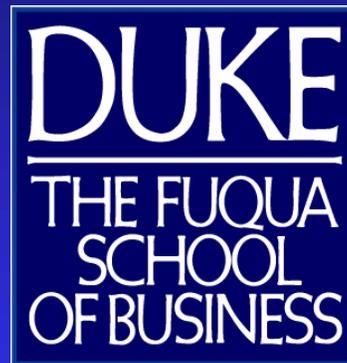


Reflections



Duke Clinical Research Institute
DUKE UNIVERSITY MEDICAL CENTER



Kevin A. Schulman, MD

Director, Center for Clinical and Genetic Economics
Duke Clinical Research Institute
Duke University Medical Center

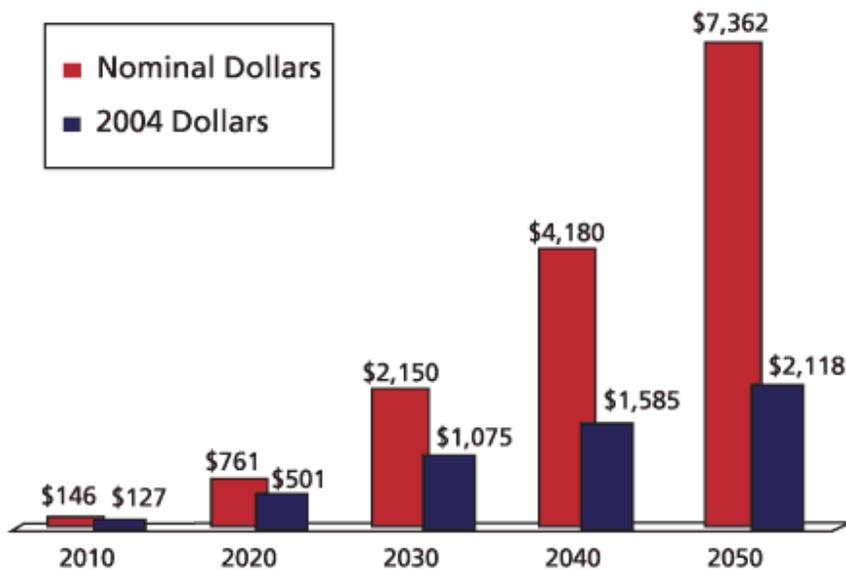
Director, Health Sector Management Program
The Fuqua School of Business
Duke University

Overview

- Identify the problem
- Assess state of the current training programs
- Looking forward: question of quantity and direction

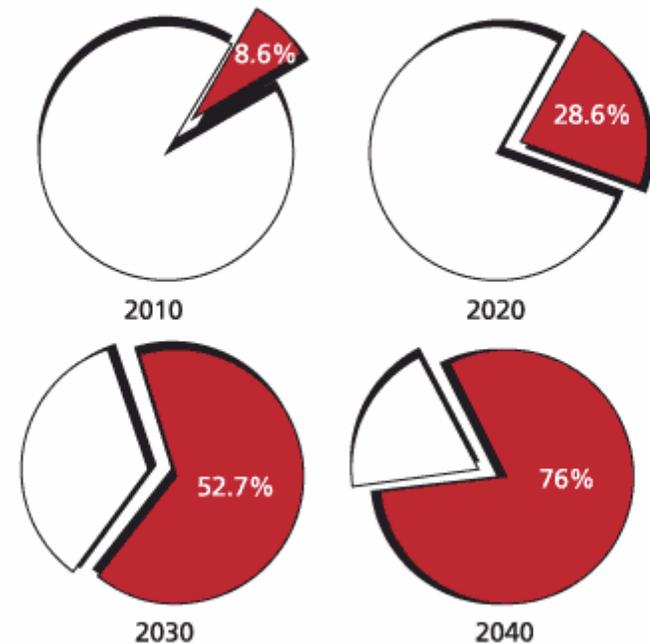
The Problem

FIGURE 1
Annual Cash Flow Deficits in
Social Security and Medicare
(Billions of dollars)



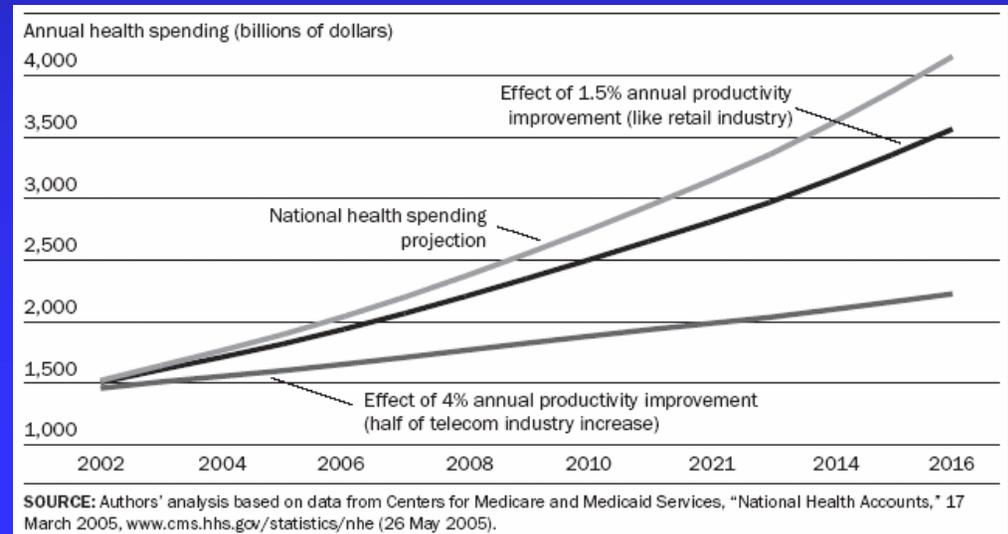
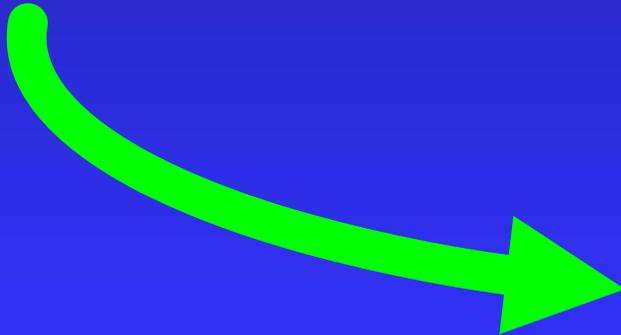
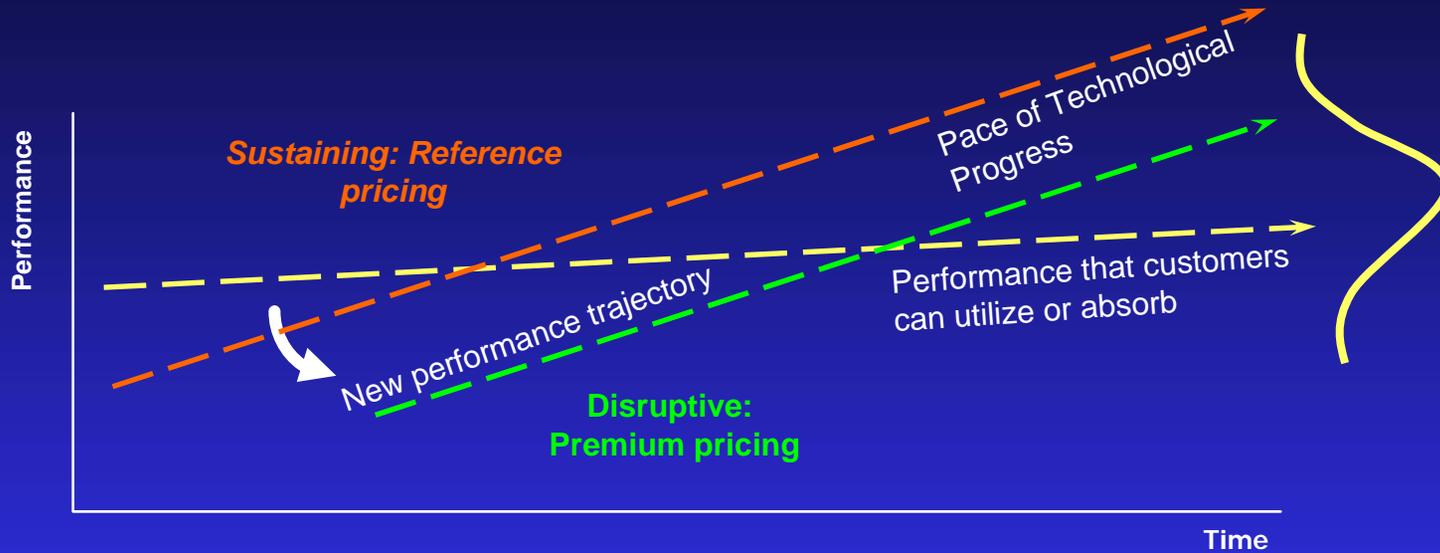
Source: 2004 Annual Reports of the Board of Trustees of Social Security and Medicare

FIGURE 2
Percent of Federal Income
Tax Revenues Needed to Fund
Social Security and Medicare Deficits

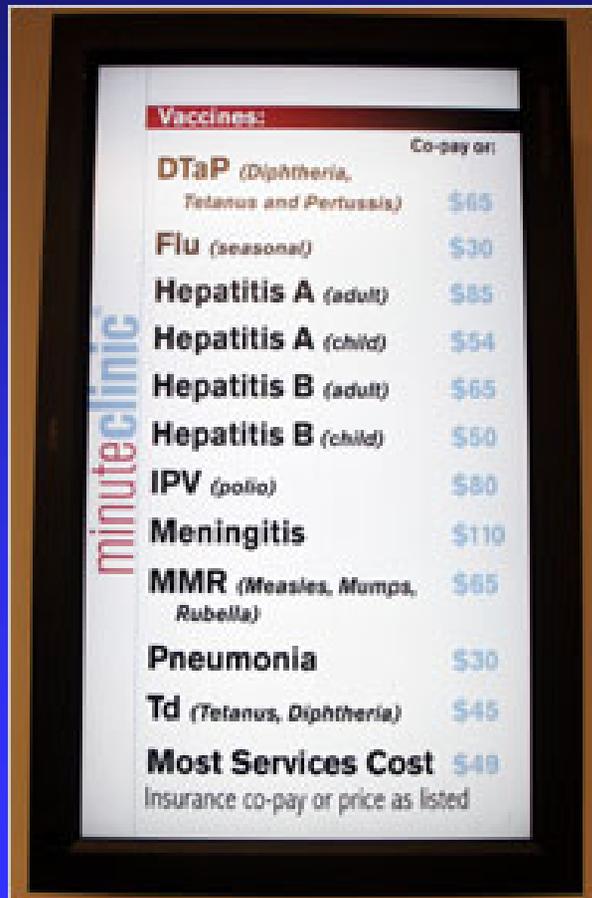


Sources: Andrew J. Rettenmaier and Thomas R. Saving Ph.D., "The 2004 Medicare and Social Security Trustees Reports," National Center for Policy Analysis, Policy Report No. 266, June 2004; and the 2004 Annual Reports of the Board of Trustees of Social Security and Medicare.

Disruptive Innovation and Productivity



New Practice Models



The sign is titled "Vaccines:" and lists various vaccines with their respective co-pay amounts. The "minuteclinic" logo is printed vertically on the left side of the sign. At the bottom, it states "Most Services Cost \$48 Insurance co-pay or price as listed".

Vaccine	Co-pay on:
DTaP (Diphtheria, Tetanus and Pertussis)	\$65
Flu (seasonal)	\$30
Hepatitis A (adult)	\$85
Hepatitis A (child)	\$54
Hepatitis B (adult)	\$65
Hepatitis B (child)	\$60
IPV (polio)	\$80
Meningitis	\$110
MMR (Measles, Mumps, Rubella)	\$85
Pneumonia	\$30
Td (Tetanus, Diphtheria)	\$45
Most Services Cost	\$48

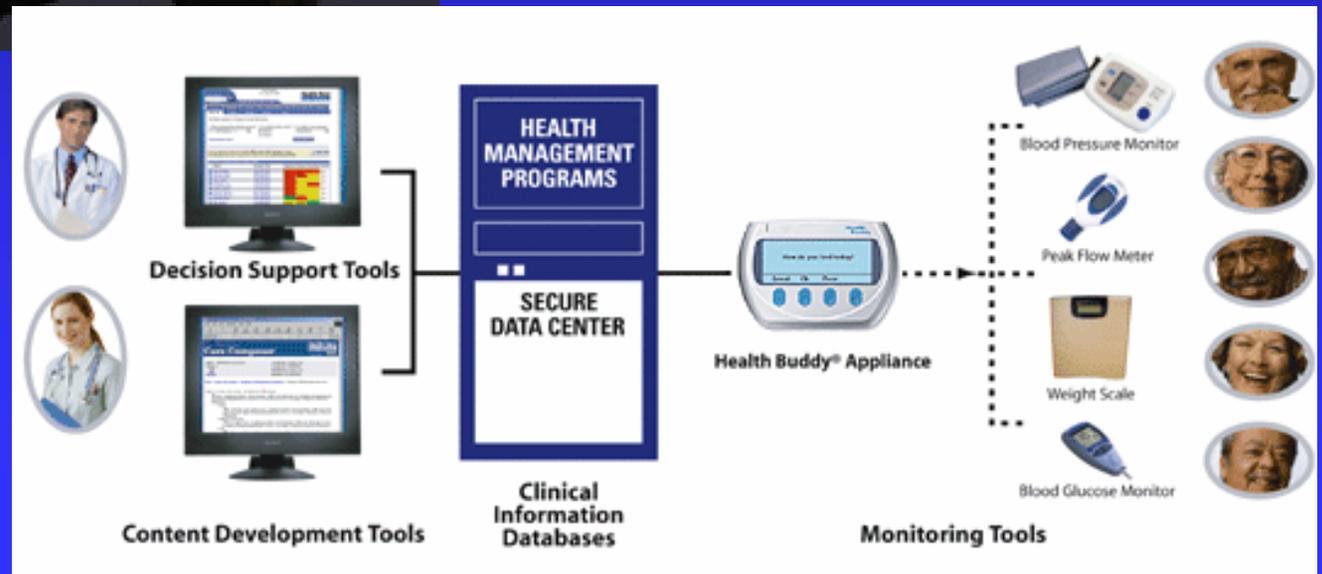
Insurance co-pay or price as listed





Marcus Welby, MD

April 2008



The Personal Health Record (PHR) Space

Provider Market

Data Warehouse

Portals

Transactions

HRN

Connectivity
Patient Data Storage



Consumer Market

Disease Management

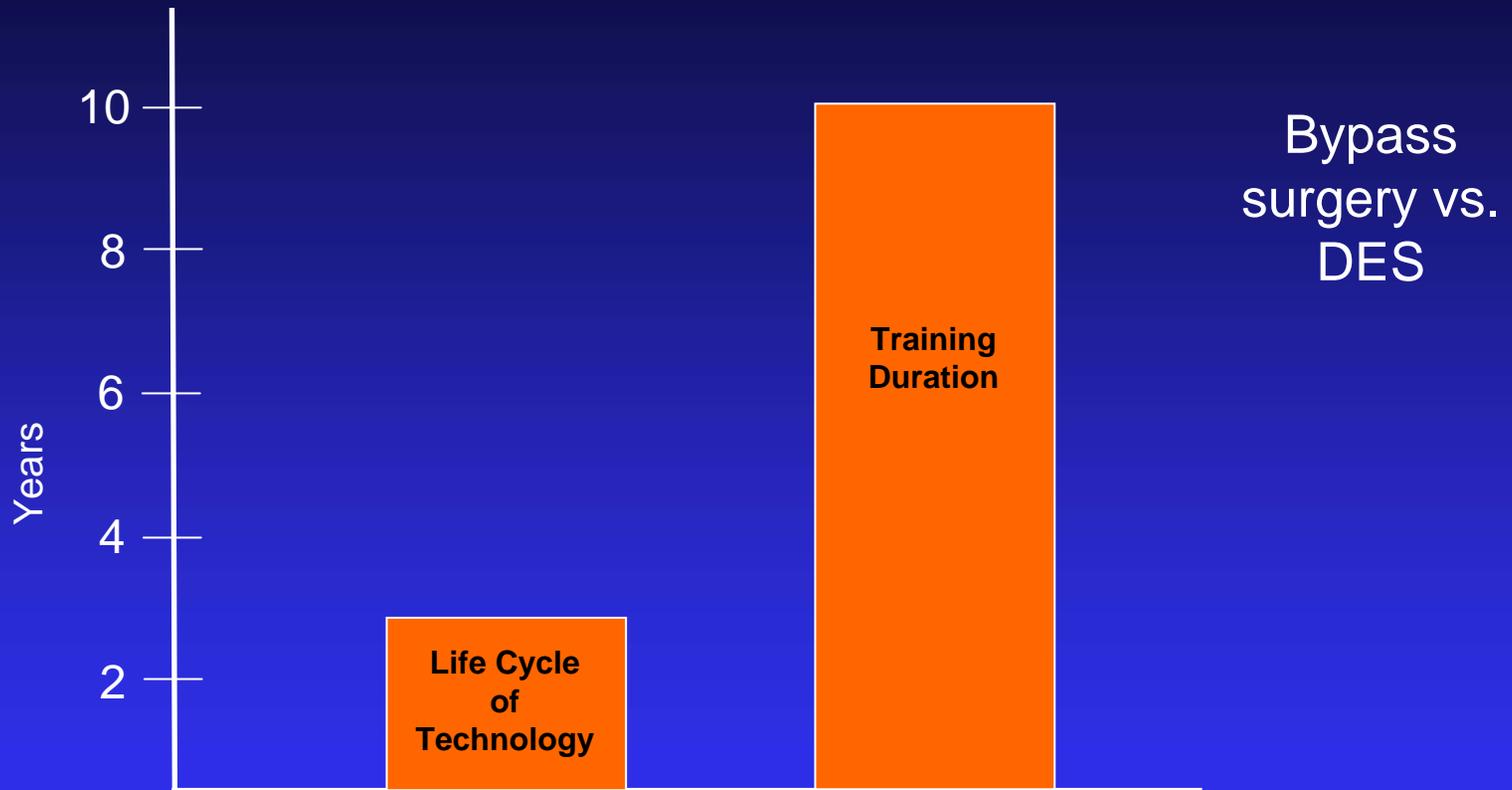
High deductible Health plans

Preventive Medicine

Economics of Training: Sustainable?

- Training programs have become educational as well as service programs with strict curricular requirements (but no funding)
- Financial: subsidize residency/fellowships from clinical revenues
- Decrease clinical faculty salaries due to decreased productivity and training expenses
- Graduates enter private market and complete with the training site (at private salaries)

Training Lifecycles



Physicians (and hospitals) should not be fixed assets, but re-deployable assets (decrease pressure to earn your living before you are technologically replaced, increase workforce productivity)

Training: Going Forward

- Current training requirements may not meet workforce or productivity goals
- We need to modify physician education to help address our challenges in the healthcare system
- Specialty orientation of our current trajectory may not meet any of these goals; can we consider a 'just-in-time' training regime?
- We need to understand the economics of a new training paradigm that can be sustainable