Department of Dermatology University of Colorado
Anschutz Medical Campus – Aurora, CO

Chairman – David A. Norris, MD
Director Finance & Admin – Kathy Ryan Morgan

Clinical Faculty = 24
Research Faculty = 11
Volunteer Clinical Faculty = 22
Residents = 18
Fellows = 2
Dermatology Faculty  All employees of University of Colorado

Dermatology Clinicians  All affiliates of University Physicians, Inc.

Dermatology Clinicians  All employed exclusively by University of Colorado Hospital OR University Physicians, Inc. Free Standing Clinics

May also be contracted for professional services via University Physicians, Inc. (UPI)
Department of Dermatology University of Colorado

- Cosmetics (Staff of 5)
- Clinical Trials (Staff of 2)
- Dermatopathology (Staff of 7)
- General Dermatology: Hospital Employees
- Mohs Surgery: Hospital Employees
- Pediatric Dermatology: Hospital Employees
- Gates Stem Cell Center (Staff of 30)
- Translational Research (Staff of 8)
- (Clean manufacturing facility) Managed by CFO
- Residency/Fellowship (Staff of 2)
- Administrative Staff (2 Senior Managers, 4 Managers, 3 Coordinators, 1 RN, 6 MAs, 3 Assistants)
University of Colorado Hospital (UCH)

• 501C3
• Employees, clinic manager and all allied health – hired by UCH
• Provides clinic space in which providers see patients
• Provides all capital equipment necessary for clinic operations
• Provides stipends for residents
• Provides stipends for Clinic Medical Director and new initiatives (i.e. psoriasis trials, inpatient database, etc.)
University Physicians, Inc. (UPI)

- 501C3
- Provides operating budget for the clinical enterprise on an annual basis
- All clinic providers must have a member practice agreement in place
- Bills/collects all patient revenue whether via EMR (Epic), contractual or invoicing
- Employs large staff of IT, billers, coders, managers, etc. as it relates to clinical billing and operations for the physician – physician is ‘exclusive’ to UPI
- Provides stipends for Clinic Medical Director and new initiatives (i.e. psoriasis trials, inpatient database, etc.) via annual requests
University of Colorado School of Medicine (SOM)

• 501C3
• All faculty are hired by and are members of UCDSOM
• New faculty hires, promotions and periodic reviews all vetted by SOM
• SOM provides start-up funding for new recruitments
• Volunteer (community) faculty vetted through SOM
• SOM works in tandem with UPI, hospital and community to ensure our mission of patient care, teaching and service are performed by faculty from UCDSOM
<table>
<thead>
<tr>
<th><strong>Pluses &amp; Minuses</strong></th>
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<tbody>
<tr>
<td><strong>Academics</strong></td>
<td><strong>Academics</strong></td>
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<tr>
<td>Some of the best clinicians in the country</td>
<td>Physicians not in clinic 5 days/week - research</td>
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<tr>
<td>University of Colorado Hospital</td>
<td>Hospital bills a facility fee</td>
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<tr>
<td>UPI, Inc.</td>
<td>UPI bills physician fee</td>
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<tr>
<td>Cutting edge research</td>
<td>Salary offers under private industry tough to recruit</td>
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<tr>
<td>Basic Science Research</td>
<td>Funding tough, especially federal grants/award cuts</td>
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<tr>
<td>Clinical/Translational Research</td>
<td>Funding tough, especially federal grants/award cuts</td>
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<tr>
<td>Clinical Trials</td>
<td>Finding someone who is interested</td>
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<tr>
<td>Clinic capacity</td>
<td>Always running out of space</td>
</tr>
<tr>
<td>Employees</td>
<td>Not all hired by one entity – hard to manage at times</td>
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<tr>
<td>Salary</td>
<td>20% &lt; than private Industry</td>
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<tr>
<td>DFA Role</td>
<td>Reports to Chair, Dean and wears many hats</td>
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<td>CHARGES</td>
<td>201508</td>
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<td>-------------------------------</td>
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<tr>
<td>CAPITATED</td>
<td>6.00%</td>
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<tr>
<td>DFFS MGD CARE</td>
<td>36.32%</td>
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<tr>
<td>DISCOUNTED FFS</td>
<td>0.57%</td>
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<tr>
<td>GOVT MGD CARE</td>
<td>9.90%</td>
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<tr>
<td>INDEMNITY</td>
<td>0.03%</td>
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<tr>
<td>MEDICAID</td>
<td>15.39%</td>
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<tr>
<td>MEDICALLY INDIGENT</td>
<td>0.04%</td>
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<tr>
<td>MEDICARE</td>
<td>28.36%</td>
</tr>
<tr>
<td>SELF PAY</td>
<td>3.39%</td>
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Measures of Productivity

cFTE = Salary/Fringe – hospital support – research support – contract support – unfunded protected time

Productivity based on “if you cover your salary/fringe and expenses you get into the bonus incentive”

DFA uses wRVUs at 50th% of 2014 FPSC and 95% are covered under incentive plan (6,784 wRVUs)

Other 5% covered by the Department which decreases overall incentive distribution

As the salary increases so must the productivity and over $300,000 requires at minimum 8 ½ day clinics

Mid-levels productive, both cover salary/fringe

Mohs Surgery = 16,645 wRVUs

Dermpath = 11,252 wRVUs
What Does the Future Hold?

- Colorado currently looking at a single payor system (Amendment 69 on ballot)
- Decrease in medical reimbursement year over year
- More bundled payments
- Higher deductibles for patients = more out of pocket expenses
- Decreased or difficulty to obtain NIH Funding
- Alternative funding, i.e. foundations
- Money solicited from philanthropy
- More industry sponsored research
- Fewer research and MD recruits due to inability to pay and support them

- Purchasing private practices (CU Dermatology | Boulder). Integrating private practice into academics. New revenue stream and payor mix
- TeleDerm becomes a bigger player, particular for Medicaid patients
Questions?