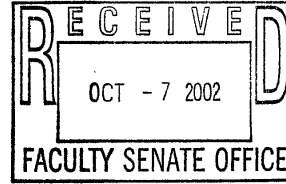




MEMORANDUM

IN/OUT KL RH F G

cc John Clarkson



To: Donna E. Shalala, President

From: Jane E. Connolly *Jane*  
Chair, Faculty Senate

Date: 30 September 2002

Subject: Faculty Senate Legislation #2002-03(B)- Establishment of the Department of Rehabilitation Medicine

\*\*\*\*\*

The Faculty Senate, at its meeting on 25 September 2002, voted unanimously to approve the establishment of the Department of Rehabilitation Medicine in the School of Medicine. The proposal is attached for your information.

This legislation is now forwarded to you for your action.

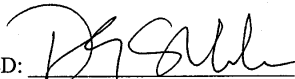
JC/kl

cc: Provost Luis Glaser  
Dean John Clarkson  
Marca Sipski, Department of Neurosurgery

Faculty Senate  
325 Ashe Admin. Bldg.  
Coral Gables, Florida 33124  
Phone: (305) 284-3721 Fax: (305) 284-5515  
<http://www.miami.edu/FacultySenate>  
e-mail: [facsen@miami.edu](mailto:facsen@miami.edu)

CAPSULE: Faculty Senate Legislation #2002-03(B)- Establishment of the Department of Rehabilitation Medicine

**PRESIDENT'S RESPONSE**

APPROVED:  DATE: Oct 3 2002  
(President's Signature)

OFFICE OR INDIVIDUAL TO IMPLEMENT: John Clarkson

EFFECTIVE DATE OF LEGISLATION: \_\_\_\_\_  
(if other than June 1 next following)

NOT APPROVED AND REFERRED TO: \_\_\_\_\_

REMARKS (IF NOT APPROVED): \_\_\_\_\_

Recommendations for Development of a Department of Rehabilitation  
Medicine at the University of Miami School of Medicine  
Submitted by Marca L. Sipski, MD September 3, 2002

*The background and market information sections of this report were originally developed via consensus by a group of physicians including representatives from Neurosurgery, Orthopedics and Rehabilitation and Neurology. While some of the information presented is anecdotal evidence, the statements made are generally common knowledge on the medical school campus.*

## **Background**

The University of Miami School of Medicine is internationally-known for its care of traumatically injured patients and its research in the area of central nervous system injury. Jackson Memorial Medical Center has the second busiest trauma center in the nation. With this background UM/JMMC are strategically positioned to develop a world-class rehabilitation facility and architectural plans for such a facility are currently underway. South Florida area is one of the nation's largest metropolitan areas, yet does not have a nationally-known rehabilitation program. Thus, once a strong rehabilitation program is developed, it is expected that patients throughout South Florida will want to come here for all their inpatient and outpatient rehabilitative needs. Moreover, when rehabilitation services are fully developed we should become a major referral center for the southeastern US, the Caribbean, Latin and South America.

In order to lead the expansion of rehabilitation services, it is apparent that there is a need for a distinct Department of Rehabilitation Medicine at University of Miami School of Medicine. Physical Medicine and Rehabilitation has been a separate medical discipline for over 50 years and is a service that has been lacking at the University and Jackson Memorial. Rather, the care of persons in need of rehabilitation has been fragmented through Orthopedics, Neurology and Neurosurgery. The development of a Department of Rehabilitation will start the long-overdue process of combining these clinical programs under one service while adding extensive clinical, research and teaching opportunities to the University of Miami School of Medicine. Moreover, it will send a strong message to the community that our goal is not only to make people better from a health standpoint but to optimize the quality of their lives.

It is well-known that reimbursement in health care has decreased significantly in the past few years. Expansion of rehabilitation services will lead to new clinical programs and the opportunity to increase clinical revenue. Rehab-specific contracts with managed care networks and organizations, specialty programs, forensic consultations and international self-pay clientele should result in a both greater revenues and a higher rate of collections for this service.

As an international leader, the Department of Rehabilitation Medicine at University of Miami School of Medicine will also be able to develop a strong academic program in rehabilitation and will facilitate research at the University of Miami. Grant funding in rehabilitation, though competitive, is widely available through such federal agencies such as the National Institute for Disability and Rehabilitation Research in the Department of Education (NIDRR), the National Center for Medical Rehabilitation Research (NCMRR) at NIH and VA Rehabilitation Research and Development. Currently, rehabilitation-related grants obtained by Rehabilitation Medicine physicians at the University of Miami and Miami VA total over \$1,000,000 annually. These grants, which currently reside in the Miami Project but will move to Rehabilitation along with their PI's include the South Florida Model SCI system funded by

NIDRR (budget \$1,600,000 and 4 industry funded projects (combined budget approximately \$400,000). In addition department members with combined appointments are PI's on a VA RR&D Center of Excellence in Chronic SCI (budget \$3,500,000) and another project related to SCI (budget \$150,000). Another pending NCMRR application carries a budget of \$2,500,000. As can be seen, overall many opportunities exist for research funding in this area. Clinical trials in rehabilitation techniques and translational research promoting neurologic recovery are particularly exciting areas of research at this time. With the development of a programmatic research approach, staff in a Department of Rehabilitation should be able to obtain other significant grant funding in rehabilitation from federal sources. As research has begun focusing on therapies for neurologic injuries, industry-sponsored trials will continue to increase in areas related to rehabilitation and will be another source of research funding. Moreover collaborations with other departments and programs such as the Miami Project, Orthopedics, Neurosurgery, Neurology, Physical Therapy and Geriatrics at the Medical School and University have and should continue to flourish as research is developed in the Department of Rehabilitation Medicine.

The development of a Department of Rehabilitation Medicine will also create opportunities for post-graduate education. In early 2001 approval from the Accreditation Council for Graduate Medical Education was obtained for a fellowship in Spinal Cord Injury Medicine. Two fellows have been recruited for this fellowship in the 2002-3 academic year. With the development of a Department of Rehabilitation Medicine, planning is underway for a residency in Physical Medicine and Rehabilitation. Submission of this application to ACGME is targeted for late 2002/early 2003. This will be a collaborative effort between Jackson Memorial and the VA and preliminary approval has been expressed by the administration of both facilities. Moreover, a number of physicians have already expressed interest in entering a residency in PM&R at UM. We have also submitted a proposal for a medical student rotation in Physical Medicine and Rehabilitation. In addition we plan to be available to work to develop new educational opportunities for allied health, medical school, graduate and postgraduate students related to rehabilitation.

Review of Calder Medical Library holdings finds the current selections to be adequate for the Department to begin its clinical, teaching, and research mission. The library subscribes to the three main journals in the field: Archives of PM&R, American Journal of PM&R and The Journal of Spinal Cord Medicine. The two main Rehabilitation Medicine specialty textbooks edited by Braddom and DeLisa are available in their most recent versions. Finally, access to PoinTIS for SCI and TBI Rehabilitation is available at the Calder Med Internet website. These basic holdings can be expanded in the future based on the needs of the Department and the Medical School.

Plans are also underway for a separate rehabilitation hospital at JMMC. The consolidation of rehabilitation services in a single Department of Rehabilitation Medicine will facilitate proper planning for this initiative. This report will provide a preliminary analysis of the strengths, weakness, opportunities and threats associated with the development of a Rehabilitation Department at UM and rehabilitation programs at JMMC. Next, a proposal to develop a Department of Rehabilitation Medicine at University of Miami School of Medicine will be presented.

## **Market Analysis**

The proposed development of a Department of Rehabilitation Medicine must be examined in light of the market opportunities for development of further rehabilitative services at

University of Miami School of Medicine. The following is a preliminary presentation of the strengths, weaknesses, threats and potential opportunities that may impact upon the provision of rehabilitation services in the upcoming 5 years.

**Strengths:** Jackson Memorial Hospital has been providing high quality rehabilitative services to consumers in Dade County for years. In 2001, 483 rehab discharges were reported by Jackson Memorial. Commission for the Accreditation of Rehabilitation Facilities accreditation has been maintained since the mid 1970's and high client satisfaction is demonstrated by consistently high scores on patient satisfaction reports. These are measured on a Likert-type 1-5 scale in key area including overall quality of care, communication, teamwork, etc. JMMC is an academic medical center which denotes to discriminating consumers that state-of-the-art medical care will be provided. This fact is evidenced by the number of patients who come to Jackson from out-of-state or out of country to receive surgical care and/or rehabilitative care. JMMC has the only Level 1 trauma center in Dade County. Moreover UM/JMMC recently were awarded recognition as one of 16 National Model Spinal Cord Injury systems of care by the National Institute of Disability and Rehabilitation Research. On top of this background of excellence, the Public Health Trust has allocated funds to construct a state-of-the art rehabilitation facility on the grounds of Jackson Memorial Hospital and planning is underway with completion anticipated in 2005. University of Miami is in a growth mode and looking to expand its clinical services. Rehabilitation services are a part of this plan and the development of a Department of Rehabilitation Medicine will assure that high quality, financially viable programs are developed.

**Weaknesses:** While UM/JMMC have been providing excellent rehabilitative services to inpatients with acute disabilities, the potential to treat these patients both in terms of numbers of patients served and in terms of provision of services has not been optimized. Our current case mix reflects the large component of trauma, Spinal Cord Injury and Traumatic Brain Injury patients seen through the trauma center. Total hip and knee replacement patients that often make up the "bread-and-butter" of a rehabilitation service are generally not treated at UM/JMMC, rather these procedures have been performed at Cedars Sinai. In fact patients do not come to UM/JMMC unless lack of insurance coverage prohibits them from staying at Cedars Sinai. This is because of a perceived lack of availability of therapy services at Jackson by orthopedic physicians. Lack of separate managed care contracts prohibits an additional group of patients from staying at Jackson for their rehabilitation. There is also a lack of appropriate outpatient follow-up services (medical and rehabilitative) at UM/JMMC. Thus patients who have received rehabilitation services at UM/JMMC and who should be followed here for primary care services (e.g. Spinal Cord Injury patients) do not do so and end up going elsewhere.

The above issues are reflected in the market share that JMMC rehabilitation has in Dade County. Based upon the 2001 Dade County discharge data, JMMC placed in the mid range of facilities in terms of annual number of admissions for rehabilitation patients. (Data is available for Baptist-738 patients, South Miami-620 patients, Mercy 440 patients, Cedars 239 patients and Doctors Hospital 165). Noteworthy was the average charge per patient of JMH/UM @ \$42,147 per patient which was \$15,000 higher than Baptist @ \$20,686. Moreover, the average age of patients treated at JMMC was 49 as compared to all other facilities in which the average age is 70+. These two points probably reflect the preponderance of trauma patients treated at JMMC as compared to other facilities.

More detailed review of the figures reveals the number of Medicare patients treated at JMMC was significantly lower than other competitors including Baptist at 405 and Cedars which treated 217 patients as compared to only 80 treated by Jackson. Thus, we are losing a significant percentage of Medicare patients in Dade County and even within a 2 block radius of the facility.

In reality these patients translate into “low end” rehabilitation patients e.g. patients undergoing total hip and knee replacements and possibly some stroke patients as opposed to “high-end, high cost” Spinal Cord Injury and Traumatic Brain Injury and trauma patients which JMMC treats. This definitely has some impact on our total charges per patient and provides an area for potential improvement. If we can retain a greater number of less complicated, lower cost patients (simple stroke, deconditioning, hip replacement, fracture, etc) we will be able to decrease the cost per case treated at Jackson.

For a hospital of Jackson’s size the overall number of rehabilitation admissions is relatively low. Although no comparison data is available with another large city hospital, reviewing the data in Miami, demonstrates the potential to increase patient volumes. Moreover, we believe that by developing a rehabilitation consult service at Jackson we will be able to provide an overall higher level of patient care at the facility and increase the number of patients served.

In addition to the routine patients which are lost within Dade County, an estimated 10% of “high-end” SCI and TBI patients or approximately 30 cases per year are lost to facilities within Broward, Palm Beach and Dade Counties annually. A small, though significant, number of our SCI patients end up going to facilities such as Pinecrest in Palm Beach or Sunrise in Broward Counties and a number of head injury patients go to Health South Cutler Ridge. Some of the reason for this migration of patients may be lack of managed care contracts while others may be the physical appearance and amenities the facilities have available. A significant concern too is that while most rehabilitation hospitals will get a number of cases from out of county (It is not unusual for Spinal Cord Injury /Traumatic Brain Injury patients to travel 50-75 miles for inpatient rehabilitation thus Palm Beach and Broward should be in our catchment area for Spinal Cord Injury/Traumatic Brain Injury rehabilitation), in reality this does not happen at JMMC.

In light of the above numbers, the question must be asked why such a migration of patients has been allowed to persist. The answer to this may be relatively simple—the lack of a single Department of Rehabilitation Medicine. Without centralization of rehabilitation physician services and without physicians solely dedicated to treating patients with physical disabilities, there has not been a physician voice expressing the needs of these patients and there has not been a group physicians dedicated to retaining these patients in our system of care. Until 2000, there was only a single physiatrist at the University who served in the Department of Orthopedics. Despite the fact that various physicians in Neurology, Neurosurgery and Orthopedics have been providing services to persons with disabilities, there has not been a clear mission to maximize the services provided to persons with disabilities. Moreover, the usual pattern of physician to physician referrals which also happens in rehabilitation has yet to develop.

Threats: Rehabilitation has recently changed to a prospective payment system. This changeover will most likely dictate changes for all other payors in the future. Unless handled in a coordinated fashion, this could result in financial difficulties.

Opportunities: Fortunately, the above issues all lead us to significant opportunities for the development of a Department of Rehabilitation Medicine at University of Miami School of Medicine. There is an opportunity to increase the Dade County market share of patients by targeting the elderly population and specifically trying to target patients who are treated at Cedars Sinai. There is an opportunity to utilize our new designation as an SCI Model System to break the flow of patients to out-of-county facilities and to work to expand our catchment area in South Florida for acute rehabilitation patients. There is an opportunity to outreach and coordinate our services with other hospitals. There is also an opportunity to increase the services available

to outpatients with longstanding disabilities. With the provision of appropriate leadership and organization to the University of Miami School of Medicine's rehabilitation services through the development of a Department of Rehabilitation Medicine, these challenges should be able to be met. Moreover, the threats imposed by the new rehabilitation prospective payment system will be able to be turned into opportunities, provided there is a team of physicians dedicated to providing rehabilitation care.

Once this department gets off the ground, a plan will be made to work with UMMG and Jackson and ascertain to the extent possible, that rehabilitation services and physician care are appropriately covered in managed care contracts.

## **Proposed Development Plans**

The development of a Department of Rehabilitation Medicine will require a commitment of time, energy and resources from the University. A number of departments have had a stake in the provision of rehabilitation services in the past including Orthopedics and Rehabilitation, Neurosurgery and Neurology. The chairmen of all of these departments have all expressed support for the development of a Department of Rehabilitation. In order to develop the Department of Rehabilitation Medicine and allow a smooth transition of services from other departments, it is recommended that the Department of Rehabilitation Medicine be developed concomitant with the University's fiscal year. Specific personnel to be transferred to the Department with other requested positions are outlined below.

## **Initial Development**

The initial department personnel to transfer into the service will include Dr. Sipski, Dr. Sherman and Dr. Banovac. Dr. Sipski will function as interim chair, Dr. Sherman will continue to provide outpatient rehabilitative services and Dr. Banovac will continue to provide inpatient care to patients on the SCI unit. In addition two physicians will be immediately recruited into the department on a part time basis in order to perform acute consults at Jackson Memorial and to expand outpatient rehabilitation capabilities. Two additional full time physiatrists will be recruited during the first year in order to develop acute consultative capabilities and outpatient capabilities at Jackson Memorial and the Medical School Campus. It is anticipated that consolidation of services will ultimately lead to greater efficiencies in support staff, however, during the first year equivalent support personnel for those transferred physicians will be maintained.

Additional personnel to be requested for departmental startup include a Director of Research, Clinical Trials Coordinator and an Administrative Assistant. Initial plans during the first academic year will be for planning of a programmatic research and education agenda along with submission of a minimum of three grants, for the Department to sponsor a pre-course at the American Spinal Injury Association and to pursue ACGME accreditation for a residency training program in PM&R. Development plans for orthopedic and amputee rehabilitation and pediatric rehabilitation will also be formulated.

## **Budgetary Issues**

A complete budget for fiscal year 2002-2003 is attached. To preserve confidentiality individual salaries and names of the faculty members have been collapsed into a single figure. Due to the

potential for variability in revenues collected, number of faculty to be recruited, etc. we have not yet constructed a detailed budget for future years. However, since the current staff members providing rehabilitation services have been able to do this in a fiscally viable way, we strongly believe that the department will be revenue neutral in two years.

In the proposed budget, funding for the new physicians and clinical trials coordinator will be obtained through clinical revenues and through administrative support from Jackson Memorial Hospital. Funding to cover the salaries of the director of research (110K/yr plus fringes) in addition to the administrative assistant (35 K/yr plus fringes) for two years is requested from the University. In addition approximately 50,000 in startup funds for equipment needs and miscellaneous issues for the department is requested. The proposed changes result in a departmental budget including approximately 1.5 million in revenues and 1.65 million in expenses for the fiscal year 2002-2003. It should be noted that these caseload projections have been based on current billing from staff members. Using, an existing outpatient physiatrist as an ideal revenue producer, who has had 3 years to build up a practice, and the same collection rate, revenues have been budgeted in at 50% the revenues of this physician per full time FTE. Support for this budget has been provided by the medical school administration.

As this is a new service, we believe that the current projections for faculty members are appropriate. Should the service grow more quickly than anticipated, we will request approval for new personnel.

### **Personnel who will transfer into the Rehabilitation Department**

Dr. Banovac-From the Department of Orthopedics  
Dr. Sherman-From the Department of Neurosurgery  
Dr. Sipski-From the Department of Neurosurgery

Transfer of Model Systems personnel from Miami Project to Rehab Department

Utilization of current support staff for physicians transferred into department until other arrangements can be made.

*2 full-time physicians to work on consult service and outpatients at Jackson—TBN*  
*.2 FTE Estores to work at Sylvester seeing outpatients*  
*.2 FTE Qian to work at Jackson seeing acute SCI patients*  
*1 FTE director of research (PhD) (see attached PD)*  
*1 Administrative Assistant (see attached PD)*



## Space Issues

In addition to the need for personnel, where the department will be housed is a question. Since current personnel is housed throughout the university, it is recommended that until appropriate space is found for faculty to come together, that they use their current allocated office space. In addition, space in the area previously known as the Bantle Center will be used for new personnel. The area has been released from the Miami Project for the new departments use at Jackson. A proposal for necessary changes to this space is in preparation for the Jackson Administration. Dr. Kaiser, Medical Director at Jackson is in support of this proposal.

It should be noted that many departments at the medical school do not have a defined department space so this concept is not new. Staff members will meet for weekly faculty meetings where they will discuss departmental issues. Individual coverage issues will be discussed directly from attending to attending.

### **Summary and Recommendations**

A proposal has been presented for the development of a Department of Rehabilitation Medicine at the University of Miami School of Medicine. The development of this Department sends a message both internally to staff members and externally to government agencies and grant reviewers that the University of Miami is firmly committed to improving the clinical care of patients with disabilities and injuries. The planned development of a new Rehabilitation Facility at Jackson Memorial emphasizes this need. With the development of a Department of Rehabilitation Medicine at the University of Miami School of Medicine a long-term vision will be developed for a streamlined system of clinical care, research and education for persons with disabilities and injuries. Translational research programs with relation to neurologic injuries will also be greatly facilitated. With proper support, this Department will be a leading contributor to the quality of clinical care, research and education programs at UM/JMMC.

**Department of Rehabilitation Medicine  
Budget FY02-03**

<b>Revenue</b>		
UMMG Revenue	1,263,000	
AOA	<u>229,934</u>	
<b>Total Revenue</b>		<u>1,492,934</u>
<b>Clinical Faculty Salaries</b>		675,291
<b>Professional &amp; Administrative:</b>		
Nurse	26,250	
TBA-Clinical Trials Coordinator	65,000	
TBA-Research Director	55,000	
TBA-Administrative Assistant	<u>28,637</u>	
<b>Prof. &amp; Admin. Sub-Total</b>		174,887
<b>Staff:</b>		
Physician's Secretary	17,267	
Staff	28,080	
TBA-Staff	12,480	
<b>Overtime</b>	<u>5,000</u>	
		62,827
<b>CFB:</b>		
Clinical Faculty		158,018
Prof. & Admin. & Staff		71,314
<b>Total Personnel Costs</b>		<u>1,142,338</u>
Advertising (For TBA positions)		4,000
Auto Allowance		4,200
Clerical Supplies		6,000
Travel		15,000
Entertainment		3,000
Licenses		4,000
Malpractice		49,111
Miscellaneous		6,000
Registration/Conferences-Seminar		6,000
Dues & Subscriptions		6,000
Other Outside Services		2,500
Away Tuition		8,061

Mobile Phones	3,000
Phone Lines	7,000
IDX Tax (2.9%)	36,627
Network Charges	3,600
Residents	1,000
Recruitment Expenses	17,500
<b>Miscellaneous</b>	35,000
Computer Equipment	15,000
NeuroSurg-7% Billing Fee	67,564
Dean's Tax (11.9%)	150,297
UMMG Tax (4.6%)	58,098
<b>Total Operating Expenses</b>	<u>508,558</u>
<b>Total Personnel &amp; Operating</b>	<u>1,650,896</u>
<b>Net Surplus/(Deficit)</b>	<u>(157,962)</u>

**Department of Rehabilitation - Faculty Members**

Sipski, Marcalee  
Banovac, Kresimir  
Sherman, Andrew  
Estores, Irene  
Qian, Tie  
TBA-Clinical Faculty  
TBA-Clinical Faculty