The Post-Standard

'We've got to be here for students and patients'

Wednesday, February 07, 2007

A BIRD'S-EYEview of the hospital complex on University Hill shows University and Crouse hospitals. Their proximity and some duplication of services led a state commission to recommend thehospitals merge. Dr. David Smith, head of SUNY Upstate Medical University, said the two hospitals are exploring ways to consolidate that would not harm the medical school. Õ1SMITHÕÕ2H-Õ

Q. When you came to Upstate in September, in your wildest dreams did you ever imagine that three months later the state Commission on Healthcare Facilities in the 21st Century (also known as the Berger Commission) would be recommending privatization of University Hospital and a merger with Crouse Hospital?

A. We certainly didn't anticipate the specificity of the report. We weren't surprised that the discussion of consolidation would come up. That part of it wasn't a surprise. We were looking at different models. We anticipated a less prescriptive approach than the Berger Commission.

In this business, one can't be totally surprised by anything. You've got to be in a position to adroitly move left to right or forward, never backward, as a result of these kind of challenges. I don't mean that in a Pollyanna-ish way. If you are going to run a large organization like this, you've got to figure out how to make lemonade out of lemons.

We've got an opportunity to do better than that. The vision that we are trying to propel about growth is the right one. We also want to make sure our message internally is clear. Specifically to our great professionals here that work here on a daily basis, 24/7, for patients and students.

Q. If you had known these recommendations were going to be as specific as they are, would you have still taken this position?

A. Yes. I've been asked that a couple of times. It's a definitive yes. We really do enjoy Upstate and believe in its mission. I really did. I wanted to get back to a leadership position in a health science center. It's tremendous for Donna (Dr. Donna Bacchi, his wife) and I. If we had to make this decision again, we'd make it. In fact, probably with even more deliberateness because of what we've seen.

I'm going to tell you the best part of Upstate is what the students say about their experience here . . . the opportunities they have to make a difference. It's clear that's what they believe. The commitment they have to do other greater things. They've come in recently and talked to me about inner-city medicine. The need to do global health and what's going on in (places) like Darfur, the Sudan, Kenya and others. And to reach out.

We've got to be here for students and patients. We don't have a choice.

I don't think some people did their homework on the report to think about how this could affect an academic entity like this. . . . We need Upstate Medical University to produce the professionals for the future. We've got to save lives tonight, tomorrow and the day after that in our emergency room and operating rooms.

Q. What are your dreams for Upstate? What are the top items on your wish list?

A. I'm hoping it's even better than a wish list. First and foremost right now we are undergoing a strategic planning process over the next six months. You can create vision. My vision is about engaging in excellence and quality growth. We have the opportunity to do it well and grow our student body as well our ability to provide even better care in this region. And to think of this as a regional asset . . . from Canada to Pennsylvania. It's one thing to lay out goals. It's another thing to make sure everyone understands and has an opportunity to provide feedback and sort of mold this clay. That's what this six months is going to enable us to do.

I read an article this morning from the Chronicle of Higher Education which talks about the fact we missed it. There's a physician shortage. We studied this in the '70s and '80s. We didn't see the aging population, the baby boomers, the aging physicians. We didn't see the fact that some physicians don't want to work a full work load. And the health disparities. We missed it. The challenges are even greater. We have a shortage of nurses. We have a shortage of health professionals like physical therapists, radiation therapists and others as well as physicians. If there was a challenge yesterday, it's even greater today. There's debate about how serious the problem is and the magnitude. We are going to have to mobilize our medical schools and our nursing schools. That's our mission . . . to be responsive and relevant.

Q. Where is the physician shortage? Is it among sub-specialists or primary care doctors?

A. It's both. We are going to see another rise particularly in some of the primary care specialties. We've seen this ebb and flow. It became more popular in the '80s, peaked in the '90s and now we are seeing this erosion of interest in primary care. We are going to have to rethink that with an aging population and with health disparities and a more diverse population. This is one of the smaller academic medical centers in the country. Only 125 communities have these. . . . I think we take that for granted sometimes in the world of health care about what that means to have an academic medical center.

But the ability to now utilize that to respond to some of these challenges is vital for the region and the economy. We are the largest employer and we want to grow. I sit on the chamber (Greater Syracuse Chamber of Commerce). I sit on the MDA (Metropolitan Development Association). These are good jobs as well as vital to the interests of the community. We have a level of health care in this community with four very good hospitals and hospice and others, in large part because of the presence of an academic medical center. It filters out. You have excellence at St. Joe's, Community as well as Crouse. A lot of that has been dependent over the years on having this incubator.

Q. How big would you like to grow student enrollment?

A. We've been looking at a goal of somewhere between 20 and 30 percent. You would look at an almost concomitant increase in budget that would be very similar to that growth in enrollment. That means increasing faculty to support that as well as additional capital investments. It also means we can pull more regional partners in the North Country as well as the Southern Tier. You will see us look at some more distributive models and build on some of the strengths we have .

Q. Have there been impediments that have held Upstate back from achieving that kind of enrollment growth?

A. I never liked the word impediment. I think it's whether you create your opportunities. And that's the vision you have. Clearly the size of the community and the hospital are one and it ties to the Berger Commission. You do need the critical mass of hospital beds, probably in that 700- to 750-bed range between University Hospital and Crouse. Today our combined census is in the 630 to 640 range. With growth, we are going to have to obviously push that up a little bit. That's where the regional strategy allows us to achieve that vision.

We just recently opened an expansion of our nursing program in Cayuga County towards Ithaca and had an overwhelming response from nurses who wanted to get advanced training. Think a little outside the box.

The other reason to do this is because it's the right thing to do. If you look at the demographics of Central New York, and the aging population in rural areas and the maldistribution problems, we need to find some solutions to that. We are a state university. As a public university, we should be thinking about how we situate this university to respond to those needs through technology, telemedicine, having distance learning, being able to have programs in certain areas whether that's Oswego, Watertown or whatever that may be. We need a strategy that fits where we are.

Q. You recently laid out some plans to recruit faculty people and fill 46 new positions. Has the Berger Commission put a damper on that effort?

A. The honest answer is yes. A little bit. We are still pushing the effort. . . . I'm not going to deviate from where I think we need to head. The Berger Commission under that law of unintended consequences has created questions as you bring people in. Having this affiliation with a University Hospital tied in to an academic university allows us to cross-subsidize. We can bring in sub-specialists that we normally couldn't bring to a community this size. We've done that for years. People start asking questions. They read the newspaper, obviously The Post-Standard, and they ask questions. And we've got to be ready with an answer. We got that within 24 hours of the story coming out. The Berger Commission people didn't think about those sort of things when they wrote this report. I think things eventually will resolve. I think the end point will probably be one we all can more than live with. It's how do we get there.

We worry as much about Crouse as we do ourselves. Crouse wants to build new operating rooms. An almost $30 million investment. That could get held up. How does that affect their recruitment of a surgeon? Again, that law of unintended consequences we have to be aware of. That's why we have to have our legislative bodies understand the seriousness of the impact of this that people haven't thought about.

As far as us diverting our attention and not looking forward on 46 faculty, we need to move forward. We send a wrong message in Syracuse and Onondaga County if I lose sight of where we need to go because of the Berger Commission.

Q. What aspects of the Berger Commission's recommendations about SUNY Upstate are the most troubling to you?

A. First, what we agreed with. We agree there are some issues in New York state. There are clearly issues of cost, having a competitive work environment. We think in a number of areas there is overbedding.

We disagree with the Berger Commission, as someone said, that it was a dysfunctional market. If you look at Medicare data out of Dartmouth, the Syracuse market is the second-most efficient in New York state, second only to Binghamton. Its cost per Medicare recipient is $5,200 per individual, whereas New York City is $10,000 per Medicare recipient. Binghamton is, by $100 or so, a more cost-effective model. If Downstate had the same rate of health-care expenditure under Medicare that we do in Central New York, the savings is

over $1 billion.

Medicare data out of Dartmouth, just published within the last month, shows we have average bed utilization for hospitalization of about 78 individuals out of every 1,000 Medicare recipients. Downstate is closer to 120 (per 1,000). The facts don't quite match up with statements of some of the members of the Berger Commission. Maybe we haven't told our story as well as we should.

We also agree there should be closer affiliation and consolidation between Upstate and Crouse. This has been discussed for the better part of two decades. We don't believe that solution can jeopardize the partnership with the state, SUNY and the efficiency we already have with the College of Medicine. This is the punch line you want. The current model (proposed by the Berger Commission) could destabilize the medical school.

The current efficiencies where everything from information technology to telecom to purchasing electricity are both shared services between university hospital and the colleges because they are one. No one looked at how this could destabilize the economies and the efficiencies.

The hospital transfers $88 million a year into the academic enterprise to support faculty, almost 100 of them, as well as things such as electricity, parking and all those kind of things.

No one thought about how you would split that effort and destabilize the College of Medicine. I think we've got to get that message out. It's that serious. The model can't disrupt that relationship between those two because you are going to create some inefficiencies. I think we have to seriously look at whether the state can come in and retire some of the debt that Crouse has and possibly look at a model where there is even tighter affiliation with Crouse and SUNY. I think that makes more sense. We also need to preserve the tradition and legacy of Crouse.

Q. Is it possible to modify this recommendation so that University is not privatized and University and Crouse won't have to merge?

A. The answer is, "You certainly can." We've agreed with Crouse to look at bringing in some individuals to look at what some other models are nationwide. You've got to be careful you also meet the expectations of the report itself, the intent of the report. One of the approaches out there is to create a governance structure over the two. But it's sort of a shell. They both preserve their public and private nonprofit status. Some people are talking about an over-arching governance that would do some strategic planning and joint venturing . But at the end of the day, I still have to report to the Board of Trustees, the chancellor and the council there. And now there's a fourth body. In business models, that's a confusing approach. I think we're going to have to look at something that works a little differently.

We could totally subsume this under a SUNY model, which might financially be the best model for the community. Also, we would come in and ask for expanded bond capacity to do some investments in plant. We understand the politics of that one, too.

Then you look at the shared services model. Maybe one contracts with another for the economies we have in laundry, information technology, food service. If you look at that pure business model. And maybe some product lines like the emergency rooms.

The other thing is we have to send a clear message that we also understand the strength of the private practice model at Crouse. I think we are flexible looking at that. Despite what the community may think about the culture, 90 percent of the Crouse private faculty are already members of our clinical faculty here at Upstate. If you could create something of substance, with tight alignment, we could compete effectively with anyone in Central and Western New York as one of the finest medical centers. I think there's a bigger vision here in Syracuse to

talk about. You could have a collective force within this that would be phenomenal. You could bring together the power of these two entities and you would be mentioned in the same breath with Strong (Memorial Hospital in Rochester) or anyone else and rival some of the programs you have Downstate.

That does a lot of things. It increases business and referrals. Rather than patients migrating from the North Country to Vermont, they'd come to Syracuse. That's good for business and it's good for health care and it's awfully good for New York.

Q. How might privatization change University Hospital?

A. The real story is if you create university hospital as a nonprofit. Nonprofits behave differently from public hospitals. Safety net issues. Our burn unit. Our HIV services. Our integration of regional emergency medical services. Those all become vulnerable. You become a bottom line. We are a public trust. I have direct experience seeing that in other states.

The other thing is you are disrupting a 40-year relationship. The entanglements have only gotten greater between University Hospital and our colleges. Another example: Right now we have a shortage in this region of certified nurse anesthetists. What we are doing is the hospital, with the College of Medicine and the College of Nursing, are all putting funding into developing a training program. This helps everybody in the community. That happens because I can sit three people down in the community and say, "Each of you are going to bring X amount of money to the table because this is the vision we have." Which gets to the growth agenda. We not only want new students, we want new programs. We want to look at a certified nurse anesthetist program. We're going to be looking at some new master's programs. These are all opportunities for us that go beyond having more medical students. That happens because I can get everybody in the room and it's done. We are much more nimble because of that.

Q. Since you've been here, what are the things that have impressed you most about SUNY Upstate?

A. Clearly the first thing is the people. The commitment of the faculty. All one has to do is walk through the parking lot at 10 or 11 o clock at night. And see the dedication. I'm not arguing that's different from what happens at St. Joe's or Community or Crouse. They want to do more and they feel a sense of loyalty and obligation to this community and Upstate. The other has been the outpouring about the Berger Commission. People are asking, "What can we do?" And what they believe about this faculty and the quality of placements they get after graduation. That's very reassuring. And the fact they have a sense of compassion for people who aren't necessarily as well off as the rest of us.

When you get down to it, is this place worth fighting for? You're darned right it is. You're darned right it is.

Q. Are medical students today different from students when you were going through medical school?

A. I think so. I think they are better rounded and have a better sense of the environment around them. We had our medical students last summer bring in students from all over the country to work in our soup kitchens and some of our homeless areas and work in the Syracuse Community Health Center, and some of the churches and the women's shelters, and I didn't see that before. It's tough enough just getting up every day and studying until early the next morning. These kids are going to be cooking meals at Ronald McDonald house. I think that's different. It seems to be happening more and more. I would say there is a broader sense of purpose in these students.

Because their public tuition isn't as high, we have a great cross-section. Our diversity levels are going up. Our faculty gravitate to this setting. Our students came in the other day and talked about wanting to set up a G-med program. We already have an R-med program. Rural medicine. It operates throughout the North Country and Southern Tier. It doesn't get enough focus. They want to start up a G-med program. A global medicine program. To focus on global issues in South Central America, China. That's phenomenal that students want to do that.

Q. What is the most serious health problem facing Central New Yorkers?

A. Ignorance. I think it's true of all of us. You are going to ask me if it's diabetes or childhood obesity. Infant mortality in the African-American community in this community is really high. I don't think we fully appreciate, any of us, how critical that good health issue is for a productive labor force, for the ability to see the blackboard, for the ability of an asthmatic child to attend class. In general the community is not as understanding of what health care means to the basic fabric. The biggest ignorance is prevention. And trying to intercede earlier. Whether it's immunization, or management of a chronic illness like diabetes, or understanding risk factors of our African-American community.

Q. What led you into medicine, why did you specialize in pediatrics, and why have you spent most of your career in administration?

A. The reason I went into medicine had to do with two things. One is I had a role model. A family physician outside of Hamilton, Ohio, (where Smith grew up) outside of Cincinnati. The other thing was I watched my grandfather's life erode from laryngeal carcinoma at the age of 10. I even remember in junior high school trying to find a cure for cancer. I came up with this idea about pH and the pH of cells altering genetics. I just felt helpless. I think my family built on that expectation. My mom was a dietician.

I love kids and always have. My experience at children's hospital in Cincinnati when I was in medical school was phenomenal. That was a role model issue. It's always about people. Kids deserve that. I became an advocate then. Kids have no voice. I liked the idea that not only could I care for them, but I could talk about their needs because they don't vote. There are so many of them who are uninsured. They are not in a position to change anything. Which probably led to the transition to administration.

Why am I in administration? A couple things come to mind. You are involved in educating students, which isn't far off from pediatrics. Also policy can make a big impact. The gestation period is often long. If you can see it in the long-run, medicine is often that immediacy and immediate gratification. You need that some days. You need that. The rewards are great if you can get monies for things like immunizations.

I was thrown into administration, not through a plan. It was being in the wrong place at the right time. I was thrust in that role and enjoyed it. I have remained in administration since I went to Brownsville, Texas.

Q. Anything you've learned about Upstate since you've been here that surprised you?

A. The strengths are even greater than I realized. Would you do this over again? I think it's an even more resounding yes. I think the challenges we have. We have some physical plant challenges. If we are going to grow we have some real space constraints. We have to get that message out a little bit better in Albany. We've got over 44 buildings. The other thing that sort of surprised me is that we haven't done as great a job telling the story of Upstate. I'm a little surprised how little knowledge there was.

We are so complex. We are such a large employer base. We've got four colleges, two campuses and a hospital.

© 2007 The Post-Standard. Used with permission.

Copyright 2007 syracuse.com. All Rights Reserved.