

SAAA 2016
How Do Departments Get Resources:
When & How

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Disclosure

- Nothing to disclose

Objectives

- Describe the most common junctures when a chair may seek additional resources
- ID individuals to help complete thorough review on his/her department
- Using available data, measure department performance against benchmark

When

- Five year reviews
- Renegotiations
- ACGME reviews
- New leadership (Dean)
- New partnership (Hospital)

How

- External reviewer
- Internal/External reviewers
- Consultant or consulting group
- Fellow chairs

Data

- SAAA
- AAMC
- Subspecialty Society data (SOAP/SPA/SCA/SNACC/etc)
- MGMA

For Profit

- For profit
 - Formed to conduct lawful business activities
 - Primary reason to form is to earn profit for owners of the company

NonProfit, Not for Profit

- No significant difference
- IRS makes one distinction
 - Nonprofit (NPO)
 - Organization established for purposes other than profit-making
 - Formed for the common good of the public
 - Religious, charitable or educational purposes
 - Not for profit
 - Refers to an activity

General Comparisons

	For Profit	Nonprofit
Profit use	Distributed to owners	Recirculated back to org, pay salaries, admin needs
Tax exemption	No State or Federal tax exemptions, pay property taxes, donations are not tax deductible	State & Federal tax, sales tax, property tax exemptions, donations are tax deductible
Asset distribution	Assets belong to owners	Assets belong to org
Raising capital	Offer investors % ownership	Solicit donations, govt & pvt grants
Attract employees	Bonuses & high salaries	Difficulty to attract & retain

Hospital Comparisons

	For Profit (FP)	Nonprofit (NP)
Numbers	1,068, traditionally in the South	2,894, often affiliated with religious denominations
Profits	Distribute to investors, shareholders (pvt or public)	Invest all profits in org
Tax exemption	Pay income & property taxes	Exemption from state & federal income & property taxes, approx. \$12 billion
Raise capital	Investors	
Reporting		Community benefits (uncompensated care, M'caid, etc)

Hospital Comparisons (con't)

	For Profit (FP)	Nonprofit (NP)
Culture	Business driven, dollar, more advert & mkt	Service driven, patient
Patients	Lower income populations	More uncompensated care, less poverty, higher incomes, fewer uninsured
Employed physicians	Generally no, due to anti-kickback laws	Yes, medical foundations make that possible
Response to financial incentives	Quick to drop services, close or restructure	Slower response