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HISTORY OF COGMET/SCS, 1989-2009

PART 9 OF A 12 PART SERIES

GROWTH OF THE SCS BUDGET 1989 TO 2009



From the outset, the primary aim in forming the consortium was to improve the quality of medical education. Initially, member hospitals contributed funds to get the organization up and running. A working assumption was that, over the long run, it would be less expensive to improve medical education in a collective environment as opposed to individual hospitals undertaking the effort on their own. Scales of economy would be achieved by sharing expenses. Experience would show throughout the twenty years of operation that the consortium would deliver on its promise to improve educational quality for reasonable amounts of dollars. For their part, member institutions have remained consistently committed and have routinely funded innovative educational programs.

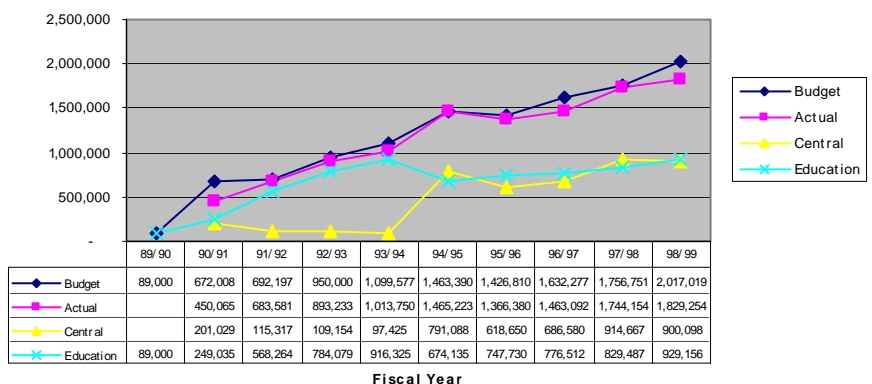
From 1989 to 1991, the COGMET budget was only concerned with internal medicine. Family medicine and OB/GYN were added in 1991 while the specialties of general surgery and orthopedic surgery came on board a few years later. Budgetary growth accompanied the development of the consortium. As structured, the COGMET budget was separated into administrative and educational expenses. Costs associated with administration included staff and all operational expenditures. The education budget was a

collection of financial pools of this time, money to be used by the individual the bulk specialty groups to pay for the programs designed for their residents. hospital assessed dollars were used to support the largest specialty groups. Efforts were undertaken to create educational and financial parity between twenty different medical specialties. Today, investment in improving the quality of medical education and expanding member services are the areas where financial resources are most heavily concentrated.

One can find a strong correlation between expenses and organizational emphasis. In the early years, marketing was a significant budget item in efforts to develop a national reputation. This commitment focused on recruitment of COM graduates to fill the capacity of Michigan hospitals for postdoctoral education and attract the best students. Emphasis shifted in the later years of the 1990s to provide financial resources to support faculty development. The SCS had received three federal grants in internal and family medicine that required matching funds to fulfill grant objectives. As the grant cycles wound down, more dollars were then shifted to the expansion of educational services for the numerous but smaller specialty groups. Prior to

Growth in the number of interns, residents, and fellows worked to the advantage of the SCS model. The additional trainees, with a stable number of administrative staff, result in a reduced cost per resident. In 2000, for example, the administrative cost charged to hospitals for a single resident was \$1,070. The SCS had 1,011 trainees in 2000. Even taking budgetary inflationary costs into ac-

**SCS Budget
1990 - 1999**



SPECIALTY SPOTLIGHT: DERMATOLOGY

There have been some program changes over the past few months in Dermatology. First, congratulations are in order for Dan Stewart and his program at St. Joseph Mercy Livingston. As our newest program in SCS, they recently completed their AOA program inspection and received continuing approval for five years. They also received approval to increase their training positions from nine to twelve. Great work by Dr. Stewart, Patrice Robertson, and the rest of the team!

Meanwhile, Dr. Michael Mahon, of Botsford and POH, has resigned from his position as program director after 25 years. His many accomplishments include opening the Botsford program, serving as president of AOCD, and being an Assistant Clinical Professor of Dermatology at MSU. Although he is resigning his administrative role, he will continue to influence graduate medical education as faculty in the programs and will run the Resident Clinic at Botsford. Many thanks to

Dr. Mahon for his leadership and commitment to the education of Dermatologists for so many years.

His successor is Annette LaCasse. Dr. LaCasse is a graduate of MSU-COM and completed her residency training here in Michigan. She has been involved in graduate medical education for more than 10 years, and is in private practice in Commerce Twp. Welcome to Dr. LaCasse.

HISTORY OF COGMET/SCS, 1989-2009 CONTINUED

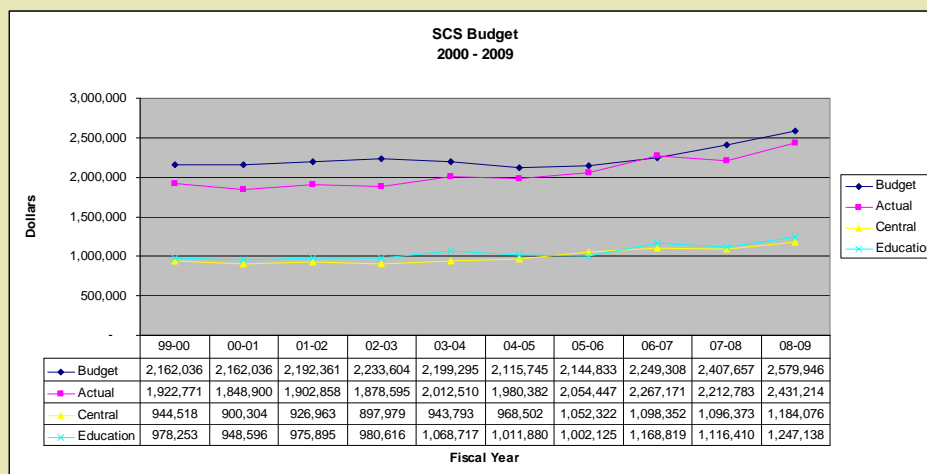
count, the per resident cost in 2008 was \$848. This savings was due in large part to the fact that SCS now had 1,387 trainees. More residents also added increased funds for the PACs to support their educational programs. The most recent trend now reflects a larger percent of the SCS budget being allocated for educational programs. In 1998, the administrative budget was \$1,050,451 and the education allocation was \$966,569. Conversely, the 2008 budget allocated \$1,188,546 for SCS administration and \$1,422,401 for educational programs. In the course of a decade, administrative costs have remained stable while the focus on the increased numbers of interns, residents, and fellows has been to enhance educational programs.

The entrepreneurial spirit is quite evident at SCS. Educational programs developed by SCS are provided free to members but sold to institutions outside of the OPTI. For the past several years, on-line educational programs are delivered to non-SCS institutions who are charged for these services. The consortium uses its size to negotiate favorable rates

on services that positively affect that bottom line of member's medical education budget. The SCS works closely with pharmaceutical firms and makers of medical equipment whose direct sponsorship of events reduces operational costs. In all instances, funds generated by outside sources go directly back to the specialty to expand their educational offerings. These sums are not insignificant. For 2008-2009, the SCS generated \$131,780 or 9.3% of the SCS educational budget from non-member sources.

The SCS has benefited from consis-

tent financial support from its members. With this investment and trust, the OPTI has been able to expand its educational programs that benefit residents, create services that generate outside income, and provide scales of economy that can be noted on a balance sheet. The OPTI, as an economic model, works effectively when members agree to pool dollars, provide close oversight, and effectively communicate their expectations for their investment. The reputation that SCS has earned in the osteopathic community for medical education is due in no small part to the success of its economic model.



CORE COMPETENCY ED-DAY SCHEDULE

October 13, 2009 Medical Ethics—seniors only
Location: Okemos Conference Center, Okemos, MI

CALENDAR OF EVENTS FOR OCTOBER

Dermatology Program

October 1, 2009: Basic Histopathology of Alopecia
Location: MSU Management Center, Troy, MI

Family Medicine Program

October 7, 2009: Office Procedures—Workshops
Location: Okemos Conference Center, Okemos, MI

Psychiatry Program

October 8, 2009: Novel Medications for the Treatment of Attention-Deficit Hyperactivity Disorder
Location: MSU Department of Psychiatry, E. Lansing, MI

Emergency Medicine Program

October 15, 2009: Advanced Ultrasound
Location: Genesys Athletic Club, Grand Blanc, MI
October 21, 2009: Ethical Cases, Medication Safety in Pregnancy and Peds Extremity Injury
Location: MSU Management Center, Troy, MI

Obstetrics/Gynecology Program

October 15, 2009: Billing and Coding
Location: Henry Center for Executive Development, Lansing, MI
October 22, 2009: Basic Science Series, for second-year residents.
Location: Henry Center for Executive Development, Lansing, MI

Internal Medicine Program

October 22, 2009: Allergy, Immunology and Rheumatology
Location: Genoa Woods Conference Center, Brighton, MI

General Surgery Program

October 28, 2009: Minimally Invasive Surgery
Location: Genoa Woods Conference Center, Brighton, MI



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