Actions and Results:

- Dr. C. Chang participated as a Co-PI in the preparation and submission of a Bureau of TennCare research grant to study health and health access issues confronting the individuals whose TennCare insurance had recently been terminated. The proposal was funded at \$150,000, with Stephanie Connelly, MD, of UT Health Science Center as the Principal Investigator. The goal of the research is to provide results that will assist in the formulation and design of better policy solutions to strengthen the safety-net health care system for those who have lost TennCare coverage.
- Participated in a research project supported by a federal health planning grant from the Health Resources and Services Administration of USDHHS 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. Dr. C. Chang received a sub-contract grant from the UT Health Science Center to compensate for his time. The final report was completed and submitted to the Tennessee Department of Commerce and Insurance in Sept. 2005 and it provided valuable background information for Governor Bredesen's Cover Tennessee project announced in March 2006.
- Awarded a \$25,000 research grant from the BlueCross BlueShield of Tennessee Health Foundation to document and analyze the prevalence of hospitalizations for Ambulatory-Care Sensitive (ACS) conditions (see Attachment 2). The Center also received \$14,000 worth of Tennessee Hospital Inpatient Discharge Datasets for the period of 1996 – 2002.
- Prepared and submitted a "Letter of Intent" in April 2006 to the BlueCross BlueShield of Tennessee Health Foundation to propose a larger, multivariate study to estimate the likelihood of avoidable hospitalization in Tennessee, with a focus on the influence of race, ethnicity, and insurance coverage (see Attachment 3 for the Letter of Intent.)
- A proposal is currently under preparation to study the effect of health care costs on labor demand and job creation. The proposal, when completed, will be sent to the W.E. Upjohn Institute for funding consideration under the Upjohn Institute's 2006 Grant Program.

Objective 1.2 Explore consulting opportunities

Actions and Results:

- Medtronic Sofamor Danek:
 - Ongoing efforts in establishing a research/consulting partnership with Medtronic Sofamor Danek, one of the world's largest makers of spinal implants. The current focus is on developing internship and externship opportunities and collaborative research projects for both students and faculty members of FCB&E.
- University of Tennessee Health Science Center:
 - Assisted the Univ. of Tennessee Cancer Institute, which is a joint venture between UT Health Science Center and the Methodist LeBonheur Healthcare, Inc., in the planning and development of a business plan for the establishment of a statewide National Cancer Institute-Designated Research Center. Participated in staff meetings and in the final presentation to key external sponsors and Dr. John Petersen, President of the University of Tennessee.
 - Provided consulting service to The Community Outreach Center of UT Health Science Center in the design and development of a 5-year business plan.
- FedEx:
 - Ongoing effort in developing closer ties with FedEx in the understanding of employee health care costs and the development of effective strategies in controlling these costs.
- The Memphis Business Group on Health:
 - Partnered with this Memphis area business coalition that facilitates the effective and efficient purchases of health services in a series of joint efforts for promoting workplace health promotion and cost-effective disease management programs.
- Methodist LeBonheur Healthcare:
 - Worked closely with the Corporate Office of Methodist LeBonheur Healthcare in providing expertise and technical assistance on a wide range of issues and projects. Examples include: 1) a market share analysis titled, "The Memphis Hospital Market Share Analysis," 2) a study of the impact of hospice care on inpatient admissions, and 3) an analysis of the uninsured patients. The hospice study, written with doctoral student and a UT

employee, Stephanie Steinberg, has been accepted for publication in *Hospital Topics*, a top-ranked journal in hospital administration.

- Shelby County Mayor's Office:
 - Maintained a close working relationship with the Shelby County Mayor's Office through the Mayor's Office of Health Policy Advisor. Past projects included a feasibility study on the development of a health care authority for the uninsured and TennCare insured and an assessment study of the capacity of the safety-net health system.
- UTMG:
 - Close working relationship with the Mid-South area's largest physician practice group in providing health care economics expertise, advice, and training service.
- Memphis Managed Care, Inc.:
 - Ongoing partnership with this large TennCare Managed Care Organization in analyzing TennCare enrollment trends, service utilization patterns, and cost projections.
- The Shanghai Business Executive Training Program:
 - Organized and sponsored a Health Care Day for the visiting business executives from Shanghai, China, for a better understanding of the American health care system. Activities included an expert briefing on the American health care system and a tour of health care facilities including the LeBonheur Medical Children's Medical Center and the Elvis Presley Trauma Center of the Regional Medical Center at Memphis.
- 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
 - The First Year Institute
 - The Outreach Center of the UT Health Science Center
 - The Memphis Mental Health Summit

- 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
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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/departments across the University of Memphis campus to promote engaged research

Actions and Results:

- Dr. C. Chang serves on the Board of Directors of the Urban Child Institute, a Memphis-based philanthropy that promotes the health and well-being of children; Dr. Chang also chairs the Investment Committee of the Urban Child Institute.
- Continued to support 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 2006-07 academic year
- Supported the Cooper-Jones Initiative Fourth Annual Commemorative Conference on Health, Education and Economics, April 1, 2005. Dr. Cyril Chang served as a panelist on a conference panel addressing the relationship between wealth, health and the community
- BlueCross BlueShield of Tennessee Community Trust Uninsured Health Care Best Practices Forum. Dr. C. Chang served as a panelist for a roundtable discussion that addressed the issue of uninsured population in Tennessee
- The Univ. of Memphis Fall 2005 Faculty Research Colloquium: Hazards of Preparedness, October 10, 2005 – Dr. C. Chang served as a panelist for a roundtable discussion addressing the economic impact of hazards
- Dr. C. Chang served as a panelist on a WKNO-TV program titled, "It Matters: Healthcare – Are you Covered? A Socratic Debate" sponsored by WKNO, The Univ. of Memphis, and the Univ. of Tennessee Health Science Center, filmed and recorded on December 8, 2005 for national distribution.
- 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 4):
 - ❖ “Good for Health Policy, Bad for Individuals,” The Commercial Appeal (Memphis, TN), February 15, 2006.
 - ❖ “Crunch the Numbers on Quake Preparation,” The Commercial Appeal (Memphis, TN), October 19, 2005.
 - ❖ “West Tennessee Comes Up Short on Health Care,” The Commercial Appeal (Memphis, TN), July 10, 2005.
 - ❖ “Make TennCare More Efficient to Reduce Pain,” The Commercial Appeal (Memphis, TN), May 21, 2005.
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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
 - QSource, a Health Quality Improvement Organization
 - The Urban Child Institute
 - Baptist Memorial Healthcare
 - The LeBonheur Health Systems, Inc.
 - The Methodist LeBonheur Healthcare, Inc.
 - The Regional Medical Center at Memphis
 - Pfizer, Inc.
 - FedEx Express, Inc.
 - The Memphis Business Group on Health
 - The First Year Institute
 - 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
- The VA Medical Center at Memphis
- 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 program
- 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. C.I Chang serving as a panelist
- Participated in a health care conference sponsored by the BlueCross BlueShield of Tennessee Community Trust titled, Uninsured Health Care Best Practices Forum. Dr. C. Chang served as a panelist addressing the issue of uninsured population in Tennessee
- The University of Memphis Fall 2005 Faculty Research Colloquium: Hazards of Preparedness, October 10, 2005 – Panelist addressing the economic impact of hazards
- Panelist on a WKNO-TV program titled, “It Matters: Healthcare – Are you Covered? A Socratic Debate” sponsored by WKNO, The Univ. of Memphis, and the Univ. of Tennessee Health Science Center, filmed and recorded on December 8, 2005 for national distribution.

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:
 - ❖ Chang, CF, Wilson, DR and Carlson, KI. “The Child Care Industry in Four Major Urban Counties in Tennessee,” Business Perspectives. Summer 2005, 17(2):2-9
 - ❖ Chang, CF and Wilson, DR. “The Economic Impact of the Child Care Industry in Shelby County, Tennessee,” Business Perspectives. Summer 2005, 17(2):18-23
 - ❖ Mirvis, DM, Lewis, RM, Williams, B, Thomas, R, and Chang, CF. State Planning Grant Final Report, Part I: Overview of The Uninsured and Results of Focus Groups with Health Care Providers, a report submitted to the Tennessee Department of Commerce and Insurance, September 2005
 - ❖ Chang, Cyril F. and Dennis Wilson. “The Economic Impact of Child Care Industry in Memphis and Shelby County,” report prepared for the Community Institute of Early Childhood and the University of Memphis Child Health Data Consortium, Feb., 2005 (on-line available at <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 economic impact of child care studies (PowerPoint files available on-line at <http://healthecon.memphis.edu/publications.html>)
 - Maintained and updated the Memphis Hospital Trends Report with data from the 2004 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 (on-line available at <http://healthecon.memphis.edu/publications.html>)
- Compiled and published a TennCare Timeline that traced the history of TennCare and its major events and milestones (see Attachment 5; on-line available at <http://healthecon.memphis.edu/publications.html>)

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 and update a longitudinal 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 (on-line available at <http://healthecon.memphis.edu/publications.html>)
- Made presentations to, and shared data with, the Shelby County Mayor’s Office, The Urban Child Institute, Methodist Le Bonheur Healthcare, and many other governmental and nonprofit organizations

Goal 6: Provide analytical expertise to external stakeholders

Objective 6.1 Provide technical assistance

Actions and Results:

- Published a peer-reviewed article, in response to a request from Methodist Healthcare, a report “Influence of Hospice Use on Hospital Inpatient Mortality: A State-Level Analysis” in *Hospital Topics*. The article analyzes 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.
- Analyzed hospital trend data and prepared a market share analysis for Methodist Healthcare (on-line available at <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

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 faculty members including Amanda Young, David Appleby, Craig Leak, and Walter Kirkpatrick to develop joint research projects and a collaborative relationship with the Urban Child Institute in the promotion of health and well-being of children.