

# Cardiovascular Summit

## Developing Academic Revenue Sources Beyond Clinical Volume

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# Agenda

- I. The Burning Platform
- II. Tripartite Mission
- III. Challenges and Opportunities
- IV. Diversifying Revenue Steams
- V. Creativity to Encourage Faculty Involvement
- VI. Culture and Organization to Develop and Sustain Revenue

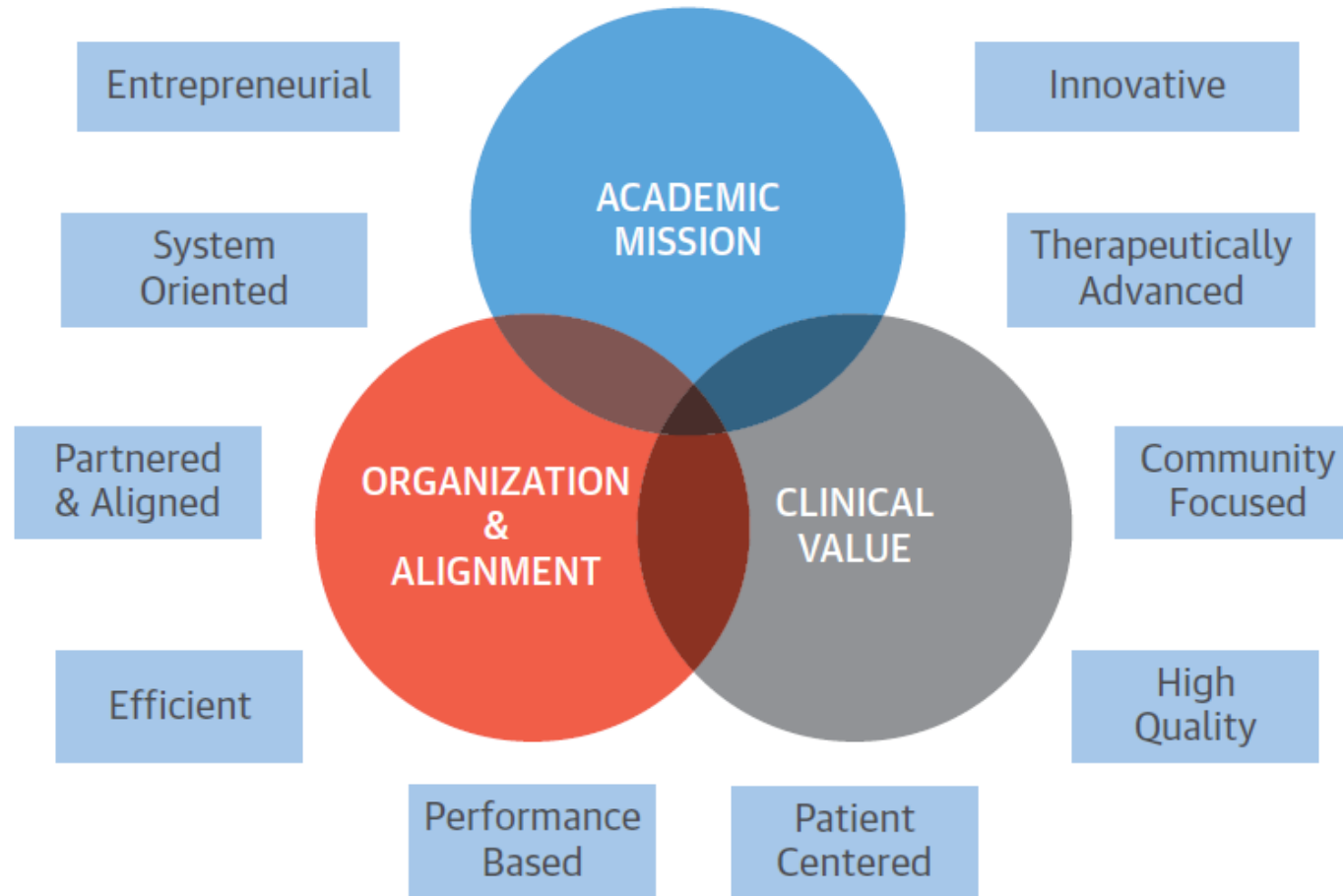


# The Burning Platform

- No margin, no mission – our goal is to achieve a system that produces health and well-being for all
- The rapid rising cost of care has created a downward revenue pressure
  - New payment structures that focus on quality and outcomes over quantity require reconsideration of revenue cycle management strategy
  - Slow down of revenue-generating businesses for hospitals due to Covid-19
  - Aging population
  - Increased demand for healthcare through Medicare and Medicaid
  - General trends in healthcare – declining inpatient admissions, declining length of stay
  - COVID-19



**CENTRAL ILLUSTRATION** Characteristics of the Successful Academic Medical System



Konstam, M.A. et al. J Am Coll Cardiol. 2017;69(10):1305-12.

# Challenges and Opportunities in Funding the Tripartite Mission: “Feeding a Three-Headed Beast”

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# Challenges and Opportunities in Funding the Tripartite Mission: “Feeding a Three-Headed Beast”

- Clinicians
- Teachers
- Researchers



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# Unique Challenges and Opportunities in the AHC

## Challenges

- Clinicians driven by RVU-based productivity goals and greater incentive in clinical domain.
- Few sources of funding to support teaching activities.
- Uncertainties of grant-funded research and support of the PhDs that drive that domain.

## Opportunities

- Interdisciplinary activities – clinicians in the role of translational researchers.
- Excellent teachers will identify talent to retain, and foster referrals from trainees in the community.
- Emphasize synergies that will accelerate bench to bedside.

# Diversifying Revenue Streams

- Philanthropy
- Grants and industry-sponsored research
- Investing in and licensing intellectual property (i.e. medical devices, health information technology tools)
- Leveraging internal departments to serve external customers (i.e. specialty telehealth services)
- Data monetization – use data to drive efficiency internally, commercialize data tools
- Cost savings from space consolidation
- Favorable to budget operating margin





# Strike a “Deal”

Organize with your hospital/system sharing proceeds from expense reduction, utilization or margin improvement projects

- Product standardization
- Clinical utilization improvement
- Risk sharing with industry

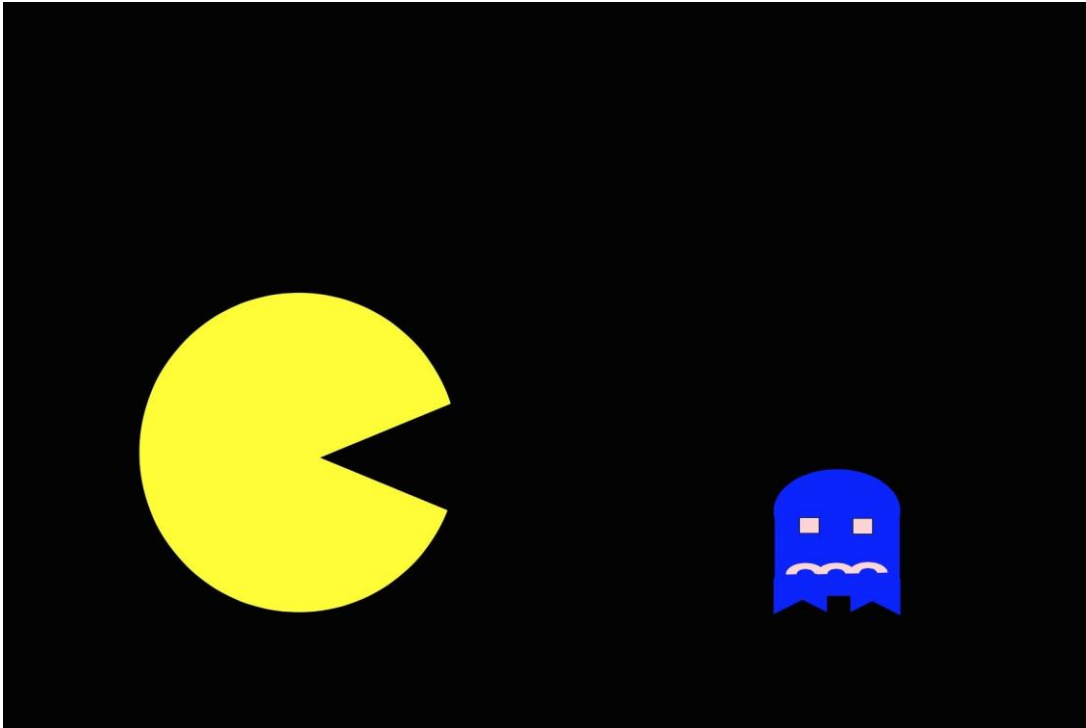


# Be Creative!

- Organize to optimize collaboration
  - Division?
  - Service Line?
  - Center?
  - Institute?
- Teach innovation and entrepreneurship
  - Protect intellectual property! (Do faculty understand patent process?)
- Faculty may not be prohibited from profiting from JVs.
- Allow time for experts to consult, be compensated for service on DSMB, CECs etc.
- Research projects may not always need to be supported by FTEs.
  - Time-limited employment (gig economy adapted to research trials)



# Culture Eats Strategy for Lunch



- Value all components of the tripartite mission.
- Recognize and reward those in low RVU generating efforts (especially new technology/procedures).
- Align with administration, recognize there will be matrix reporting (Deans, CEOs, Boards).

# Key Takeaways

1. On-going downward pressure will continue to force creativity in funding the tripartite mission.
2. The tripartite mission is core to our responsibility.
3. Diversifying revenue is key.
4. Think outside the box.



# Discussion

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