

WAYNE STATE UNIVERSITY
ACADEMIC SENATE
PROCEEDINGS OF THE POLICY COMMITTEE

July 6, 2020

Present: L. Beale; P. Beavers; V. Dallas; r. hoogland; D. Kessel; C. Parrish; B. Roth; N. Simon; W. Volz; K. Whitfield; A. Wisniewski

Guest: Mark Schweitzer, Vice President for Health Affairs and Dean of the School of Medicine

The item marked with an asterisk constitutes the Action of July 6, 2020.

1. School of Medicine: Policy Committee invited VP Schweitzer to discuss his plans for the Medical School. He identified the issues that need to be addressed as broadly defined issues and as granular issues. The broadly defined issues are the affiliation with the Detroit Medical Center (DMC), structural budgetary issues, morale, and a sense of purpose. The granular issues are little hands-on management historically and Children's Hospital and University Pediatrics. The university is overly dependent on the DMC, which has evolved into a sub-optimal educational location. Tenet has sucked every corpuscle out of the DMC to the point where the quality of care is suspect and the morale of everyone who works there is miserable. If people around you are miserable, you are miserable. The medical students rated all of their rotations, including Children's Hospital, as unsatisfactory.

VP Schweitzer interpreted the discussion and action of the Board of Governors related to the proposed affiliation agreement with Henry Ford Health System (HFHS) as our giving the medical school to the HFHS. Wayne State has the largest single campus medical school in the U.S. He believes there is a sense of identity connected with that. Part of the plan with Henry Ford would have reduced enrollment by two-thirds, making the medical school a different version of what it is. The Vice President believes you can make yourself the best version of what you are but when you try to make a different version you fail. He thinks there should be three or four tracks in the medical school. Each would be linked to a clinical site. He wants the clinical sites to be "in for the long haul" because there is a lot of competition. Hospitals want to be invested in the medical school. Dean Schweitzer thought hospitals would be interested in branding with the medical school so there would be a Wayne State/DMC track, a Wayne State/Ford track, etc. If first-year medical students were placed in clinical sites in their first year rather than halfway through, they would develop an affinity for the site where they work. The sites want recognition and to feel like they are part of the decision-making process. The site would have a clinical vice dean that would meet once a month and help formulate plans and policies.

The Dean addressed issues with the University Physician Group (UPG). Some department chairs are not members of the UPG. He suggested separating the UPG chairs from the clinical chairs and give some of the clinical sites the option of having clinical chairs. The hospital would take on the expense of hiring clinical chairs, which can be very expensive. Ascension St. John Hospital, the Veterans Administration Hospital, and Henry Ford Hospital have signed on. Beaumont-Oakland and McLaren Hospitals have agreed to join as well. Dean Schweitzer's main motivation in arranging the clinical sites is to have hospitals available if we cannot place students at the DMC or at Ford.

Wayne State should have a presence at the DMC and at Children’s Hospital regardless of what the DMC does. Our presence at Children’s Hospital would be limited. Students say it is so crowded at Children’s that they cannot hear discussions. Pediatrics would be two-thirds outpatient and one-third inpatient. The university has signed up about ten pediatric practices in Detroit to provide the outpatient experience. Hopefully, the Dean said, we will get more practices to accept our students.

In discussions with groups of students and faculty, someone suggested joint degrees. He would like tracks in population health for a joint M.D./MPH. degree. There would be an M.D./J.D. track, an M.D./M.B.A. track, and an M.D./logistics health care track.

Mr. Parrish asked about the relationships with other hospitals’ practice plans. Schweitzer said that most hospitals have their own practice plans or have private practitioners. They would need motivation to teach the students. Evaluative faculty would get Wayne State faculty appointments as required by the LCME but the hospitals would not have UPG faculty. The faculty would not have a financial relationship with Wayne. The hospital might have a financial relationship.

Mr. Volz noted that many undergraduates change their majors during their time at the university. He asked if there was flexibility in Dean Schweitzer’s plans for students to move between tracks. The Dean said that whatever tracks students select they would have a Wayne State education that would allow them to pursue any career in medicine. Seventy percent of their medical training will be in the clinical setting. Students will be able to move between tracks assuming there is capacity. In the first few years the medical school should be able to accommodate almost everyone who wants to move between tracks. Because students are trained at a certain hospital does not close any potential avenues.

Mr. Parrish asked about the current financial situation in the medical school and the financial situation going forward. Most medical schools have three times or more the number of clinicians that we have. Clinicians are a source of revenue that helps the institution survive. He asked Dean Schweitzer how he plans to address the financial viability of the medical school. The Dean noted that Wayne State does not have a large practice plan or a hospital that subsidizes the medical school that many peer institutions have. As part of the plans for the tracks the school is signing up more practices for the enhanced Medicaid funding. That is an inducement. The quid pro quo is that if doctors teach our medical students, they will get a faculty appointment and will be signed up for the advanced Medicaid funding. The doctors will receive money for teaching medical students and the medical school will get a portion of the Medicaid funding. By giving the hospitals respect and recognition and help with the planning, the university has been able to negotiate relatively low rates to pay them to train our students. Nationwide, about 50% of resident funding is for Medicare, 25% Medicaid, about 15% Veterans Administration, and 10% miscellaneous. These are enhanced payments to the practices. With Detroit having a large population receiving Medicaid, the enhanced payments are a significant financial advantage to the practices. In return the hospitals teach our students. The advantages we get are a proportion of the overhead fee, the administrative fee, and the dean’s tax or FMRE.

Mr. Parrish pointed out that Medicaid funding to the medical school shrank with the pediatricians affiliating with Central Michigan University. At one time, Wayne State had a prominent pediatrics department and 110 pediatric clinicians. Now we have 12 pediatricians.

Dean Schweitzer responded to Mr. Parrish. The dean sees three interrelated issues about the number of faculty. One is how the LCME perceives the adequacy of our faculty. Second, do we have adequate faculty for teaching? Third, do we have affiliated faculty who are signed up for the enhanced Medicaid funds that provide additional funding for the school? For the track model we will have a large increase of voluntary faculty that will more than make up for the loss of the University Pediatricians practice plan. The process will take several years but we already have about 150 new faculty appointments. Regarding the adequacy of faculty for teaching, Dean Schweitzer said we had 150 University Pediatrics faculty who did a remarkably sub-optimal job of teaching. They are no longer faculty. There isn't a direct relationship between having a faculty appointment for teaching and adequate teaching in the medical school. Teaching faculty are appointed at the discretion of the medical school. According to the LCME the evaluation of faculty requires a faculty appointment. The medical school has been aggressive in increasing the number of faculty who use the university for advanced Medicaid funding. When Schweitzer gives the outline of the agreement to a hospital he tells them that Wayne State wants the physicians to be faculty on a voluntary basis and includes the assumption that any teaching faculty will transfer the Medicaid funds to Wayne State or will sign up for it through Wayne State. That agreement is working well with Oakwood Hospital and Saint John Hospital. The physicians are overwhelmingly in private practice. The payment for signing up for Medicare funding and the advanced Medicaid funding should be through the university that gives the physician the faculty appointment. The physicians get the money to teach our students. That is lower than the cost of our having to pay the hospital. We get the administrative fee and the dean's tax from the payments, which helps to maintain the financial stability of the school. The medical school does not choose who will get enhanced Medicaid funding. Any physician can sign up for the program. Schweitzer thinks a physician has to at least be a voluntary faculty member of a medical school or a university or an agreeing institution. The funding has to be done through a non-profit educational organization.

Mr. Volz asked if nationwide one-quarter of the resident funding is Medicaid and one-half are Medicare is there a relationship between Wayne State and the residency sites. Dean Schweitzer said that there is a sponsoring organization and there may or may not be an academic affiliation. In 2010 when Valerie Parisi was dean and Michael Duggan was president and chief executive officer of the DMC, the residencies were given to the DMC making the DMC the sponsoring organization. If residencies are run even minimally well there is a margin on residencies. Dean Schweitzer calculated that WSU subsidizes the DMC with about \$40 million a year to decrease the DMC's cost of the residencies. That money covers roughly half the cost of training the residents. Most medical schools make their margin on residencies. The DMC makes a \$150 million profit on the residencies every year. The entire DMC made \$150 million last year. If it did not have the residencies, it would not have a profit. Wayne State is the formal academic affiliation for many of the DMC residencies: managing residents is the source of some payment from DMC.

Dean Schweitzer is trying to rejigger the UPG practice plan so they get the money in a lump sum at the beginning of the fiscal year. Rather than the money being washed several times and not really understanding the total amount of the subsidy, they can budget the expenses for their residencies and decide if they want to continue to support the residencies.

The Dean said, however, that the university is not the academic sponsor for many of the residency programs at DMC. Nonetheless, DMC puts the WSU name on the diploma and calls them Wayne residents. The DMC has about 500 residencies, including at Children's Hospital,

that are not our students. Wayne does not pick the program director and gets no money, but the DMC uses our name. Dean Schweitzer has talked with an attorney to find out if we can charge the DMC with misrepresentation and for using our name without appropriate compensation. They contract with us for 500 students but they do not contract with us for the other 400 where they use our name.

Mr. Volz mentioned that many clinicians at Henry Ford Hospital identify themselves as a clinical professor of Wayne State University in the signature block on their email. We have many students and residents at Henry Ford. Mr. Volz thinks the residents at Henry Ford see themselves as having a Wayne State experience and clinicians as being part of the university. Henry Ford has 900 residents and all diplomas currently say Wayne State University. On the match it says Henry Ford Hospital - Wayne State University on their diplomas. Going forward the diplomas will say Henry Ford Hospital - Michigan State University. VP Schweitzer said that Henry Ford has verbally agreed to the track model but they do not want a vice dean or department chairs. Henry Ford said they would not decrease the number of Wayne State students in the future. If they ever did, they would give us two years' notice before ending the affiliation.

Mr. Parrish asked the Dean to explain the budget flows of the medical school. The general fund is about \$58 million. How will we increase the number of clinicians? Dean Schweitzer said that for decades there have been and there will continue to be two basic types of clinicians. Some receive a portion of their salary as employees of Wayne State and the non-employed clinicians are the voluntary faculty. The number of employed clinicians is increasing gradually. The loss in the number of faculty is due to the loss of the UP. Although they were employed faculty, for several years the UP did not pay the university the money to cover their employment. The track model will address that loss and more. We should have the overall number of faculty and the number of faculty per student required by the LCME when they make their formal visit in two years. The UPG needs to grow but it always will be a small practice plan. Our practice plan is larger than some others in the state. Many medical schools do not have practice plans. Ms. Beale understood that the practice plans are the source of the FMRE. Dean Schweitzer said the university is not dependent only on the UPG for the dean's tax. We are getting some of the funds for the FMRE from Henry Ford Hospital and we will get some from the practitioners who signed up for the enhanced Medicaid funding.

Mr. Volz commented on federal funding for bench scientists. It has been reported that 70% of the university's prized federal funding is due to the efforts of the researchers in the medical school. He believes the university should bolster the funded researchers. The Dean explained that the university has two structural deficits in the budget. One is the structural deficit in the UPG as a result of the bankruptcy. The administration is work shopping a plan to address that because it is unsustainable. The other unsustainable part of the budget is that compared to other medical schools of our size, complexity, and ranking we subsidize research at an extremely high rate. The reasons for that are multi-factorial but we have a large percentage of faculty who are not only not currently supported by grants but who also have not applied for any grants, resulting in a structural deficit of \$2 million per year.

Ms. Beale asked him to clarify information about the UPG bankruptcy. It is her understanding that the university paid \$20 million of the current year's and past years' collected PEPPAP funds to pay the deficit for the non-reimbursed money, which was concurrently paid back to us as money inflow into the cash pool. If that was paid off for UPG, what is the additional \$8 million

deficit? Dean Schweitzer said that amount is the yearly deficit in salary reimbursement that they have not been reimbursing this year. We have a plan to right size that because you can't do that every year. The basic concept, which is open to continued discussion, is that there are UPG physicians who don't have a Wayne State faculty line. A number of them have all their faculty line salaries reimbursable by UPG, and they have no actual teaching faculty line. The idea is to give every UPG teaching physician half a faculty line. Then we will gradually remove the salary payment for the UPG portion so that UPG does not have to reimburse us. The plan is more complex, but that is the basic outline. Ms. Beale asked if the faculty in the UPG have bought into the plan. VP Schweitzer responded that the chairs have bought into it and the faculty with whom they have discussed it have accepted it. The quid pro quo is that all the physicians who did not have faculty lines will now be eligible for WSU benefits rather than the rather sparse benefits from UPG. We need a plan to improve our financial stability before the university sends the LCME a letter in August or we will not be accredited. The LCME raised issues of financial instability at the time of the UPG bankruptcy. They will be looking very closely at our financial stability.

Mr. Volz asked about the viability of academic medicine, of a federal commitment to the huge flow of funds. He thinks the flow of funds has made the American medical establishment the world's finest establishment in medicine, but what is the future? Is it a political football? Can we control it? The Dean said there are three potential political issues. The first is funding for graduate medical education which exceeds the tuition paid. But most states want more residents because they become the physicians that are likely to remain in the state. He does not see it palatable to either political party to make a change. The second issue is research funding that globally provides about one-third of medical school revenues nationwide. The NIH has strong support from both democrats and republicans, and that support might increase. The third issue is the margin on payments to individual practitioners that is used to subsidize medical schools. That may change. In a way, having a small UPG makes us safer than a lot of other institutions that are very dependent upon funding from their practice plans.

Mr. Parrish said at one time, the state provided the infrastructure for research at universities like Wayne State that did not have a large endowment. The university now funds the research infrastructure substantially off undergraduate tuition, which could be a political problem.

VP Schweitzer does not think that is entirely true for Wayne State. Medical school costs should not be calculated on a per student basis. There is probably a baseline amount needed to run a medical school. Then the incremental for each additional medical student is probably a fraction of the first one hundred students. We have the largest single campus medical school in the country. So, we have an intrinsic advantage in tuition dollars because each incremental tuition dollar is an advantage.

[VP Schweitzer left the meeting.]

Policy Committee touched on other issues related to the medical school: the concern about potential loss of the Perinatal Research Branch, whether there is a commitment to hiring of basic scientists, and the problems inherent in the way hiring of faculty in IBio was handled. They talked about support of infrastructure and research in all fields and the importance of funding from NIH and NSF.

2. Report from the Chair:

- a. The Provost will send to the Policy Committee the names of the faculty and academic staff who were elected by the College of Fine, Performing and Communication Arts to serve on the college's review committee. Policy Committee will appoint faculty and academic staff representatives to the review committee.
- b. Overall enrollment for the fall still shows an increase. Undergraduate enrollment has increased over last year at this time, but graduate enrollment has decreased. The Provost is encouraged by the increase but we need to attract more students to the graduate programs.
- c. Mr. Beavers asked about the status of the Knowledge on Demand online course website. The purpose was described as "a need to capitalize on demand in the online space especially for graduate degrees." Faculty will be encouraged to develop online courses.

3. Report from the Senate President:

- a. Ms. Beale distributed to Policy Committee the Working Group's Report on [Labor@Wayne](#). Provost Whitfield asked Policy to send comments on the report to him. We will conduct an internal search for the director. There are three elements in the program that are not well connected. The program is a jewel of the university particularly to people outside the institution. It needs to be restructured to make it more effective. The program offers a degree. It should be attractive to students in other majors. Policy will provide written comments to the Provost.
- b. Ms. Beale has received comments about the centralization of IT services. One of the issues was the Computing and Information Technology's installation of the university-wide Zoom license. That license terminated a faculty member's personal license that contained research and interactions with students, files and meetings. Although notice about the installation was sent out and instructors were told how to save their records if they had a personal Zoom license, Ms. Beale thought the time period was too short and the instructions were not clear. She is concerned that the C&IT employees who are centralized in the division might not understand how their actions can affect the ability of faculty members to do their work. Provost thought the problems might not be centralization but new software and updates to software that can cause frustrations, but he will mention the issue to Daren Hubbard, Chief Information Officer and Associate Vice President Computing and Information Technology.

4. Fiscal Year 2020 and Fiscal Year 2021 Budget Issues: Rebecca Cooke, Interim Vice President for Finance and Business Operations and Chief Financial Officer, and Bryan Dadey, Senior Associate Vice President for Finance and Deputy Chief Financial Officer, attended several meetings of the Senate Budget Committee in May and June. They did not tell the Budget Committee that the administration was taking back funds that had been allocated to the schools, colleges, and divisions. In a memo dated May 8 Mr. Dadey informed the vice presidents, deans, and business affairs officers that the central administration was reallocating to itself a huge percentage of carry forward funds from every unit. The rationale for it is that the central administration had a deficit in a miscellaneous expense account amounting to \$20.2 million. A lot of the long-term planning the deans had done to prepare for RCM and the shepherding of funds to enhance the schools and degree programs was for naught. (In addition, the state may take back some of its funding for the 2020 fiscal year.) Provost Whitfield said that the deficit was not only a deficit in the central accounts. It also was from funds usually given to the schools and colleges. Mr. Beavers had asked Ms. Cooke about the issue at the last finance restart subcommittee meeting. She explained that the way they kept books in the past, if a unit underspent its account, it was allowed to keep the funds. If it overspent the account, an adjustment was not made. In the May 8 memo that we did not see until very recently, the

schools, colleges, and divisions were asked to ensure that they reallocate fund balances to cover all deficit balances. Ms. Cooke implied that the money in those accounts was balanced by the amount of debt they were carrying on their books but not reconciling. Looking at the records as a whole, the money appeared to be in the accounts, but it was not. Provost Whitfield said that other universities with which he is familiar have systems that do not allow overspending. Wayne State does not have such a financial constrainer. Ms. Beale objected to Ms. Cooke's characterization, since the administration solved the problem by taking the money out of all the schools and colleges pro rata. The schools that exercised good stewardship over their funds were punished when the money they saved was used to cover other school's and college's deficits. The Provost understood that all schools and colleges contributed to the deficit. Ms. Beale quoted from the memo that "many of these deficits net to a positive balance when combined at a higher school, college or divisional reporting level." The Provost thought Ms. Beale's interpretation was not correct. Ms. Beale would like an explanation for the reallocation, which units overspent, the categories on which they overspent, and why the funds were captured pro rata. Deans had plans or were considering how to use the funds they had saved. The action has a significant impact on schools and colleges. The Budget Committee meets with the CFO to understand what is happening in the budget. Prior to sending the memo, the administrators determined there were problems in the budget, but they were not transparent. It is, she said, one more instance where shared governance failed this year. [We learned later that the deficit was in a central administrative fringe account, not so much in individual schools and colleges.]

Mr. Beavers said this is partially due to the fact that the administration's presentations to the Budget Committee this year focused on the General Fund to the exclusion of everything else. The budget advisory committees asked about spending some of the money and found out that it was gone. We cannot look only at the General Fund and have reviewed broader information in the past. We have to insist on getting broader information. Ms. Beale said that the presentation at the Board of Governors June 19 meeting also focused on the General Fund. That is deceptive. We don't know all the resources that are available. In past years, when the Budget Committee held meetings with the unit budget advisory committees, a broader view of the budget was presented: the financial situation in the medical school, the FMRE, the dean's tax, indirect cost recovery, F&A, philanthropy, and carry forwards. The purpose of the meetings with the BACs is to have a better-educated population about the overall budget so they can pressure the administrators in their units to be more fiscally responsible. The problem with units' having deficits goes back many years. Ms. Beale wanted to bring this to everyone's attention because she felt there was a push to point out over and over that the faculty and academic staff compensation is the largest compensation pool in the university, at about 47% (the administrative cost is almost as large, at 37%). If the faculty and academic staff were not the main expenditure at the university, something would be very wrong with our priorities. Ms. Cooke had indicated that the number of faculty and academic staff had to be reduced, but that ignores the nature of the university as an educational enterprise of which the faculty and academic staff are the core. Ms. Beale added that Ms. Cooke has not given us the information about the cash pool that the Budget Committee had requested. Ms. Beale is concerned about the increased lack of transparency around the budget this year, with the Finance Restart Committee being denied a Senate representative. The lack of transparency breeds suspicion that the budget process is not fair and equitable. That affects morale.

- *5. Social Justice Action Committee: President Wilson is establishing an umbrella Social Justice Action Committee to focus on "action to reduce and eliminate implicit biases and explicit biases

and improve diversity, equity and inclusion.” The following subcommittees are being established: Hiring/Retention of Diverse Faculty; Hiring/Retention of Diverse Staff; Student Access and Success; Policing; Intercultural Education and Training; Campus Climate Issues; and University-Community Diversity, Equity, and Inclusion (DEI) Initiatives. Policy Committee asked current and newly elected members of the Senate for nominations and self-nominations for Senate representatives to be appointed to each of the committees. PC reviewed the nominations and selected the following Senate representatives to serve on the subcommittees:

Hiring and Retention of Diverse Faculty

- Neelima Thati, Assistant Professor-Clinical and Internal Medicine Associate Program Director (Medicine)*
- Noreen Rossi, Professor of Internal Medicine and Chair, Internal Medicine P&T Committee (Medicine)*
 - *Both Professor Thati and Professor Rossi have agreed to serve on this committee, but one or the other may have a scheduling conflict because of clinical commitments. Because we have no information about the committee’s meeting days/times, we have provided two names to ensure that one can serve as Senate representative on this committee.
- Clay Walker, Ph.D., Lecturer, English Composition (CLAS)

Hiring and Retention of Diverse Staff

- Barbara Jones, Ph.D., Financial Aid Officer III

Student Access and Success

- R. Khari Brown, Associate Professor, Sociology (CLAS) (with research expertise on race, religion and politics)

Policing

- Yuning “Bonnie” Wu, Ph.D. and LL.B., Associate Professor of Criminal Justice (CLAS) (conducts research on public perceptions of crime and justice, policing, and victimization)

Intercultural Education and Training

- Jennifer M. Lewis, Associate Professor, Math Education and Director, Teach Detroit (College of Education)

Campus Climate Issues

- Jennifer Wareham, Associate Professor of Criminal Justice (CLAS), and Chair of the Ad Hoc Anti-Bullying Committee (established by the Senate and Provost based on the campus climate survey)

University-Community DEI Initiatives

- Simone Chess, Associate Professor of English (CLAS), Associate Chair, and Director of Undergraduate Studies