

III. College of Osteopathic Medicine

MEDICAL EDUCATION

As an academic health center, the College of Osteopathic Medicine (OUCOM) is uniquely qualified to perform the tripartite mission of educating health professionals, innovating through scientific research, and providing advanced care for patients whose options for such care are limited. Today's medical economics requires that academic health centers also adapt to changes in the health care industry and state budget. Toward that end, OUCOM adjusted its financial plan in FY 02 and initiated measures for advancement into FY03.

Responsive to changing requirements, OUCOM completed a comprehensive practice plan review. New governance procedures have been instituted, and a new physician reimbursement plan will begin in July of 2002.

To be most effective in improving health, academic health centers must partner with the full spectrum of health providers, business, government and the surrounding community to better understand health needs and achieve service and research objectives. COM and other colleges and units of Ohio University are forging such a partnership, working together to provide programs and facilities responsive to the academic needs of Ohio University and the health care needs of the Appalachian region it serves. Efforts to bring the most valuable health resources to the region include:

- Collaboration with community health partners to plan new comprehensive clinical facilities;
- Continued support for the Center for Appalachian Health Care Research; and
- Working with community partners to bring new specialty services to Southeastern Ohio.

Additionally, Ohio University College of Osteopathic Medicine will continue planning and implementation to extend the new Clinical Presentation Curriculum (CPC) into year four of the medical education continuum. During the period of intensive development COM must simultaneously develop, deliver, assess and refine all aspects of the CPC offered for 80 percent of the medical class. To meet the demands of the new curriculum Ohio University College of Osteopathic Medicine will:

- Assess and provide necessary faculty and teaching resources;
- Expand the capacity of the Learning Resources Center to match the requirement for greater student directed learning and meet other requirements for small group meeting space. These renovations are currently under way; and
- Implement a plan to upgrade information technology serving the academic programs of the college.

With these initiatives underway, Ohio University College of Osteopathic Medicine submits its budget, which incorporates independent assessments and recommendations that are unique to its revenue and expenditure plan. In FY 02, the college's budget responded to a six percent decrease in state subsidy. In responding to this situation, tuition increases and a series of cost-cutting measures have been implemented. Beginning in FY 01, the Ohio University Board of Trustees adopted a three year plan to increase Ohio University College of Osteopathic Medicine tuition toward the state assumption which was more consistent with medical schools in the state and other public osteopathic medical schools nationally. Further adjustment of tuition in response to the budget cut has been necessary. The proposed budget for FY 03 is therefore based upon additional increases in tuition and the learning resource fee of 4% for registered students (a total increase of 13% from FY 02), and 10.5% increases for students entering in September 2002 (a total increase of 19.5% from FY 02).

Budget planning of the College of Osteopathic Medicine has proceeded independently, but in close communication with planning

activities of the Athens General Programs and Regional Higher Education.

REVENUE

The FY 03 budget plan is set forth in a challenging environment. After realizing a six percent mid-year budget reduction for all state appropriations in FY 02, operating budgets were reduced by two percent and a hold was placed on filling vacant positions to offset this reduction.

In FY 03, all state appropriations continue to reflect the six percent decrease. To offset these revenue reductions, the FY 03 budget is based upon a tuition and learning resource fee increase of 13% for returning students, and a 19.5% increase for students entering in September 2002. This tuition increase is coupled with additional expense reductions of approximately 1%.

State appropriations, tuition and fee charges and other operating income estimates represent 79.7% of the College's overall budget. The remaining 20.3% includes restricted state and federal grants and contracts as well as restricted state health manpower line items (family practice, primary care, geriatrics and area health education centers) representing the majority of the remaining sources of revenue.

EXPENDITURE PLAN

As mentioned above, the tuition and fee increase is being coupled with expense reductions of approximately 1% when compared to the actual FY 02 budget. The Ohio University College of Osteopathic Medicine is attempting to continue its commitment to excellence while balancing its budget during these challenging economic times.

Salaries are projected to increase 3% for contract faculty and administrators, and classified and bargaining unit staff, consistent with the Athens general program recommendations. In addition, this budget also includes an increase in health care insurance rates of 8.1% as projected for FY 03.

For FY 03, support for academic programs is increasing by 1.87% percent while Administrative expenditures are decreasing by 1.53%. This demonstrates the ongoing commitment to excellence in the curriculum.

A summary of the FY 03 income and expenditure plan for the College is presented on page E.9. This table and the graph on page E.10 provide an explanation for expenditures for academic and research departments and college service units.