

**A Brief History
Of the
Group on Business
Affairs
Association of
American Medical
Colleges**

By

Marvin. H. Siegel

And

William Hilles



**Augustus J. Carroll
1907-1968**

Introduction
By Marvin Siegel

In 2001 I received a call from Jack Krakower. Jack said that the GBA would shortly celebrate its 35th year. The Steering Committee had asked that someone be selected to write the history of the organization. He thought I would be a good choice.

I don't think I hesitated. I told Jack that I would be glad to take on the assignment and I would give it my best effort.

Jack sent me a very large amount of material. This included minutes of meetings of the Steering Committee, memos going back to the creation of the GBA, pictures, brochures, and much more.

I spent the first month organizing all of this material and cataloging it.

After that I began writing the book. The first months went well and soon the story began to take shape. I prepared a detailed outline of what I wanted to include in the book and what I wanted to say.

But a year went by and I began to feel frustrated. Progress was much too slow!

Bill Hilles had been a very big help to me in completing the first few chapters. I decided the job was too big for one person.

I asked Bill if he would be able to join me as co-author of the book and he graciously agreed.

Bill has done a magnificent job! It would have been impossible to complete the project without the two of us working together.

Bill and I are very pleased with the way the book has turned out and we hope that you share our pleasure in looking back over 35 years of history.

Our only regret is that time would not permit us to include a brief statement regarding every person who played an important part in the growth and development of the GBA and in helping to achieve its goals and objectives.

Perhaps as time goes by we can add additional chapters and begin to recognize the hundreds of people who worked so hard and who looked at the GBA as one of the most important aspects of their professional careers.

Marvin Siegel
Miami, Florida
January 2004

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Chapter One Humble Beginnings

In 1910 Abraham Flexner published his report, “Medical Education in the United States and Canada”, which is commonly known as, “The Flexner Report”. He had joined the research staff of the Carnegie Foundation for the Advancement of Teaching in 1908, and his work there resulted in the above report.

His report led to much-needed reforms in the standards, organization and curriculum of American medical schools. It also led to a sharply reduced number of schools. In 1910 there were one hundred eleven medical schools in the United States and Canada with total revenues estimated at \$178 million (adjusted to 2001 dollars). There were 679 faculty, teaching 20,136 undergraduate medical students.

In 1967 there were eighty-nine medical schools in the United States and Canada with total revenues of \$5.5 billion (adjusted to 2001 dollars). There were 19,297 faculty teaching 33,423 undergraduate medical students.

At the Federal level, US policy was recognizing the importance of Federal appropriations to support biomedical research and the nation witnessed the accelerated growth and development of the National Institutes of Health.

Federal officials recognized the value of supporting research at the Nations Academic Medical Centers. Just a decade earlier a vaccine had been developed that led to the elimination of infantile paralysis as the major menace to young children and adults. Prolonged suffering and the staggering costs of caring for the afflicted had been dealt a mortal blow by medical science, and medical schools were becoming big business in the saving of human lives.

But the administration and business affairs of these institutions was still far behind similar sized and similar budgeted organizations in other segments of the American economy.

Most medical school dean’s and department chairs had no formal training in the management and finance of a large complex organization. Those assigned to assist them with these tasks varied greatly from school to school in regard to formal training in administration, business and finance. Few of these individuals possessed advanced degrees.

However, by the 1960s there were many talented, skilled and well-educated business officers at a number of medical schools.

It was the wisdom of one individual, Augustus J. Carroll, Assistant Director, Division of Operational Studies at the Association of American Medical Colleges, (AAMC), who would bring this talent together, for the purpose of forming an organization to raise the quality of

administration, business and financial affairs of US medical schools on a par with the quality of other similar organizations in twentieth century America.

In 1965 Congress enacted Medicare/Medicaid legislation, which provided health care to millions of citizens over the age of sixty-five and to many too poor to pay for their health care.

A very large percentage of the beneficiaries of this new health care legislation formally had been receiving free care at US academic medical centers. Now their health care would be paid for by the Federal treasury, if the attending teaching physician were shown to have provided “personal and identifiable care”.

This placed new and very unique obligations on the administrators of academic medical centers. The question was, were they prepared for this challenge? Audits by the General Accounting office, in the late 60’s and early 70’s showed that many were not.

On the horizon lay huge increases in the size and budgets of US medical schools. A number of factors were to lead to this massive growth:

- ❑ The development of Medicare and Medicaid as mentioned earlier.
- ❑ The growth and proliferation of institutional plans governing faculty practice income.
- ❑ A decision at the Federal level in the early 70’s that the country was short 40,000 doctors, and it was the responsibility of the Federal government to help the medical schools pay the cost of increasing class sizes.
- ❑ Additional Federal dollars via General Research Support Grants.

As mentioned earlier, most of the massive growth of medical schools could not be predicted in 1967, nor how critically important it was to raise the quality of the business, finance and administration at our nations academic medical centers. But one man, with great vision, saw far into the future.

Augustus J. Carroll had joined the AAMC in 1958 as a consultant and in 1962 as a full time official.

Prior to joining the AAMC, “Gus” Carroll had spent many years on problems related to the management and accounting aspects of the Auburn State Prison and the University of Syracuse College of Forestry, a land grant institution. During this period of his life, he developed the skills that permitted him to relate the principles of management and fiscal reporting to the very specialized accounting, management and fiscal reporting needs of academic medical institutions.

Mr. Carroll developed and completed many important projects in the ten years he spent at the AAMC. Just to name a few:

- ❑ The questionnaires that made possible the annual AAMC report on medical school expenditures by source of funds.
- ❑ The AAMC faculty roster study - (in 1968 it was called, “The biennial study of faculty salaries and fringe benefits”).

Dr. Ward Darley, the first full-time Executive Director of the AAMC, said in an editorial in the Association’s *Journal of Medical Education*,—(Vol. 43, June 1968, page 746), “The passage of time will not erase the impact that Augustus J. Carroll has had upon the world of medical education. His principle dictum ‘know the facts that explain the figures,’ must not be forgotten. Unless medical educators satisfy this dictum, they will never understand the increasingly complex relationship of costs to objectives and accomplishments.”



Augustus J. Carroll
1907-1968

Carroll felt strongly that a national organization of medical school business and administrative officers could play an important role in meeting the administrative, business and fiscal needs of medical education. He invited a group of outstanding medical school business officers to meet with him while they were attending the 75th anniversary meeting of the AAMC in New York. This group included the following:

Joseph A. Diana, Secretary to the Faculty, University of Michigan College of Medicine, William Hilles, Executive Assistant to the President, New York Medical College, (prior to this position Bill Hilles was Business Manager, Rutgers College of Medicine), Hugh Hilliard, Controller Emory University and Chief Business Officer for the College of Medicine, George Norwood, Vice President for Business and Fiscal Affairs, Jefferson Medical College, David Sinclair, Vice President for Business Affairs, S.U.N.Y., Upstate Medical Center, Clarence Stover, Assistant to the Dean, University of Utah, William A. Zimmerman, Associate Dean for Business Affairs, University of Oregon.

Mr. Zimmerman was not able to attend but said that he would participate in future activities of the group.

On October 27th 1967, at 9:30 A.M., in a small room in the New York Hilton, this group gathered for an historic meeting, that was to lead to the formation of the Business Officer's Section of the Council of Dean's, of the Association of American Medical Colleges, (later to be renamed the Group on Business Affairs).

The agenda for the meeting consisted of four topics:

- 1 Consider the desirability of future medical college business and financial officers meetings.
- 2 The nature and objectives of such meetings.
- 3 The possibility or need for a formal organization of medical college business officers.
- 4 Discuss future plans.

Prior to the meeting Mr. Carroll had sent a questionnaire to medical school business officers throughout the country. Of the ninety people who received copies of the questionnaire seventy responded (80%).

It was hoped that the questionnaire would provide a good idea of problems faced by the medical school administrators and a planning guide for future meetings.

The meeting resulted in the following conclusions and recommendations:

- 1 In regard to the questionnaire:
 - ❑ All favored regular meetings of the business officers, both at regional and national levels.
 - ❑ They suggested smaller but longer regional meetings, feeling that this would afford opportunities for wider participation and a more effective interchange of information between individuals.
 - ❑ They felt a national meeting would also serve a good purpose.
- 2 The planning body agreed that future meetings would be very desirable.
- 3 They thought that special workshop or seminar-type meetings should be planned.
- 4 They agreed that future meetings should be held for the prime purpose of increasing the knowledge and competence of individual business officers, broadening their services to the medical schools and improving the total performance of their institutions.

- 5 The committee believed that improved communications and the dispensing of reliable information covering the entire field of medical college administration to those who hold administrative responsibilities would contribute importantly to the attainment of these objectives.

The group developed an organizational plan:

- 1 The group should be called, "The Business Officer's Section" of the AAMC.
- 2 The initial planning body of seven would serve as an ad hoc committee to continue over the next year to make specific organizational and meeting plans.
- 3 The organization should focus its attention on matters of concern to the principal business officers of medical schools rather than to university or hospital administrators. However, it was agreed for the present, to have university and hospital administrators serve as the principal business officer for some medical schools and they would be members of the new group.
- 4 It was also agreed, that in the course of time, there would be need for special meetings regarding medical school-university relations or medical school-hospital relations to which it would be desirable to invite university and hospital representatives.

The committee recommended that:

- 1 The Dean of each medical school would designate the chief business officer to represent the school in the Business Officers Section of the AAMC.
- 2 The business officer designated by the Dean should be permitted to invite other appropriate individuals to attend meetings. The invited persons might be members of the business officer's staff, university, business officials, or hospital administrative personnel.

Immediate Plans:

- 1 The ad hoc committee appointed Joseph Diana to serve as its chairman.

It was agreed that, following clearance of plans by the AAMC, future developments should come as a result of organization action. However it was also agreed that during the coming year, while the basic steps toward organization were being taken, the AAMC should continue to make Mr. Carroll's services available to work with Mr. Diana and to handle necessary communications with the deans and business officers.

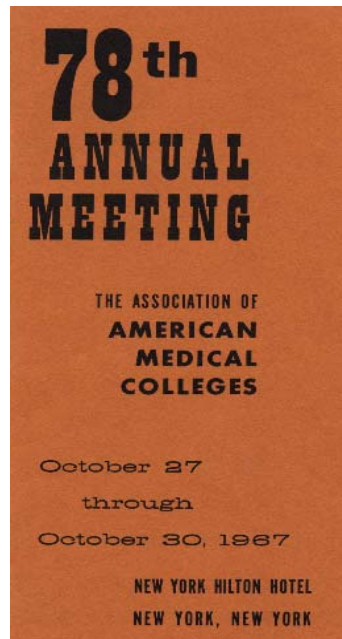
- 2 Mr. Carroll agreed to discuss the committee's recommendations with Dr. Robert C. Berson, AAMC, Executive Director, Office of the President, and with other AAMC officials to seek their advice and the approval necessary to proceed with organization plans.

- 3 The ad hoc committee would plan the details of organization before the next annual meeting of the AAMC.
- 4 As a start for plans toward regional meetings, it was suggested that the region, time, place, and site for a meeting should be selected as soon as basic organizational matters had been concluded. Then the business officers in the region, with the cooperation of the ad hoc committee, should develop a program which hopefully would serve as a possible prototype for good regional meetings.

Finally, prior to adjournment, the group agreed that, it was possible for a formal organization to be established by mail before the next annual meeting. At that time the ad hoc committee could be replaced by an officially designated governing committee and appropriate officers named.

After the meeting, Mr. Carroll returned to his office at the AAMC and sent a memorandum to the Medical School Business and Fiscal Officers (see appendix 'A').

In his memorandum Mr. Carroll thanked the seventy individuals who had responded to his questionnaire and reviewed the result



Where it all began - 78th Annual Meeting of the Association of American Medical Colleges. October 27th 1967.

Chapter Two The First Meeting

After the organizational meeting described in Chapter One, a follow-up meeting was held, as part of the AAMC national meeting. This gathering also took place on October 27, 1967.

Deans of 84 medical schools had designated 126 persons to attend the meeting.

“Gus” Carroll had written to each person who had been designated to attend, inviting suggestions for topics to be discussed. About 80 persons responded and suggested 55 different questions and subjects for discussion.

This meeting was chaired by Dr. Lee Powers, AAMC, Associate Director, Office of the Executive Director.

On the podium, in addition to Dr. Powers, were, Mr. Carroll, Nathaniel Karol, Director of the Division of Grant Administration Policy for the US Department of Health, Education and Welfare, and Ernest Allen, ScD., Director, Office of Extramural Programs, US Public Health Service.

“Gus” spoke briefly about the purpose of the meeting, the preparation and interest expressed by those attending.

Dr. Allen spoke about current problems regarding medical school-federal government relations. Mr. Karol participated in this discussion.

Carroll spoke to many of the business officers after the meeting. He said that they were, “enthusiastic and pleased with the meeting,” and mentioned this in a memorandum he sent to Dr. Robert Berson, Executive Director of the AAMC. His memorandum was dated November 6th 1967.

In this memorandum he said: “except that we had an overflow crowd (between 135 and 150) and not enough seats, the meeting went well and seemed to be well received. ... The two hour session was too short to accomplish much but from the letters and calls I received before the meeting it became clear that there was a unanimous feeling that regular meetings should be held – smaller but longer regional meetings, an annual meeting, and possibly some workshop type meetings regarding special areas of medical college business administration. ... I realized that there would not be enough time for productive discussion of what should be done next, so I invited 7 experienced business officers to meet with me on the morning of October 27th to talk about the future. ...”

Prior to the meeting, Mr. Carroll sent a memorandum to those invited to attend the first meeting of the Medical School Business Officers Section of The AAMC. His memorandum was dated February 16th 1968. (see appendix two).

In his memorandum he advised the business officers that, “The Executive Council and officers of the AAMC have enthusiastically endorsed the organization of a Business and Fiscal Officers Section of the Association.”

That was the background leading up to the first official national meeting of the U.S. medical school business and administrative officers.

On Thursday October 31st, 1968, at 1:30 PM, at the Shamrock Hilton Hotel in Houston, Texas, Joseph Diana, called to order, the first official national meeting of the Medical School Business Officers Section Of The Council Of Deans.

Hugh Hilliard reported on behalf of the By-Laws Committee.

He remarked that, “although there will probably be some ad hoc committees established, the formation of standing committees should not take place until the next annual meeting.” The rationale was that this was desirable in order to avoid over-structuring until the new section and its officers had had a chance to identify the specific committee needs. He then presented the proposed by-laws (see Appendix “C”).

Mr. Robert G. Lindee reported for the Nominating Committee.

The committee proposed the following officers for the 1968-69 fiscal year:

President:	-Mr. Joseph Diana
Vice President:	-Mr. Harry Parker
Secretary:	-Mr. William C. Hilles
Treasurer:	-Mr. C. N. Stover, Jr.

The slate of officers was elected by unanimous vote of those in attendance.

Mr. George N. Norwood, Jr. reported for the Budget Committee.

He reported that the AAMC had assured the Business Officers Section (BOS), that they would cover basic expenses of the organization. At the time of this meeting a formal budget had not been developed. The plan was that this would be done by the Executive Committee during the coming year.

Joe Diana discussed the goals, objectives and future activities of the BOS.

- ❑ Purpose of the organization: To advance medical education particularly in the area of business.
- ❑ The BOS will be representative of all medical schools in performing its functions and that its officers, the membership and Chairs of the standing committees will be subject to sufficient turnover.

- ❑ The need for professionalizing the business officer's role as a team member in governing the medical school.
- ❑ Provide the best techniques and assistance to serve the programs of each medical school.
- ❑ The BOS will work to achieve a high level of sensitivity to the needs of each institution's personnel and programs.

Activities planned for the 1968-69 fiscal year:

- ❑ A workshop on medical school management.
- ❑ Interchange of administrative talent between schools.
- ❑ Middle management training.
- ❑ A medical school administrative fellowship program with the Federal government.

Mr. Thomas J. Campbell, Assistant Director, AAMC Division of Operational Studies, conducted an open discussion on professional development.

He told the group that a recent questionnaire on the background and organizational position of medical school business officers indicated a multiplicity of institutional organization charts and business officer experience.

He suggested that workshops be patterned after the AAMC administrative institutes, with the BOS picking the appropriate subject and curriculum development.

Dr. Walter Rice, Director of the AAMC Division of Operational Studies stressed the need for a close working relationship between the business officers and his division.

The next agenda topic called for reports from the regional meetings.

It was recognized from the very beginning that the strength of the BOS would be very dependent on the strength and success of its regional organizations.

The BOS divided the nations medical schools into the following regions;

- ❑ Northeast
- ❑ Southern
- ❑ Midwest
- ❑ Western

Hugh Hilliard reported on the first meeting of the Southern Region. It was held in Atlanta on May 13th 1968. Twenty-five people attended the meeting representing most of the southern medical school.

Discussion included: relationships with teaching hospitals, AAMC faculty salary questionnaire, budgeting and interim financial reporting, plans for future meetings.

Bill Hilles reported on the first meeting of the northeast region. It was held in on July 26th 1968. Representatives of twenty-eight of the regions thirty-seven medical schools attended. Discussion included: organizing business services within a modern medical center, fiscal considerations related to medical service plans, organization plans, a development of by-laws for the BOS.

On Friday, November 1st, 1968 the second program session of the young group took place. It started at 1:30 PM and ended at 5:00 PM.

C. N. (Red) Stover, served as the Chairman.

The group heard a talk by Dr. Manson Meads, Dean of the Bowman Grey School of Medicine. He presented - "A Dean's Eye View of the Business Officer."

In his talk Dr. Mead said, "the rapid growth of faculties, facilities, and programs had resulted in an increased complexity of financing of medical education. At the same time there is emerging public attitudes with respect to allocation of national resources to support the cost of medical education and bio medical research. This results in the need for a business and finance officer qualified to perform as a key medical school administrator."

"Such an individual must be capable of ensuring the optimum use of existing resources and of assuring that appropriate information is developed relating to program costs and sources of income so essential for sound, long range planning, decision making and program evaluation."

Dean William F. Maloney, of the Tufts University School of Medicine spoke about the relationship between the BOS with the AAMC.

He said that the advancement of medical education depends on good management. "As long ago as 1876, this thought was expressed by a group of leaders of twenty-two medical colleges, meeting to form a provisional Association of Medical Colleges of America."

He went on to talk about the close relationship between the AAMC and the medical business officers in such areas as, medical school program costs, medical center staffing patterns, cost analysis in teaching hospitals, annual expenditures reports and many other areas.

He urged a continuation of these relationships and said that this would lead to improving statistical reporting, finding better ways to determine the cost of medical education, develop better methods of budgeting, internal fiscal reporting for medical schools and improving relationships between medical schools and the federal government.

He emphasized that as a responsible official concerned with sound financial policy and operation of his/her medical school the business officer must recognize his/her responsibility for bringing ~~their~~ wisdom to the national policy scene through the AAMC.

Mr. Robert F. Kerley, Vice President for Business Affairs and Treasurer, University of Kentucky, spoke about the relationship of the business officer and COGR (Committee on Governmental Relations).

He discussed the role in federal-university relations which could be undertaken jointly by the Committee on Governmental Relations of the National Association of College and University Business Officers (NACUBO), and the new business officers section of the AAMC.

He reviewed the brief history of the government-university liaison and the development and nature of COGR. He emphasized its concentration on problems effecting educational institutions with significant federally funded sponsored programs. He said, nevertheless, COGR was not designed to handle all of the special problems experienced that may concern the AAMC. Therefore, it is very important that there be a very close coordination and continual dialogue between the two business officers groups on all matters of common interest as well as the specialized problems of particular interest to medical schools.

Dr. Julius B. Richmond, Acting President, State University of New York, Up State Medical Center, presented the first annual, A. J. "Gus" Carroll Memorial Lecture.

His talk was titled, "Creative Administration." He spoke about the talents and accomplishments of the late Gus Carroll, emphasizing his creativeness in developing more effective ways to meet the problems of medical center administration.

He suggested three areas that would be of concern over the next several years. [1] The development of a spirit of inquiry, [2] Adequate attention to institutional self- study and self-analysis resulting in new approaches to better management of resources, [3] Emphasis on the need to examine new approaches in financing health services to the American public.

He closed by expressing his view that the business officer is a full member of the academic community, not exclusively a service arm of the institution.

At the conclusion of Dr. Richmond's presentation the first annual meeting of the Business Officers Section of the Association of American Medical Colleges was duly adjournment.

BOS Nominating

Joseph A. Diana, Jr., *chairman*
Erick K. Erickson
David ...
John ... *Journal of Medical Education*
C. N

BOS Program

Adrian E. Williamson, *chairman*
Walker W. Allen
Alfred F. Beers
Floyd L. Hagan
Daniel P. Benford (*Ex officio*)

BOS External Relations

Thomas A. Fitzgerald, *chairman*
Richard Aja
Ronald A. Lochbaum
Bernard Siegel
George M. Norwood, Jr. (*Ex officio*)

BOS Professional Development

Joseph E. Lynch, *chairman*
Marvin H. Siegel
S. R. Wallace
Hugh E. Hilliard (*Ex officio*)

BOS Financial and Statistical Standards

William A. Zimmerman, *chairman*
J. Howard Feldmann
M. James Peters
Don Young
Joseph A. Diana, Jr. (*Ex officio*)

VOL. 46, APRIL 1971

BOS Committees as listed in the
Journal of Medical Education
April 1971.

Chapter Three
A Review Of The Role Of Regional Gatherings
In The History Of The AAMC Group On Business Affairs

Early Thoughts

The importance of a regional structure for the newly formed AAMC Business Officers' Section (later Group of Business Affairs) was stressed early on by the seven founding members with the strong endorsement of Gus Carroll. Speaking to the views of the "Founders' Group," which met initially in October, 1967, he reported, "a great interest in regional meetings has been shown and during the last year some have been held with varying degrees of success. At the committee [Founders' Group] meeting in New York we discussed the possibility of finding a place, date, and sponsoring group of schools for a good meeting which might serve as a model for meetings in other areas. Such a meeting will call for careful long-range planning and early attention." [Letter from AJC to Thomas Fitzgerald, January 10, 1968]

In addition to the educational value of regional gatherings of medical school business officers, the regions' value of furnishing planning input to national standing committees would soon become apparent.

Since the parent AAMC body -- and its subordinate groups, e.g. Group on Student Affairs, -- had been structured along regional lines, i.e. south, northeast, west, Midwest, it was logical for the planners of the new sub-group to think along similar geographic divisions.

Subsequent Actions

The structure of a "Business Officers' Section of the AAMC was taking form in the initial Bylaws, which emphasized the regions' significant role:

IV. REGIONAL ORGANIZATION

1. The purpose of the regional organization shall be to encourage communication between Business Officers' Section members with common regional interests and to provide a forum for discussion of matters to be acted on later at the national meetings.
2. The total number and geographical names of the regional groups shall be the same as regional groups for deans of medical schools and for other A.A.M.C groups.
3. A medical school may be affiliated with more than one region. The dean of the medical school shall designate the region (s) of affiliation and, shall be the primary affiliation.
4. Each region shall have a chairman and a vice-chairman to be elected annually by the representatives of the medical schools having primary affiliation with that region. A simple majority of the voting members is required. Regional groups may also elect a secretary.
5. The regional groups shall hold at least one meeting annually unless a majority of the members with primary affiliation (by mail or at a previous meeting) postpone or cancel a meeting.

6. A summary of the proceedings of the regional meetings should be distributed to all members of the regional group and to the Business Officers' Section Steering Committee. Minutes shall be kept by the Secretary or Vice-chairman.

Mr. Carroll turned to one of the seven founding members, Hugh Hilliard, to spearhead the effort to plan a pilot meeting in the Atlanta area for the southern medical school business officers, to be held May 13, 1968. In his invitation to his colleagues, Mr. Hilliard set some ground rules:

“We would like very much to hold a one-day meeting of all of the Business Officers in the south region . . . As a trial of the type meeting that might be most useful, it is proposed that only one representative from each school, designated by the dean, shall be permitted to attend this meeting. If the representative to the Business Officers' Section of A. A. M. C. cannot attend, he may then elect an alternate.

The format of the meeting would be very informal and would be more of a seminar-type program, rather than formal presentations.

It would be planned to have a discussion leader for each presentation and then for ideas to be exchanged among all of those present with hopefully each of us learning on a very informal basis from the others. It would be extremely helpful if those attending could bring with them samples of the way they handle certain problems and the forms and ideas used in the handling of these particular areas.

The meeting will be a one-day meeting, starting at nine, and the sessions formally ending at about five. In order that we might get better acquainted with each other, it is also proposed that a dinner with all of us being together be held that night.

The location of the meeting is specifically intended so that transportation will be minimized, as the motel is very near the airport, and most persons attending can either come in early on the morning of the conference or come after work the day before and spend the night preceding the conference there.

It is my personal opinion that the regional meetings, being small and very informal, might be the most useful communications device that we can develop.

It is hoped that each school in the south region can be represented at this meeting and that all representatives will come with ideas and solutions to problems that might be of benefit to all others attending.

Some of you will be called upon to act as moderators for the various sections to be discussed, and if you have any preference about which one you might like to volunteer to moderate, please indicate that on the card which you return.”

Southern Region

This pilot meeting was held in Atlanta on May 13, 1968, and 33 representatives of the Southern Region attended. Hugh Hilliard, the Region's first Chairperson, steered the effort. Here they discussed such items of mutual interest as the AAMC's Joint Annual Financial Questionnaire, its Faculty Salary Questionnaire, the Faculty Roster. The assembly also discussed the draft Section By-Laws, possible methods of funding programs for the Section, and the possible development of management training courses

for medical school business officers. The outcome of the Atlanta meeting was regarded as a successful initial step in establishing the role of regional meetings and workshops.

A follow-up gathering of the Region's representatives took place in February 1969 in New Orleans, where Tulane played host. Some thirty business officers were on hand to discuss the following topics: medical school relationships with their teaching hospital(s), academic medical center structure, faculty salary reporting.

In reporting its success to the AAMC Executive Council on June 6, 1968, Dr. Robert Berson indicated that other regional meetings would be held during the summer to address the Section By-Laws, the Faculty Salary Questionnaire, and other management issues of pressing importance to the members.

Northeast Region

Though Tom Fitzgerald (NYU) had convened a small group of New York and New Jersey medical school business officers in December, 1967, to discuss national organizational matters, it was not until July 26, 1968 that the Northeast Region held its first official meeting in New York City, under David Sinclair (SUNY), the Region's first Chairperson. Following generally the path taken earlier by the Southern Region, this group was represented by 28 of the region's 37 medical schools, AAMC staff, and by Joe Diana, the new Chairman of the AAMC Business Officers Section Planning Committee.

There was wide discussion around two major topics -- Organizing Business Services Within a Modern Medical Center, Fiscal Considerations of Medical Service Plans -- with extensive discussion on procedures and models in place at the various institutions represented by those present. The regional gathering also debated the organization plan and by-laws proposed for the new Business Officers' Section.

The following March, the Region conducted a second educational forum at the State University of New York's Conference Center at Oyster Bay, L.I. It was a 1 1/2 day session at which the participants were oriented to sensitivity training.

Midwest-Great Plains Region

Under this Region's leadership of Daniel Benford (Indiana), Midwest-Great Plains held its first regional day-long meeting on December 18, 1968 at O'Hare Airport, Chicago. Regional organization and officers' election were the first order of business, followed by informal workshops. These covered the following topics: Functions of the Business Officer, Services provided by the Medical School Business Office, Maintenance of Records (i.e. coping with questionnaires).

Shortly afterwards, on April 21-22, 1969, the region held its second meeting, under the chairmanship of Gerald Gillman (Minnesota), in Chicago. The business officers of this region began the custom of holding its semi-annual meetings in concert with the representation of the region's Council of Deans, Council of Teaching Hospitals, and the Council of Faculties. The format followed the pattern of the national AAMC meeting in the "First Annual Report of the Business Officers' Section, AAMC" (1969), the regional representative explained that the region's activities had "not been as extensive as the others [regions] partly because of mid-year organizational change as the Region moved to

fulfill one of the recommendations of the Coggeshill report”, which led to the involvement of conjoint meetings of Deans, COTH Representatives, Academic Council Representatives and representatives of this Section from the region’s Medical Schools. Thus, on the positive side, it was further stated that “this group has had an opportunity to communicate with other members of the Medical School management team.” But the representative stated that “the size of the group and the logistics involved in getting membership of this dimension together, has precluded extensive representation of the membership when compared to the other regions.” Nevertheless, fruitful joint discussions took place on such topics as: faculty practice plans, problems with Medicaid and Medicare, program cost allocation studies, and federal support of medical education.

It is noteworthy that the business officer representation for this region totals the largest of the four regions.

Western Region

The educational program of the Western Region got underway in January 1969 under the initial chairmanship of William (Bill) Zimmerman. As its history began, it was noted: “This group enjoys the advantage of being in the region with the smallest number of member schools and so offers this Section an excellent forum for total regional membership discussion on any one topic and endless opportunity for regional, task force type, in-depth studies.” [“First Annual Report of the Business Officers’ Section, AAMC,” 1969] The first education forum was held in San Francisco, and had twenty representatives from among fifteen institutions. The agenda included: the role of the business officer, methods of comparing costs, budgets and operating costs, medical service plans, relationships with federal agencies, business and fiscal relationships with parent institutions, budgeting and health science departments, fund-raising problems.

A follow-up gathering of the region occurred again in San Francisco the ensuing June. At that time, they explored extensively the goals and objectives for the Region, agreeing to establish a program of continuing professional development of the membership. They agreed to collaborate with national plan involving workshops or other professional development activities. They expressed the need for in-depth reviews and studies of business and fiscal management techniques and methods to assist in the future assignment of medical schools.

Canadian Representation

The national structure of the AAMC, e.g. Council of Deans, had for some time included representatives from Canadian medical schools as “associate members.” At its Executive Committee meeting on February 7, 1969, the Business Officers’ Section “RESOLVED, that the Business Officers of Canadian medical schools be invited to associate membership in the Section, which would include invitations to attend national meetings.” [Executive Committee Minutes] By the following year, they had full representation and voting rights. [BOS Bylaws as constituted in 1970] Soon business officers from the Canadian schools became active attendees and participants at regional meetings, especially in the Northeast and Midwest-Great Plains.

The Regions’ Role -- An Early Assessment

At the time of the Second Annual Meeting of the Business Officers' Section, held October 29-30, 1969, the initial year's activities were reviewed by Joe Diana (Michigan), the first BOS National Chairperson. After summarizing the regions' professional activities for the year, he highlighted the true value of the regions:

“ . . . these very brief comments regarding the regional activities do not adequately display the total involvement of our membership, their high interest and personal commitment to the efforts of this organization as observed by those in attendance. There is no doubt that the strength and future growth of this organization lies in the regional development as urged by the Executive Committee. There is also no question that there is sufficient depth in numbers and a wide variety of talent in any one region to afford the Association or a federal or private sponsor with the necessary talent and laboratories for any in-depth study, or case study. In fact, each region could easily select any one topic or problem, each year, for study and resolution, because of mutual interest and mutual need. It is evident that each representative is willing to give a little of himself and his institution to help improve the total knowledge and information about the nation's Medical Schools, because the environment in which he works and lives will automatically improve through such effort.” [First Annual Report of the Business Officers' Section, AAMC, 1969]

Regional Activities -- Post 1970

Beginning in 1969-70, the AAMC received several grants from private and federal sources that influenced the subject matter of the Association's educational programs through its Business Officers' Section and its regional components. The Kellogg Foundation provided funding for the development of four workshops around selected management topics: 1. Relations Within the Medical Center and the Role of the Business Officer, 2. Relations With the Federal Government, Fiscal and Administrative Relations With the Parent University, 3. Medical Service Plans.

Federal funding provided the impetus for studies that followed Gus Carroll's methodology defining the costs of medical school operations. Such studies would make it practicable to compare costs among the medical schools.

As these topics became more fully developed, i.e. workbooks, study plans, etc., they became agenda items for regional meetings. Frequently, regional gatherings occurred twice a year -- often at the site of one of the region's medical schools, and occasionally in conjunction with the National Annual Meeting. In the latter instance, these were to become somewhat rudimentary business meetings for the election of regional officers and reports on the more robust professional workshop to occur in the spring or summer of the following year.

Chapter Four
National Education Meetings
The Creation Of The Professional Development Committee
Some personal memories: M Siegel

In 1971 the AAMC annual meeting was held at the Palmer House in Chicago.

I previously had some discussions with Tom Fitzgerald and Dan Benford regarding the preliminary work to establish a professional development committee.

On our first day at the 1971 annual meeting Tom, Dan and I had a breakfast meeting to move forward with these ideas.

We decided to send a questionnaire to the GBA membership to determine those topics that were of greatest interest.

We thought we could develop a program with five or six topics and recruit a very fine group of speakers to present the program.

We felt that with a modest registration fee and a small honorarium to each of the speakers we could at least break even and build the foundation for an important source of information for the members of the GBA.

In order to proceed we needed the blessing of the Council of Deans and Tom and I had arranged to meet with their committee that evening.

Tom made his presentation and the chair of the committee was very skeptical.

“Tom”, he said, “Do you think the business officers are going to pay good money to fly across the country to hear you guys lecture to each other?”

Tom responded that the lectures would be good quality, the topics very important to the responsibilities assigned to the business officers, and with the growing complexity of the business management and administration of Academic Medicine these programs were critically important.

We were finally able to persuade the members of the committee that this was a worthwhile project and we did get their approval to move forward with the planning of the first professional development program.

Tom appointed an excellent committee to put together this first meeting.

Our “To Do List” was very comprehensive. Some of the key items:

1. Select the subjects.
2. Invite the speakers.
3. Select location.
4. Prepare brochures.
5. Make travel arrangements.
6. Prepare a budget.

We selected the Eden Roc Hotel on Miami Beach as our location for the first national professional development meeting.

The subject of the presentations reflected the most popular titles selected in the survey sent to all members of the GBA.

We were able to recruit an outstanding group of presenters.

The registration fee was \$100.00.

The hotel gave us a good room rate - \$150.00 per night for a room in one of the most desirable hotels in Miami Beach.

We estimated with registration, airfare, hotel, meals, taxi, etc, the average attendee would spend \$1,000.00 to attend the meeting. It was very important to all of us that those attending went home feeling the money was well spent!

As National Chairman, Tom Fitzgerald had use of the penthouse on the top floor of the hotel, which had been visited by celebrities from all over the world. This had three bedrooms and was the size of a very expensive private home!

The following subjects were covered at the meeting:

The Department Of Health, Education And Welfare, Organization And Operations:

This topic was presented by Richard L. Seggel, Deputy Assistant Secretary for Health Policy Administration, HEW.

Mr. Seggel began his presentation by describing Top health leadership – The Assistant Secretary for Health and Scientific Affairs is responsible to the secretary of DHEW for: (1) Line direction and policy control of the department's three health agencies, (2) Health policy advise on such matters as; health care financing (including Medicare and Medicaid), and development of new programs impacting on the Nations health. He discussed the Food and Drug Administration, Health Services and Mental Health Administration, Services delivery that included, Health Service Corps in underserved areas, family planning, maternal and child health, neighborhood health centers, migrant health, etc.

He spoke about the National Institute of Health – Research and Education arm including the Bureau of Health Manpower Education, and the National Library of Medicine.

He spoke about the increase of health in the Federal budget from 1.1% in 1963 to 7.4% requested in the 1971 federal budget.

In 1971 of the total budgets of the Nation's medical schools, more than fifty percent came from Federal grants and contracts. In 1973 \$1.14 billion Federal funds went directly to medical schools of which \$1.1 billion was from DHEW.

In 1971 seventy-two percent of HEW funds going to medical schools was for the support of biomedical research. This included; research grants, research training, research contracts, and intramural research.

Almost twenty-two percent of HEW funding of medical schools was for manpower development. This included; Institutional grants, Start-up grants, Special Project grants, Financial distress grants and Educational Initiative awards.

The 1973 HEW budget included funds to provide 12,900 medical students with loans, this represented 29% of the enrollment of the than 115 medical schools.

Funds for scholarships were provided to 7300 students representing 17% of total medical school enrollment.

DHEW provided significant funding for construction of medical schools. From 1964 (date program began) to July 1971, Mr. Seggel pointed out, over \$800 million was provided for this purpose.

Business Systems And Procedures – New Trends:

This topic was presented by George M. Norwood, Jr., Vice President for Planning, Thomas Jefferson University.

Mr. Norwood said: "It is the task of the business management to try to generate maximum financial resources for the medical center and to see that they are used in the most effective or productive manner."

He discussed some of the most notable characteristics of the university health science center:

- ❑ Diversity of direction and motivation.
- ❑ Diversity of people.
- ❑ Dispersion of power and authority.
- ❑ Capricious financing.
- ❑ Public interest.
- ❑ Accelerated rate of change.

He discussed the major business challenges that faced university health science centers in the 1970's, cash control, cost analysis and control, resource generation and justification, data collection and rapid retrieval, assimilation of new activities, and forecasting.

Finally he spoke about the fact that, "we must depend upon computer and the people associated with it for a large proportion of the capability which will be required in the future."

In conclusion he said, "All of these ideas indicate that we may become slaves to a highly complex machine. Once, not very long ago, this seemed likely, but now there exists a favorable trend toward our eventual mastery of this complex capability."

Administrative And Financial Relationships Between Medical Schools And Hospitals:

This topic was presented by Matthew F. McNulty, Jr., Sc.D., Executive Vice President for Medical Center Affairs, Georgetown University Medical Center.

He explained that the shared goals of medical schools and their affiliated hospitals have been summarized as: education, research, patient care and community service.

The relationship between medical schools and hospitals can be analyzed by considering eight major areas: [1] shared goals, [2] shared financial resources, [3] shared manpower appointments, [4] shared space, services and material arrangements, [5] teaching, research and patient care policies and practices, [6] administrative, organizational relationships and communication channels, [7] community service commitments, and [8] the agreement for affiliation and joint shared objectives and operation.

Management Information Systems:

This topic was presented by K. L. Kutina, M.B.A. and L. E. Lee, Jr., M.D., School of Medicine, Case Western Reserve.

The core philosophy of the program planning and budgeting system advocated by the presenters is its ability to pin point the most critical management information needs of the institution.

They said, "the most valuable by-product of the process of developing and implementing comprehensive operational and financial simulation models for planning purposes is the vivid way in which data shortcomings are highlighted. It stands to reason that if the models are geared to the needs of managerial decision-making and if they realistically simulate the operations and financial structure of the institution, the informational needs of management are identical with those of the models. In addition, the rigors of the analysis required for the simulation model development is such that it will probably reveal data needs critical to the managerial decision process."

Supervision and Human Relations:

This topic was presented by Milton F. Droege, Jr., President, Management Training Institute, Tulsa, Oklahoma.

Mr. Droege began by saying; "One of the most continually changing aspects of management is the attitude of society toward authority ... Authority has been praised and maligned alternately since the beginning of man, and for the past few years has taken an

unusual beating. It is foolish to think that authority is the only form of power in an organization; however, it is also foolish to feel that authority, in and of itself, is oppressive and undesirable. It is and will remain one of the primary tools of the manager.”

“The concept of structuring the organization to establish traditional authority supportive of the organizational goals will be one of the major academic considerations of management in the 1970’s and will have a strong effect on the method of organizational management almost immediately.”

“In summary, you will be well served as a manager to use the three following steps in the consideration of authority and its use:

- ❑ Identify the nature of authority and those forms that are most applicable to the task and the individual involved.
- ❑ Establish clear lines of authority in the organization and define the scope within which legally assigned authority can be used.
- ❑ Structure your organization so that the internal view of traditional relationships serves the purpose of the organization.”

Budgeting Techniques:

This topic was presented by Ronald E. Beller, Ph.D., Associate Professor of Management and Special Assistant to the President, University of South Alabama.

He said, “Budgeting, as a process in a complex organization like medical colleges, involves both art and science; science in the application of theory from the fields of economics, management and political science to the problem of allocating available resources to competing programs in the college; art in the successful merging of the myriad activities in the college so that individual and organizational thrusts are effectively combined.”

He went on to describe a complex, “Output Planning and Budgeting Model.”

This model requires four key steps to determine faculty needed by program:

- ❑ Stating the fundamental mission of the medical college.
- ❑ Formulation of precise goals for the major programs of instruction, research, patient services and their major sub programs, and for various support programs of the medical college.
- ❑ Program goals must be related to the rate of application of the faculty resource to each program.
- ❑ Multiply each program goal by the appropriate application rate to yield a schedule of required faculty for every program for each year of the plan.

He then described the methods used to determine non-faculty staffing required for each program and methods used to determine program needs for non- personnel resources.

Conclusion:

This first National Education Program turned out to be very successful. It provided a small monetary surplus of income over expense that was to support in part GBA activities over the next several years.

Most importantly, it served as the initial impetus that would lead to a series of National Education Programs over the next thirty years, and into the future, that would meet a very important need of the membership of the GBA.

Chapter Five
AAMC/GBA Studies:
“Cost of Medical Education”

The National Pressures

A push for acceptable approaches to ascertaining the costs of medical education surfaced during the late 1950's and early 1960's. The late Augustus (“Gus”) Carroll became the “guiding light” for studies that tested a methodology for determining these costs. This was the time when governmental bodies – both Federal and state – and private enterprise were asking for meaningful information regarding the financial resources required to educate a medical student.

Seventy-six medical schools reported spending \$100 million for their teaching and research activities in 1951. Twenty years later, ninety-two schools reported a seventeen-fold increase to \$1.7 billion for their academic operations. Though inflation can account for some of this increase, the primary explanation lay in the sudden and extensive commitment by the Federal government to underwrite the cost of advancing new knowledge in the bio-medical area.

The vast majority of our academic health centers are components of universities, and in the early 1970's many were sinking deeply into the bed of financial quicksand. In his classic study of the financial plight of 41 U.S. academic institutions, Dr. Earl Cheit, Professor of Business Administration, University of California, Berkley concluded in 1971 that nearly three quarters of those academic centers were either "headed for trouble" financially or had already reached that point. The administrators of those institutions proposed a number of solutions, among which were better methods of identifying priorities and allocating resources, improved unit-cost analysis, more attention to measuring output and increased long range planning. [Cheit, Earl F., The New Depression in Higher Education: A Study of Financial Conditions at 41 Colleges and Universities (Berkeley, The Carnegie Commission on Higher Education and the Ford Foundation, 1971) p. 139].

Although the Cheit study did not include financial data from medical schools per se, the participating universities where medical schools were present -- 12 of the 41 institutions studied -- were given the opportunity to comment on the degree to which they felt the presence of such schools contributed to their financial troubles. Although the responses varied, several of the universities viewed the medical school as a significant financial drain. It can be safely stated that very frequently the cost of operating a medical school at a university represents sometimes half or more of the total institution's budget.

Following up his studies two years later, Dr. Cheit observed one predominant benefit of financial adversity – a growing cost-consciousness on campus resulting in a "major management movement, complete with a new vocabulary...." For many years academicians viewed decentralization and autonomy from entrepreneurship as a stimulus for need to be managed. In sudden contrast, however, the financial depression into which many institutions of higher education had fallen in the early 1970s lead to a growing acceptance of the managed college or university. As a result, this led our academic health centers to a growing respect for the contributions of management science and technology.

Much of the dilemma at the time could be attributed to sharp and dramatic shifts in Federal support. As a consequence of cutbacks in such support, notably research, the extent to which those funds were used to support basic operating budgets was brought to light. The use of overhead funds for broad institutional purposes and the support of tenured faculty with "soft money" had been conditions long established and forgotten.

In Want of Valid Information – Program Cost Finding

The far too frequent response by university administrators to the ever present medical school/ university financial problem in the 1970s – and probably still exists in more recent times – was either to wish away the medical school completely or to make it autonomous, yet within the university structure so that the school alone could absorb its own income shortfalls and expense overruns.

Far too often, troubles came to those slavishly traditional institutions of higher education which refused to recognize the need for financial data beyond the conventional budgetary and accounting reports established for control purposes according to object classification. This has been an institution that does not recognize that faculty activities were becoming increasingly interdisciplinary, crossing departmental or school lines. To those visionaries who followed the precepts of administrators like Gus Carroll, it became apparent that there needed to be tools to provide management with cost information according to program, not just in answer to fiduciary requirements.

Both day-to-day administrative decision-making and long-range planning require the existence of credible information. Such credibility relates probably less to absolute accuracy than to a reliable means for its collection. Dr. Walter Rice, Director for Medical Center Planning at the University of Michigan, remarked that information is the "life blood of planning, and anemic plans will be the result of anemic data"[Rice, Walter G., M.D., Unpublished paper entitled "The Elements of Medical Center Planning"].

Medical school faculties are accustomed to collecting information for medical or scientific decision-making and the need for accurate data for organizational decision-making is no less valid.”

Enter the AAMC

The Association of American Medical Colleges has had a long history of interest and activity in the field of cost finding. For more than 30 years the AAMC has been aware of the inadequacy and the incomparability of medical schools' financial data.

During the late 1950's the late Augustus J. Carroll – regarded as one of the foremost experts on medical school fiscal affairs -- published his classic report on medical school costs. This study of 19 medical schools developed a uniform method and criteria acceptable to these medical schools in reporting financial data [Carroll, Augustus J., A Study of Medical College Costs (Evanston, Ill., Association of American Medical Colleges, 1958)].

During the following decade, Carroll and his successors at the AAMC instigated a series of cost allocation studies by functional output. The Association established a set of procedural guidelines and in many instances provided consultation to a number of schools undertaking these studies. It is estimated that more than 70 such institutional studies were undertaken.

Fundamental to the success of this effort was the beginning and growing involvement of the Association's Business Officers' Section (now Group on Business Affairs). From the very first, at both national and regional forums of this body, the topic of program cost allocation was on the agenda. Also, at this time, a study was under way by the AAMC jointly sponsored by the Division of Grant Administration Policy of the U.S. Department of Health, Education, and Welfare. This first formal Cost Allocation Study examined program cost information systems to determine their adequacy and suitability to meet both the requirements of university medical center administration and the accounting and reporting requirements of various granting, contracting, and funding agencies. The study was made in the following seven medical centers: Bowman Gray School of Medicine of Wake Forest College; University of Iowa; Jefferson Medical College of Philadelphia; University of Michigan; New York University; Ohio State University; and University of Utah.

More specifically, the objectives of the study were:

1. To identify the existing methods medical centers used in determining costs and related information required by granting, contracting, and funding agencies.

2. To determine program costs in each of the participating medical centers by a uniform system of program cost allocation.

3. To determine if the system or portions thereof proposed in Item 2 above met the needs better than the reporting systems then used by the 7 medical centers. If the uniform cost finding system or portions thereof was determined to be more useful than existing systems, suggestions were solicited for improvement?

4. To determine if the uniform cost allocation system would provide the fiscal and related information required by granting, contracting, and funding agencies in a manner acceptable to hospitals and medical centers and to the agencies involved. If the information produced by the system was found not to meet present requirements, it was asked if the system should be revised so that the information produced would meet these requirements; or whether the granting agencies should revise their requirements?

5. To consider development of a program cost finding system on the basis of the findings of this study.

6. To describe the cost allocation procedure and other administrative programs relevant to these objectives in a final report.

In view of the shortage of physicians and the medical schools that trained them, the methodology of finding the costs of educating doctors was being examined with great interest nation- and state-wide.

A most significant national outcome surfaced from these early studies and from the promulgation of the accompanying methodology developed by the AAMC. A system of capitation support was initiated by the Bureau of Health Manpower, NIH, that provided per-student financial support to the medical schools as an incentive.

After the initial cost study at the seven medical centers, and the published reports of this effort, other institutions initiated studies, using the AAMC's cost-finding methodology. It was emphasized that the primary value from these efforts was the development of useful information for the individual institutions, not in developing comparable data to be used in making inter-institutional comparisons.

First, data from the studies was shown to be invaluable in explaining to lay boards of trustees and legislators the nature and complexity of health center functions. The explanations were in output-oriented programmatic terms, with which outsiders could more easily identify. Further, the information from these studies provided the parent university with a reliable estimate of the annual cost per student of medical and other health education, thus enabling external agencies to increase capitation support. One medical school was able to double its capitation support from outside states, which because they had no medical school, sent their students to this particular institution. Cost studies led to the development of systems for program budgeting and control as well as long range planning projects using modeling simulation of techniques. Some of the studies have provided insights into the cost of reciprocal services provided in organizational units previously assumed to be equal trade offs but now recognized as uneven and requiring a system of monetary payments or credits. An affiliated teaching hospital in more than one instance was costing the university medical school a considerable sum in unreimbursed expenses. The cost study identified the extent of this amount and payment was subsequently made.

Information resulting from cost studies was able to show management where its deficit programs were and the extent of the deficit. This led to appropriate program cutbacks. Further, the results of program cost studies were used as back up documentation for various contracts or grant negotiations. Schools in financial distress were able to use the study information to support requests for special "disaster" funding. Within the medical school, chairs of academic departments were sometimes able to use such cost data as a tool for better budgeting and management. Consequently, they were been better able to explain their needs and the activities occurring in their departments.

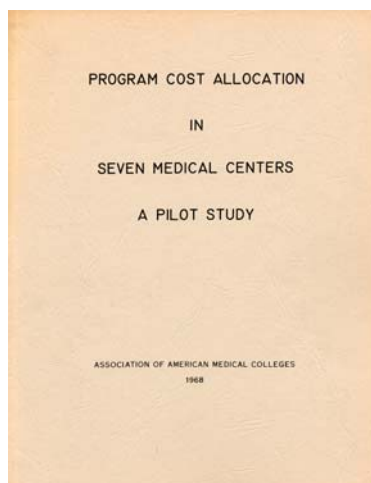
Although the AAMC recognized the primary value of cost allocation studies as internal institutional management tools, the Association undertook a broader inquiry into the complex programmatic and fiscal circumstances governing the nation's medical schools. In 1973 it published a report concerning the cost of resources required for the education program leading to the MD. [Undergraduate Medical Education: Elements - Objectives - Costs, Report of the Committee on the Financing of Medical Education (Washington, D.C., Association of American Medical Colleges, 1973)]. The report revealed guideline measures of the cost of this program based on an intensive review of education at 12 U.S. medical schools. The annual cost per medical student in 1972 was found to range from \$16,000 to \$26,000 for this group of schools. It was further found that the variation in cost reflected the schools' program objectives and educational approaches to the training of medical students.

These 12 schools embraced the spectrum of diversity in education techniques essential for the flexibility required to educate students with differing interests, career aspirations and educational and social backgrounds. The report discussed the relationship of the medical education program to the other activities of the contemporary medical school. The report

also delineated the complex activity and organizational arrangements surrounding the provisions of the undergraduate medical education program.

The data limitations and conceptual issues involved in deriving measures of the cost of one activity as interrelated with the other activities of the school were also fully explored in the report. A particularly interesting feature of this publication was the development of a model which purported to help resolve the problems of distributing the cost of functions and activities that serve more than one end purpose. The model drew specific empirical data from the 12 medical school studies and recognized a series of assumptions regarding the activity distribution of a hypothetical faculty member who is fully involved in the school's education program. Essentially the model was constructed for the purpose of determining the cost per undergraduate MD student for the research, clinical, and other administrative, scholarly, and professional activities of the faculty which may be considered necessary for the support of an affective educational program. In determining the cost, the model took into account the "degree of involvement" of the faculty member in instruction of the undergraduate medical student as well as the cost of conducting research or clinical activity at the institution.

Funding support from both the W. K. Kellogg Foundation and the NIH Bureau of Health Manpower Education during the 1970s enabled the AAMC to promote the use of the Carroll cost-finding model at a widening circle of the nation's medical schools. Grants from these organizations also made it possible to use a number of medical school business officers as consultants to the Association. Especially those administrators who had strong accounting backgrounds were used on teams of site visitors to schools undertaking the cost studies. They also were invaluable to the Association as faculty for workshops held nationally and regionally to instruct personnel from medical colleges interested in conducting self-studies.



See Appendix Four – Pages 93 –94.

After his untimely death in 1968 many of his admirers in the GBA felt that it was very important to provide a significant memorial to this outstanding individual who had contributed so much to the profession of medical school administration and business affairs.

It was decided to establish an annual lecture in his honor. The lectures were to be presented as part of the annual national meeting of the GBA.

On Creative Administration: [1968]

The first lecture was presented by Julius B. Richmond, M.D., Dean, State University of New York at Syracuse School of Medicine.

Dr. Richmond began his lecture:, “... this marks the establishment of the A. J. Carroll Memorial Lectureship, and I feel deeply the responsibility which is mine in having been designated the first lecturer. Second, it marks the first annual meeting of the business officers of the medical centers of the United States. The relationship between these two events is not entirely fortuitous. For the organization of this group, on the agenda of this remarkable man, Gus Carroll, who had many agenda and his share of unfinished ones.”

He went on to talk about the remarkable talents ... “he was what great figures often are: he was simple and extremely complex at the same time. In his personal life, modesty, quietness, order, simplicity, persistence, tenacity, and a prodigious capacity for hard work. Professionally, there was an openness of eyes and mind which enabled him to develop new insights into old problems.”

Pasteur’s old aphorism, “Chance favors the prepared mind”, was particularly applicable to Gus Carroll.

“His genius might have stemmed partly from the fact that he had not been warned about the impossible. As a result he moved on to solve those problems that others considered insoluble. This reminds me of an episode I experience in World War II. A young fighter pilot had just returned from the early days of combat over Europe. He was talking to the young pilots in training about the performance of the new German Messerschmitts. He said, they could out-climb, out-dive, out-bank, out-maneuver any plane we had. One of the student pilots asked, ‘what do you do when you’re up against a plane like that?’ He answered, ‘You shoot the bastard out of the sky!’”

Dr. Richmond spoke of Gus Carroll’s contributions as business officer at SUNY Syracuse New York.

He was asked about faculty salary levels by the New York State Legislature and he early on developed unique methods for developing faculty salary data that proved very helpful to the needs of his own institution and also lead to what we now refer to as the AAMC Faculty Roster Study.

The 1950's was a period of rapidly increasing costs of medical education and research and Gus pioneered studies to accurately determine the cost of medical education and research and all other health science center program costs.

He spoke of the importance of cost allocation studies to determine the appropriateness of resource allocation. The complexity related to the decision to increase medical student class size.

He concluded with a comment on credentialism. "The case of Gus Carroll is a good example. On the basis of formal education, degrees or certification he might not have qualified for the various tasks he undertook. Functionally, however, it is apparent that his talents and industry transcended the limitations of formal education. I trust that we can, in the face of our increasing institutional complexity avoid some of the pitfalls of credentialism and make room for the Gus Carroll's of our world."

Categories of Expenditures: [1969]

This lecture was presented by Ward Darley, M.D., President, University of Colorado.

Dr. Darley spoke about the sources of funding medical school programs.

He said that he was advocating new headings for the major categories of the sources of funds for medical school expenditures.

He discussed the details of each fund:

General Purpose Funds:

Those funds under the control of the medical school or its sponsors. Examples: state and city appropriations, unrestricted gifts, income from unrestricted endowments, transfers from general university funds, tuition and earned income from hospitals, clinics and medical service programs.

Funds For Sponsored Programs:

Sponsored programs are fostered and supported under special contracts, restricted grants, or restricted gifts by agencies interested in special programs. Allowances for overhead are proportionately related to these programs. These allowances are to help compensate the school for related administration, plant maintenance, and other indirect costs.

Dr. Darley said, "since the bulk of these funds come from the Federal government and since the government auditors make certain the related overhead is actually spent in support of these programs,

I think the time has come to stop counting overhead allowances as a portion of the funds available for general purposes and instead to assign expenditures that come from overhead to expenditures from funds for sponsored programs.”

New Resources for Medical Education: [1970]

This lecture was presented by Cheves McC Smythe M.D., Dean, University of Texas Health Sciences Center.

Dr. Smythe discussed start up expenditures in 22 new U.S. medical schools. He began by pointing out that in the past decade the number of medical schools enrolling students has grown more rapidly than the population. The ratio of active medical schools to population has moved from one school per 2.02 million people in 1960 to one per 1.94 million people in 1970.

Questionnaires were mailed to 30 American and 4 Canadian medical schools that had been authorized since 1950, and whose deans had been appointed prior to July 1st 1970.

The results reported in this paper included: Sixteen of the new schools secured sites of over 30 acres.

Four of the schools acquired major private support. In 16 schools more than two years elapsed between appoint of the dean and enrollment of the first students. Initial per class enrollment are generally small, (24 to 40), and projected class enrollments are in the same range (64 to 200).

From appointment of a dean to enrollment of a first class usually covers two years and average expenditures are \$1.178 million. The first year of instruction median expenditures were \$1.8 million.

Eighteen of the twenty-two new schools had in various combinations rented or renovated space in existing buildings or built a facility for temporary use. Eight schools rented 4,000 to 36,000 gross square feet.

Eleven renovated up to 100,000 gross square feet and five constructed initial facilities of 50,000 gross square feet or more. Nineteen schools reported using from 450 to 268,300 gross square feet of start up space at costs ranging from \$6,000 to \$1.5 million.

“The median size of basic science buildings, including library and animal-care facilities, is 200,000 gross square feet, the median cost was \$9.94 million.”

“Median size of clinical science buildings was 465,000 gross square feet at a median cost of \$20 million. Only ten schools had built clinical science buildings.”

“Operational support of the new schools from sponsored grants and contracts prior to the enrollment of students was meager. With the exception of two medical schools grafted onto hospitals with major on-going research programs and another joining a major university biological research program, 14 received prior to enrollment sums from external sources varying from zero to \$300,000, six \$300,000 to \$1.25 million, and two over \$5 million.”

Medical College Business as Usual [1971]

This lecture was presented by Kenneth R. Erfft, Professor Rutgers University.

He began, “There has never been a time in higher education when the role of the chief financial and business officer of a college or university has been so demanding or so difficult, and, at the same time, so little understood or so little appreciated as at present.”

He talked about the second Jellema report

“Dr. Jellema reported the following:

1. 365 private colleges and universities will close by 1981 unless they receive immediate aid.
2. 200 institutions will be exhausting their liquid assets within this year.
3. 26% of the 507 schools reexamined have operating deficits worse than expected.
4. 175 private accredited colleges and universities have already exhausted their total liquid assets ...
5. 36 can last less than one year while an additional 154 may be bankrupt in from one to ten years.
6. colleges enrolling 1,000 students or less, particularly those below 500, of which one-third are in the geographical center of the country, will be hardest hit and 210 in this group may be on the verge of extinction in less than one year.”

“As I consider the occasion of our meeting here today, I am awed by the magnitude and the scope of responsibilities which rest upon each of you. I am deeply aware how few there are who fully appreciate the complexity of the administrative duties with which you deal each day. Upon you shoulders more than any other rests a large measure of the potential totality for success or failure of the future of medical education in America.”

“The progress and success of your financial leadership is self-evident in our nation’s medical colleges. You are all worthy successors to the traditions of men like Gus Carroll whose memory we honored through this hour.”

“I would charge you to assume the leadership with dynamic and aggressive determination for the financial security and future of your institution, and with you academic counterpart strive to sustain and advance your efforts regardless of the magnitude of the task before you.”

Medical School Financing Where Do We Stand? [1972]

This lecture was presented Charles Sprague, M.D., Dean, University of Texas Southwestern.

Dr. Sprague began by mentioning the work he had been doing the past two years as the Chairman of the AAMC Committee on Financing Medical Education.

He spoke about the relationship between the dean and his business officer. He said in the past the single most important appointment that was made by a dean was the appointment of the chairman of the department of medicine He said now, the two most important appointments made by a dean are, the appointment of the chairman of the department of medicine and the appointment of the business officer.

He spoke about the changing role of the business officer, i.e., provide the institution with a better insight into the real costs of medical school programs.

He said the Committee on Financing Medical Education had made significant progress over the past two years. “The time is here where we must reveal, to a greater degree than we have in the past, an accurate portrayal of the income side of the ledger, as well as true costs and actual expenditures.”

He spoke about the Comprehensive Health Manpower Training Act of 1971, which gave a specific mandate to Congress:

1. “The Secretary of HEW will arrange for the conduct of a study to determine the national average annual per-student educational costs of schools of medicine ...”
2. “Such studies shall be completed and ... a final report not later than January 1, 1974.”

The National Academy of Science’s Institute of Medicine was assigned this task.

He referred to the fact that there had been strong interaction between the Institute of Medicine and the AAMC.

He said, “the methodology being utilized in costing undergraduate medical education is known to many of you who have been involved in recent cost allocation studies and you will recall the following formula:

$$\text{Education of the M.D.} = I/E + R/E + S/E.$$

Where I/E = Cost associated with instruction of the M.D. candidate.

Where R/E = Cost associated with research considered essential for the Program of the M.D. candidate.

Where S/E = Cost of patient services necessary to support the educational program of the M.D. candidate.”

He ended his talk by saying: “While on many occasions in the past 18 months I have felt our task was essentially hopeless, I am now convinced that we can come up with data and recommendations that will lead, hopefully, to more realistic approach to the financing of the medical school operation.”

No Trumpets, No Drums: [1973]

This lecture was presented by Ivan L. Bennett, Jr., M.D., Dean, New York University Medical School.

He began, “Mr. Carroll’s principal dictum was, ‘know the facts that explain the figures.’ He referred to the Norbert Wiener’s statement: ‘There is only one quality more important than ‘know how’ that is, ‘know what’, i.e. by which we determine not only how to accomplish our purposes, but what our purposes are to be.”

He said: “Our classic claim to pursuit of excellence and our goal of high quality are under heavy challenge.”

“Ethnic and women’s groups demand more representation in our student bodies, our faculties, and our governing boards, community leaders, some self-styled and some bona fide, and community groups, official and unofficial, demand day care, free abortions, improvement of slum housing and job preferences to mention a few things only.”

“The medical schools are given to understand that the nation expects more primary care doctors, fewer specialists, better distribution of physicians, better utilization of hospital beds, prepaid comprehensive care, more physicians’ assistants and hitherto undescribed new types of paraprofessionals, more preventive measures, multiphasic screening, integrated emergency care systems, more targeted and less basic research, the conquest of cancer and heart disease, fewer medical scientists and more practitioners, better continuing education of physicians, programs for foreign medical graduates, better health education of the public, more efficiency and productivity, in research, education and patient care, more students and fewer faculty, multiple tracks to the M.D. degree, more humane evaluation of student performance to reduce the pressure of academic competition, better management of everything, and, oh yes, more parking space for patients, visitors, staff, faculty, and students.”

He concluded that the task of the dean of a medical school becomes much more difficult because, “most deans, and I include myself, come to their job without the requisite experience, knowledge and skills to bring about needed organizational change. The selection of medical school deans still tends to be on the basis of academic accomplishment alone. Much of which is the result of effort and experience that in no way prepared the individual for his role as manager of a complex organization.”

He described, how, as a result of this, a group of deans met informally to discuss what be done to correct the situation. As a result an educational program was developed. The program included two seminars. The first, a one-week seminar on management techniques and theory. The second, a follow-up Institutional Development Seminar.

The dean and a group of colleagues review some of the concepts and informational in put from the first seminar, and have the opportunity to apply some of these concepts to a problem of concern to the institution.

He observed: “Enough deans have gone through the program and are enthusiastic about its possibilities that it now seems probable that much of the future activity of the Council of Deans will be continuing education in management skills.”

Some Comments On The Bases for Initiating Planning and Managing R&D Programs in the Biomedical Sciences: [1974]

This lecture was presented by Robert S. Stone, M.D., Director, National Institutes Of Health.

Dr. Stone began, “In the executive action that determined the mission for this organization, you established as a general goal improvement in the management of health-oriented organizations, especially academic medical centers.”

He explained that as our academic medical centers grew larger and larger they reached such complexity that, “their very manageability is called into question.”

“Today the needs imposed by this environment in which the organization is immersed is so diverse that many different competencies must be available if the organization is to stay alive. That is to say, just the body of knowledge, information and skills required for organizational survival is vastly greater than it was in the days when a simple bureaucratic structure was appropriate.”

“Furthermore, our contemporary society, has placed new value on individual worth and has a new understanding that the best in people is only forthcoming when contributed voluntarily. These factors have converted the internal milieu of the organization into a multi dimensional, protean network of relationships among human beings of which we have only a limited capacity to represent graphically.”

“Health organizations seem to be giving increasing recognition to the role of teams – groups of individuals banded together to accomplish particular tasks.”

“This recognition is more and more explicit and influential in the administration of patient care. The fact is that teams are at work not only in direct patient care but throughout the general management of health organizations.”

“In the multiple missions of the academic health center, each member of top management must add to his specialized functions --- whether in academic affairs, fiscal matters, or personnel management --- a generalist approach. It is dangerous to describe the centers mission in such restrictive terms as the education of medical students, the production of new knowledge, or the delivery of optimal health care. Instead all of these missions coexist, and indeed compete with each other for limited resources. No single mission achieves absolute priority for any extended time, and each, in fact, must contribute to the success of the others’ goals.”

“The fiscal staff of the institution, for example, needs some understanding of the environment of laboratory research, not only to anticipate the need for supplies and equipment but sometimes to accommodate rapidly to new-found opportunity ... On the other hand, the clinician must learn to distinguish between his real needs related to promptness and urgency in patient care and the impositions he might tend to place on others through impatience, insensitivity or his own lack of foresight.”

“The various models for planning and management can be judiciously applied not only in compliance with the intrinsic needs of scientific discovery, but so as actually to facilitate scientific problem solving. In a general way they represent a spectrum from the very informal requirements for the most basic studies to the formal, more structured systems conducive to direct social utility.”

The Cost of Medical Education – Who Should Pay?: [1975]

This lecture was presented by Marvin R. Dunn, M.D., Dean, University of South Florida College of Medicine and the University of Texas Medical School at San Antonio.

He began, “Ten years ago there was a generally accepted proposition that there was a shortage of physicians, that medical schools needed to increase their enrollments, that medical schools required Federal assistance to meet both the cost of current educational programs and the cost of expansion.”

“Much of the discussion then centered on what was the actual cost of educating a physician, with strong implications that if precise data were available for such cost, that Federal support for some major fraction would be forthcoming.”

He said that during the past decade their had been in reversal of this opinion, i.e., the idea of a physician shortage has been challenged. As a result real incentives for increased enrollment were gone.

Many studies have been conducted to reach a consensus as to the cost of medical education in various settings and circumstances.

“Instead of the expected stable support from the Federal government for some portion of the cost of medical education, the rhetoric has shifted to the issue that students of the health professions have not been asked to assume a proportionate share of their increased educational costs.”

He went on: “Who should pay the cost of medical education? Those who benefit should pay in proportion to the benefits received.”

Next he listed the beneficiaries of medical education.

1. Individual patients.
2. Society at large.
3. States and lesser units of government.
4. Faculty and support staff benefit via their employment.
5. The local community where the medical school is located.
6. Those who sponsor biomedical research.

7. The federal government.
8. The student.

He discussed the pros and cons of increasing student tuition to pay the cost of medical education.

He concluded his remarks: “It will only be with full and precise data for both the costs and benefits that we can develop a rational solution to our present mounting dilemma, through a process by which all those who benefit from medical education also support its costs in relationship to the benefit received. The emphasis must be placed on all those who benefit and not simplistically, a few.”

What's the Worth of a Widget? [1976]

This lecture was presented by Richard Janeway, M.D., Dean Wake Forest University School Of Medicine.

Dr. Janeway stated in the abstract to his presentation, “The cost of medical education has been a social issue for three decades. Allocation of program (effort analysis) has historically been the method by which we represent our costs even though the method does not represent the way in which we function. Program cost finding does not allow us to define education as a process separable from the process of a profit orientated industry. The question is raised as to whether the methodology is appropriate in the current political climate. Time-series analysis is introduced as a tool of management that relates holistic rather than programmatic outputs. An aggressive approach to open accounting which emphasizes the social value of our multiple products is recommended as a partial remedy to the lack of understanding of our worth to society.”

He said that in his opinion the failure of cost allocation methodology is that it is not compatible to the manner in which most medical school deans allocate resources. He said that in his opinion most medical schools dean’s allocate resources programmatically, rather than by department.

He recommended that: “We must either change the way we budget (and work) or we must change the way we account for our actions. If we who budget do not separate function into programs because we take a holistic view of the process, why then should we present our multifaceted process in fragments to the governmental sector or to the public? It seems to me that we need to represent ourselves – account for our actions, in other words – in the form in which we believe we function. We must find a way to represent our activities, which will not leave our data helpless in the face of political interpretation. Once having done that let the chips fall where they may.”

A Decade of Dedication: [1977]

This lecture was presented by Joseph A. Diana, Vice Chancellor for the Urbana Campus, and Associate Vice President for Business Operations for the Urbana, Chicago Circle and Medical Center Campuses, University of Illinois.

Mr. Diana recalled the time that Gus Carroll invited seven individuals to meet with him at the Hilton hotel in New York. The purpose of the meeting was to plan the creation of an organization that would provide a forum for the growth and development of the medical school business officer.

“... an organization that hopefully would be called the Business Officer’s Section (of the AAMC), there were those who thought the ‘B.O.S.’ was an appropriate designation because spelled backwards, ‘S.O.B.’ identified the right person in the medical school.”

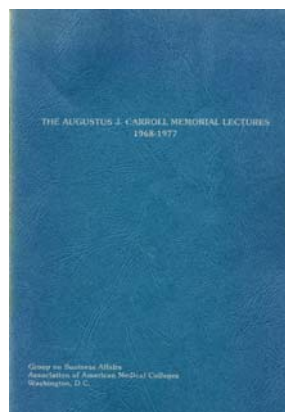
In his talk, Mr. Diana recalled the career of Gus Carroll and his many contributions to the organizations he served.

“This talented man, whose very life personified modesty, quietness, persistence, and tenacity with a prodigious appetite and capacity for work, had a professional eye and bent of mind that was constantly in search of answers. Often, Gus took quietly to his favorite study place, the kitchen, and with pencil and reams of scratch paper, proceeded to work out a solution to what others considered to be unsolvable or impossible to do.”

He continued: “Mr. Carroll’s most noted work, A Study of Medical College Costs, in 1958, is very misleading in terms of title. In that work there is contained a culmination of a lifetime of study and struggle with the concepts and methods of institutional management and the evaluation of management efficiency and effectiveness that intrigued and tormented Gus for more than thirty years.”

He went on to talk about the change in medical school management as part of the management boom in higher education. “Rapid expansion found the business and administrative organizations of our medical schools in an inadequate posture and finding it difficult to cope with the growing competition.”

“None of us intended that the business officer be a backroom type. Gus expected that, in time, such individuals would have a public voice with other schools, private benefactors, legislators, and government officials. The group never lost sight of its purpose. It continues to advance its membership professionally; to exchange information; to have meaningful dialogue with the key staffs of federal and state agencies and other organizations in the health care field to provide expertise to the AAMC in developing management data banks, management systems, and improvements in the other management tools.”



The Division of Operational Studies - Its Role

The AAMC's Division of Operational Studies has served as the staffing unit for the Business Officers' Section (aka GBA). From the time that "Gus" Carroll joined the full-time staff of the Association in 1962 until his death in 1968, he served as Assistant Director of the Division. It fell largely to "Gus" to carry out the broad charge of his Division, i.e., to verify, organize, interpret and evaluate financial and general operating data coming to the Association from its constituent medical schools.

In the words of Mr. Carroll the “value of the services that the AAMC can provide to its member colleges depends importantly upon its ability to furnish individual schools with timely and useful financial and operating information.” [INFORMATION FOR AAMC STAFF MEETING, January 4-5, 1968, Carroll]. Critical to this were the several surveys -- appropriately designed and tested.

The medical school business officer, assisted by his/her staff, has remained fully involved with providing answers to the AAMC's questionnaires. Therefore, from the onset of the BOS (GBA), the representative has continued to be a significant participant in the exchange of administrative information.

Recognizing the need for guidance from its constituents, the Association established a steering committee for the Division of Operational Studies (DOS), and on September 15, 1967 this seven-member advisory group met for the first time. It is significant that two of its members were drawn from the ranks of medical school business officers – Red Stover (Utah, later North Carolina) and Joe Diana (Michigan).

Subsequently, as the business officers established their organization, a regular committee was recognized as important and became part of the initial bylaws: Committee on Fiscal and Statistical Reporting (later changed to Standards). Its charge was to coordinate and plan with AAMC staff the various national questionnaires and information forms asked of medical schools. Specifically, it was to review the various fiscal and statistical reports required and to suggest improvements.

Mr. Carroll saw the value of careful organization of the information gathered from the schools, and he stated in his 1968 statement for AAMC staff that the DOS carry out the following: bringing “the facts and figures of a specific school into significant relationship; compiling quantitative information to reflect the total national picture; and arranging information to facilitate easy and proper comparisons of one school with another, and of one school with national minimums, maximums, maximums, averages, medians, etc.” Carroll strongly urged that his Division’s annually collected data be organized, interpreted, and reported in different ways so that it could be used more extensively by individual schools and special groups of schools. This would require more arranging and re arranging of the information and new combinations of facts and figures. Again, the business officers through its Committee on Fiscal and Statistical Reporting became very helpful with this effort.

Data to Support the Accreditation Process

As the medical school business officer gained in stature as a true professional on the dean's staff, this individual became increasingly involved in the periodic accreditation of the school. The process of accrediting medical education programs leading to the M.D. in U.S. and Canadian medical schools has been conducted jointly by the Association of American Medical Colleges and by the American Medical Association. This occurred via site visit to the institution. The joint body responsible for the review was the Liaison Committee on Medical Education (LCME). For each school it usually occurred every seven years unless there were reasons to have the assessment take place more frequently.

The business officer became an increasingly invaluable provider of administrative and program data about his/her school. Each year, the LCME has collected data about the structure and operations of each accredited medical school. The information has been used for continuous monitoring of the school in the interval between the formal accreditation visits. Aggregate data have also been found useful to support public policy making and to provide accountability to the public on the content and methods of medical education. The collective information resides in the AAMC institutional database for use through a number of reporting mechanisms.

From the outset, the Business Officers' Section (GBA) took an active interest in assuring the accuracy and consistency of the data sent to the AAMC. The questionnaires were in two parts, sent to the schools at different times of the year. First, the LCME Part I-A (Annual Financial) Medical School Questionnaire has collected data on the revenues and expenditures of the school. This survey was administered initially by the AAMC's Division of Operational Studies, later the Division of Institutional and Faculty Studies. Currently the questionnaire is mailed each year in mid-September to medical school deans and designated principal business officers with a due date of mid-December.

A LCME Part I adjunct (Part I-B) relates to student financial aid and collects data on financial assistance, grants, loans, work-study, and educational indebtedness for medical students.

The second survey form of the LCME series is Part II. It collects data on operational characteristics of the educational program leading to the M.D. degree, including details of the curriculum, the demographics and academic antecedents of students admitted to the program, and resources involved with the educational program such as faculty, residents, educational sites, library. Collective data are summarized in an annual report published in the *Journal of the American Medical Association (JAMA)* in September. The Part II questionnaire is administered by the American Medical Association's Department of Research and Data Analysis and is mailed out each January, with a due date of mid-April. Though medical school business officers have had less general involvement with Part II, many have been responsible for some of the data elements that reside in their respective school's computerized information system.

Faculty Data

With the increasing dominance of faculty numbers and salaries in medical school budgets, growing attention focused on this component in financing schools of medicine. The AAMC began collecting data on faculty salaries in the early 1960s. As they set

salary levels for their full-time faculty – both clinical and basic scientist – the Association’s constituent institutions became increasingly dependent on reliable salaries reported as averages by rank and discipline. The focus of this annual survey became a dominant program discussion item at many early BOS (GBA) meetings – both nationally and regionally.

Distinctions between *strict* and *geographic* full time became vague; the influence of faculty practice plans on reliable faculty salary reporting became increasingly problematic at some schools – especially at private institutions, or where there were separate corporate structures. The importance of developing organized structures for the *capture* of practice-derived clinical faculty income, and the *uses* of such revenue dominated medical school management in the 1960s. This became a central issue at many conferences – regionally and nationally --, especially as potential income to the schools increased exponentially with the entry of federal/state Medicare and Medicaid programs. At a NYC meeting of medical school business and fiscal officers in October, 1967, “Gus” Carroll spoke about medical practice plans and cautioned that “it is neither possible nor desirable to devise a single plan that will absorb every problem of every school. If your school has no medical service plan, or if it has a faulty one, you sooner or later will have to design a plan to serve your special needs. This is strictly a do-it-yourself project. The worst mistake you could make would be to adopt certain policies and practices because they seem to have worked for someone else.” The medical school business officer was in “the thick” of discussions at his/her school, and these carried forward at many of the early national and regional BOS (GBA) meetings. Because of the Section’s interest in the topic, one of the first four workshops established under the sponsorship of the Kellogg Foundation was on the topic of faculty practice plans.

For many years the AAMC had been gathering data on the characteristics of paid faculty at allopathic medical schools for many years. However, it was not until 1966 that the Association, through its Division of Operational Studies, initiated an *organized* system for collecting and analyzing such information. The new structure was to be known as the Faculty Roster. It soon became an invaluable data system to support national policy studies, and to provide feedback on faculty attributes. When individuals are first appointed to faculty positions, medical schools submit educational, employment, and demographic data to the Faculty Roster, and updates are made as needed. Institutional participation in the Faculty Roster has always been voluntary. Each of the nation's medical schools has contributed to the quality of the Faculty Roster by appointing a Faculty Roster representative to coordinate data reporting. Often, the medical school’s business officer has served in this capacity.

The information has been submitted on a departmental basis and sent to the schools for distribution to departmental secretaries who were charged with the responsibility of verifying and updating existing information and providing information items not previously contained in the Faculty Roster. In addition to the bibliographic information on full-time faculty members, the departments were asked to provide head counts of part-time faculty at all ranks and such supporting personnel as interns, residents, professional staff without faculty rank and all other administrative, clerical and technical personnel. Extensive data processing of this information was undertaken by the Association to establish an historical file of medical faculty staffing to be updated on an annual basis. In the initial year, the Faculty Roster had information on approximately 17,000 fulltime faculty members.

Integrated Management Information Systems

During the 1960s computer technology and application possibilities for management decision-making provided medical school managers with new ability to monitor and forecast their school's direction. At an October 1967 gathering of medical school business officers in NYC. "Gus" Carroll spoke to the prospects of this development, there "seems to be no limit to the potential uses of computers and data processing." He cautioned that examination of "existing administrative data processing systems with a view toward computerization, a look at what other medical schools and medical centers are doing, and information obtained from computer salesmen will start you thinking, *but any move into computer applications must be preceded by careful study and expert planning.*" Carroll also warned that some medical schools' information systems were subsumed by the parent university's system, thus leading to the danger "that the process of coordinating university and medical school management data requirements would lead to an over-simplification of the problems of the medical school." He envisioned the invaluable information exchanges that would occur among medical college business managers.

This topic became a regular business officers' program item at both national and regional meetings. The thrust at these early gatherings was to share the experiences of problems, obstacles, approaches and accomplishments in the design of internally useful management tools.

In partnership with its constituents, the AAMC about 1970 began promoting a generally recognized concept of *the integrated medical center information system (IMCIS)*, and with input from the Business Officers' Section developed a series of workshops around subjects whose contents would strengthen and extend the management capabilities of the medical schools' administrators. One such topic "The Development of Integrated Medical Center Information System" resulted from this program [Presentation of Integrated Medical Center Information System (IMCIS) Papers, Business Officers Section, AAMC Regional Meetings - 1971 (Washington, D.C., Association of American Medical Colleges, 1972)]. An IMCIS' steering committee, composed of knowledgeable medical school and health center business officers, was charged with the organization and presentation of this workshop. In preparing for this, the group spent the first year or so developing a data base dictionary and addressing the following areas of concern: standard data definition; data ownership, responsibility and control; data base management software; and system resource sharing.

This subject was the substance of one of the workshops supported in part by the W. K. Kellogg Foundation. Accompanied by comprehensive workbooks and led by an enlightened number of managers from the medical educational community, the subject was presented over the next few years to responsive audiences receptive to up-to-date information useful to operations and planning at their institutions.

Representative of the receptivity of this topic was the May, 1971 meeting of the Southern Region and Midwest-Great Plains Region, held in Arlington, VA. The theme of the seminar – "Medical Center Information System" – spoke to the problems of developing a computer-based data gathering and collection system, and the manner in which the information must be handled to be useful to all levels within the academic medical center

organization. At the previous year's national AAMC meeting, the BOS featured the topic during its program section of the meeting.

The BOS' Committee on Information Resources continued to generate interest in data gathering, organization and dissemination as information useful college and health center business policies and procedures.

AAMC Medical School Profile System

For its part, the AAMC devoted increasing attention to the collection and management of meaningful data on medical schools. "Gus" Carroll and others who followed him in the Division of Operational Studies recognized the desirability of organizing the vastly increasing quantity of medical school data being collected by the Association in the most meaningful way for its own analytical uses and as feedback to its constituency. It had long been accepted that each school was unique and dissimilar from most other schools. Yet, there were logical groupings of institutions that as a sub-set could be internally compared. Carroll had long accepted the unique nature of each medical school, making it difficult and risky to undertake inter-comparative reviews without careful thought and selectivity. However, he recognized that there were logical groupings of institutions – schools owning and operating a teaching hospital; schools on the campus – or in close proximity to a parent university versus those without an affiliation or at some distance from its parent institution; private from public schools; those with strict full-time clinical faculty and medical service plans versus with geographic faculty with quasi-private-group arrangements. If the Association could cluster "like" institutions in logical groupings and array the data so that comparisons could be made within the group, Carroll reasoned that information could be meaningful to those inter-group schools.

The AAMC, through its Division of Operational Studies developed the Institutional Profile System (IPS) in 1972 as a database and reporting system designed to compare medical schools in a number of areas. [Subsequently it has been renamed the Medical School Profile System (MSPS)] Its major value to the medical school has been to allow its administrators to perform intra- and inter-institutional comparisons, develop time-series data and support accreditation activities. Also, it was recognized that the data could be used in support of strategic planning, to create comparative data analyses, and to track national trends for advocacy purposes – both nationally and regionally.

The major portion of the data come from the Liaison Committee on Medical Education (LCME) annual surveys, and thus includes data pertaining to medical school revenues and expenditures (LCME I-A), student financial aid and indebtedness (LCME 1-B), student enrollment, faculty counts, and curriculum (LCME Part II), and tuition and fees (Tuition and Fees). For a number of years annual reports have been available, initially by mail, but lately online, to any individual who is affiliated with any of the AAMC member institutions. Ad hoc reports can be requested by AAMC constituents, and also by other parties with a legitimate need for medical school information.

The Business Officer as a Writer

The BOS (GBA) early on recognized the need for self-evaluation and professional improvement. In 1969-70, the new Committee on Professional Development was inaugurated to advance the skills of those engaged in the fiscal management of medical education. This individual's journalistic potential was recognized. In 1971, Marvin

Siegel, Chairman of the Section's, urged his colleagues to write articles of national interest in various professional journals. Some did, for example, in the AAMC's *Journal of Medical Education* [later renamed, *Academic Medicine*]. Following are samples:

Hilles, W. C. (1973). Program cost allocation and the validation of faculty activity involvement. *Academic Medicine*, (AAMC) 48: 805-813.

Siegel, B. (1978). Medical service plans in academic medical centers. *Academic Medicine*, (AAMC) 53: 791-798.

Hilles, W. C. & S. K. Fagan (1972). A comparison of the patterns of financing for private and public medical schools in the last decade. *Academic Medicine*, (AAMC) 47: 579-583.

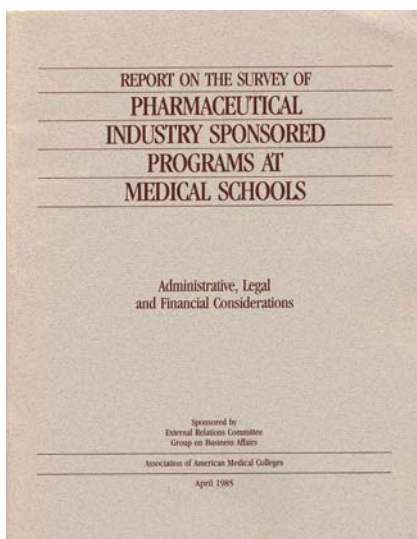
Ridley, Gordon T., Susan E. Skochelak, and Philip M. Farrell (2002). Mission Aligned Management and Allocation: A Successfully Implemented Model of Mission-based Budgeting. *Academic Medicine*, (AAMC) 77:124-129.

Deufel, J. H. (1971). Managing Teaching budgets and research grants. *Academic Medicine*, (AAMC) 46: 554.

Kutina, K.L., E.A. Bruss, and M. Paich (1985). Impact on academic medical center of reduction in reimbursement of indirect research costs. *Academic Medicine*, (AAMC) 60: 669-676.

Goodwin, M.C., W.M. Gleason, and H.A. Kontos (1997). A pilot study of the cost of educating undergraduate medical students at Virginia Commonwealth University. *Academic Medicine* (AAMC) 72: 211-217.

Holmes, Edward W., Thomas F. Burks, Victor Dzau, Michael A. Hindery, et.al. (2000). Measuring contributions to the research mission of medical schools. *Academic Medicine* (AAMC) 75: 304-313.



In April 1985, the AAMC published "Report of The Survey of Pharmaceutical Industry Sponsored Programs At Medical Schools". The study was sponsored by the external relations committee of the GBA, The members included Tom Fitzgerald, Chairman, Roger Deshares, Louisiana State University, John Dorfmeister, University of Chicago, David Mendelow, Stanford University School of Medicine, Robert Rose, Bowman Gray School of Medicine, and Clarence "Red" Stover, University of North Carolina at Chapel Hill.

Chapter Eight
Memories of AAMC National Meetings: M. Siegel

Looking back over a career that has spanned almost forty-five years in academic medical center business and finance, some of my fondest memories relate to the AAMC annual meetings.

Perhaps this is due to the fact that this provided an opportunity to leave the daily routine of balancing the budget, and try to solve the plethora of other problems we were presented each day, and go off to another city where we could meet with our colleagues from other parts of the country.

These meetings were always very stimulating and thought provoking. They gave us an opportunity to learn what was happening in Washington and other parts of the country and to listen to some very interesting speakers.

One meeting in particular will always remain in my memory.

This was the 1970 meeting at the Palmer House in Chicago.

The plenary session the first morning looked very interesting. The speakers included, Edgar F. Kaiser, Chairman of the Board of Kaiser Industries, Walter P. Reuther, President, United Auto Workers, Dr. John T. Dunlap, Professor of Economics at Harvard University and The Honorable Joseph L. Alioto, Mayor the city of San Francisco.

Mr. Kaiser reviewed the history of the Kaiser/Permanente Health Care System. When his grandfather, Henry Kaiser, first introduced the concept of an HMO system to provide health care to a large population, the skeptics said it would never work. He proved them wrong. This system provided high quality health care at reasonable cost to a large patient population in Hawaii and California.

Mr. Reuther began by chiding Mr. Kaiser (a close friend) for refusing his request to establish a Kaiser HMO program in Detroit, Michigan for the UAW. He said that the answer from Mr. Kaiser was that the accountants at his company determined that this population was not suitable for HMO-type coverage and the plan would not be financially viable.

He spoke about the problem of obtaining quality health care for the members of his union at a reasonable cost and predicted that eventually they would be covered by an HMO-type system. [*]

[*] Tragically, a few weeks later Mr. Reuther was killed in a plane crash.

Dr. Dunlap discussed some facets of the economics of health care delivery.

Mayor Alioto's talk was titled: "How High a Priority Health Care."

The speakers seemed to agree that as the cost of health care in the United States approached 12% of total gross national product it would be more and more difficult to provide the type of high quality health care that most Americans expected and deserved, and at the same time, begin to solve the problem of providing quality health care to the millions of Americans who were not covered by private or government insurance.

The message presented by these speakers proved to be very prophetic.

Another highlight of each national meeting has been The Alan Gregg Memorial Lecture.

That year the lecture was presented by Dr. Kingman Brewster, Jr., President of Yale University. His talk, "The University and the Community."

Mr. John M. Russell, immediate Past President of the John and Mary R. Markle Foundation, was chosen to be the recipient of the Twelfth Annual Abraham Flexner Award, for Distinguished Service to Medical Education.

The third plenary session began with the honorable, Roger O. Egeberg, Assistant Secretary for Health and Scientific Affairs, Department of Health, Education and Welfare, discussed, and "The Federal Government's View of the Issues."

Next, Dr. Robert H. Ebert, Dean, Harvard Medical School, reported on "The Impact on Medical Schools of New Methods of Financing Medical Care."

Dr. Anreas Querio, Academisch Ziekenhuis Dijkzigt, Rotterdam, the Netherlands, shared "Experiences with New Directions in Medical Education in Holland."

Dr. Philip P. Anderson, Assistant Dean and Associate Professor of Dermatology, University of Missouri School of Medicine, outlined "Limits on Innovation in Medical Curriculum."

Dr. E. Harvey Estes, Jr., Professor and Chairman, Department of Community Health Sciences, Duke University School of Medicine, explored, "Potential for Newer Classes of Personnel."

Dr. James A. Hecker, Instructor in Pediatrics, University of Colorado School of Medicine, described, "The Pediatric Nurse Practitioner and the Child Health Associate."

No wonder, from that point on, I looked forward to the annual AAMC meeting as one of the highlights of the year.

As the year's went by there were so many outstanding speakers at the annual meetings, I will mention only a very few that stand out in my memory.

At the October 29, 1971 plenary session, Elliot Richardson, Secretary of the Department of Health Education and Welfare, spoke about, "Meeting The Nation's Health Manpower Needs."

He began, "Having worked closely with the Association of American Medical Colleges in the development of a Federal health manpower strategy, it is a pleasure to participate in the first plenary session of this annual meeting."

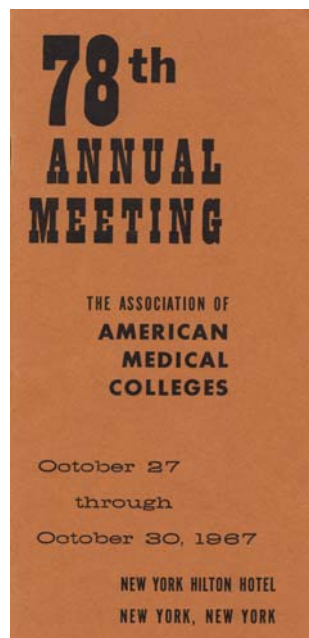
He said, "This administration will judge alternative solutions to the nations health problems by their comparative effectiveness in achieving a fundamental Federal objective. This objective is to promote the opportunity for all Americans to lead healthy lives, regardless of where we live, our economic status, or any racial, social, physical or environmental barrier that would prevent us from achieving our full health potential."

At the same meeting, a few days later, Senator Edward Kennedy, Chairman of the Senate Health Subcommittee of the Labor and Public Welfare Committee, spoke about, "Health Care in the Seventies".

He began by talking about a trip taken by him and members of his subcommittee. They visited several countries in Europe, "in order to gain insights as to how it has been possible for these countries to make more progress in bringing decent health care to their citizens than it has been for us."

He continued: "All of this activity would not be required if this country were not in the midst of a profound health care crisis, but it is in such a crisis. And I believe we must face that crisis and understand that crisis if we are ever to cure it. We must be able to face the reality that America's health care system has grown rigid and lethargic. It has become so inefficient, so irrational, so inward looking, so inequitable, and so parochial that we can no longer expect it to cure itself. That is why I believe we must open the system up and thereby make it possible for all of those who are affected by the system to participate in its reform."

I think that attending these meetings and listening to talks presented by so many distinguished leaders, political and academic, that I returned to the University of Miami feeling very proud to be part of such an important segment of American society. I felt that it was important to work as hard as possible to make even a very small contribution, to the issues discussed at these meetings.



Chapter Nine Working With The Federal Government

The relationship between academic health science centers and the federal government is one of the most important in our modern society.

It has helped to build the finest health care delivery system in the world, as well as, a nation wide biomedical research program that is making progress in fighting the diseases that afflict the human species, that was unimaginable a few decades ago. It has helped to develop the finest medical education system in the world and as a by-product the finest physicians, dentist, nurses and other health care professionals to meet the needs of our nation.

The members and leadership of the GBA recognized this from the very first days of the organization and immediately set into motion the actions necessary to build very strong ties between the GBA and the various federal departments and agencies that impact so heavily on the mission of academic health science centers.

The National Institutes of Health:

Since it was first created many senior business officers had developed strong ties with key individuals within the NIH and this grew much stronger once the GBA was founded.

Tom Fitzpatrick, the third National Chairperson of the GBA, was a very important leader in developing, strengthening and improving this relationship.



From left to right: “Red” Stover, June Siegel, Marvin Siegel, Wayne Kennedy, and Tom Fitzgerald.

Tom Fitzgerald was an expert in most aspects of NIH grants management, rules and regulations. This includes the book he has written on Cost of Animal Care Facilities as well as many other articles and publications related to NIH sponsored programs.

Tom was, Director Office of Grants Administration and Institutional Studies, Deputy Budget Chief, Medical Schools, New York University Medical Center.

In 1978 Tom was the driving force in a program jointly developed by the GBA committee's on External Relations and Professional Development and the officials from the National Institutes of Health.

The program was developed by a specially appointed committee and included members from both the GBA and NIH. The announcement for the program said: "This joint effort is designed to bring together individuals from the medical school business officers and the National Institutes of Health to discuss topics of common interest relating to NIH grants programs."

The program reviewed the grant application process through the entire grantee/grantor cycle by using the case study approach.

Dr. John A.D. Cooper, president of the AAMC provided the welcoming remarks.

Participants in addition to those mentioned above included: Ira Goodman, Assistant Director, Office of Grants, NYU, John C. Bartlett, Ph.D., Associate Dean, University of Texas Health Science Center, Houston, Red Stover, Associate Dean for Administration, University of North Carolina, Richard Littlejohn, Associate Dean, School of Medicine, University of California, San Francisco, Dan Benford, Assistant Dean for Administration, Indiana University School of Medicine, Greg Handlir, Assistant Dean Fiscal Affairs, University of Maryland School of Medicine, Reggie Graves, Executive Assistant Dean, Louisiana State University, Shreveport, Jack Groves, Assistant Provost for Administration, Southern Illinois University, School of Medicine, Lester Buryn, Assistant Vice President for Health Affairs, and Finance, University of Alabama, and many others, and from the National Institute of Health, Tom Malone, Deputy Director of NIH, Helen Schroeder, Assistant Policy and Procedures Officer, Ernestine Taylor, Policy and Procedures Officer, Division of Grants and contract Management, Alcohol, Drug Abuse and Mental Health Administration.

A questionnaire was sent to all participants and the response indicated very high level of satisfaction and benefit from the program.

Because of this success a second program was presented in Washington, D.C., in September 1978. This program was presented by the Planning Coordinators Group, Southern Region. Participants included: Lawrence Horowitz, M.D., staff Director, Senate Sub Committee of Health and Scientific Research, Robert Knauss, M.D., Division of Medicine, Bureau of Health Manpower, Stephan Lawten, Chief Council House Subcommittee on Health and the Environment, John Lordan, Chief of the Financial Management Branch, Office of Management and Budget, and Jesse Steinfeld, M.D., Dean, School of Medicine, Medical College of Virginia, and former United States Surgeon General.

The title of the program was, "Medical Schools And The Government – Partners Or adversaries ?".

This program was also very well received.


As you can see from the names of the attendees, both medical school and government, in addition to the subjects discussed the fact that the membership of the GBA and this many officials from NIH were meeting together and discussing mutual goals and objectives, was extremely important and positive to the work of the nations health science centers.

Over the ensuing years many meetings took place between members of the GBA External Relations Committee and officials from NIH. The subjects discussed at these meetings were of great importance to the members of the GBA and their parent institutions.

In December 1979 the GBA and NIH jointly sponsored a program subject, "The Contract Award Process". This was the third program developed jointly by the GBA's External Relations Committee and Professional Development Committee, and the NIH.

December 2-4, 1979


The Contract Award Process



GROUP ON BUSINESS AFFAIRS
Association of American
Medical Colleges

NATIONAL INSTITUTES OF HEALTH
Department of Health,
Education and Welfare

Cross Keys Inn
Baltimore, Maryland



Place: Cross Keys Inn, Baltimore, Maryland
Date: December 2-4, 1979
Registration Fee: \$185.00 per person (See General Information)

Make checks payable to:
Johns Hopkins Oncology Center
Pre-registration is required because of guaranteed hotel and meal arrangements
This form with payment included should be sent no later than November 5, 1979 to:
Cynthia Scott
Conference Manager
3845 N. 21st Street
Arlington, Virginia 22205
(703) 533-7225

TRANSPORTATION
The Cross Keys Inn is located on the route of the Baltimore-Washington Airport limousine service. There is a limousine leaving the airport every hour on the hour starting at 6:00 am, ending at 10:00 pm. The forty minute ride will cost approximately \$4.00. If you are driving to the Cross Keys, a map has been provided above for your convenience.

NAME TAG AND REGISTRATION INFORMATION
Name _____
Title _____
Representing _____
Address _____
City _____ State _____
Zip _____ Telephone _____

Please Note: Please mail the enclosed hotel reservation form directly to the hotel.
Will spouse be attending? yes _____ no _____

**GBA-NIH
Program Planning Committee**

LESTER H. BURYN
Deputy Vice President for Health Affairs and Finance
University of Alabama in Birmingham

PATRICIA EIGLER
Chief, Research Contracts Branch
Division of Contracts and Grants
National Institutes of Health

LAWRENCE J. FITZGERALD, JR.
Chief, Contracts Management Branch
National Institute of Neurological and
Communicative Disorders and Stroke

CARL FRETTS
Director
Division of Contracts and Grants
National Institutes of Health

GEORGE M. GALASSO, Ph.D.
Chief
Development and Applications Branch
National Institute of Allergy and Infectious Diseases

JIM GRAALMAN
Chief
Research Contracts Branch
National Cancer Institute

JACK M. GROVES
Assistant Provost for Administration
Southern Illinois University
School of Medicine

GREGORY HANDLIR
Assistant Dean for Fiscal Affairs
University of Maryland
School of Medicine

IRIS HILDEBRAN
Director
Grants, Contracts and Special Projects
Duke University Medical Center

WILLIAM C. HILLES
Administrator
Johns Hopkins Oncology Center

ROBERT ROSE
Controller
Bowman Gray School of Medicine
of Wake Forest University

CURTIS TATE
Chief
Contracts Operations Branch
National Heart, Lung and Blood Institute

At a meeting in March 1981 the two groups discussed a number of important matters of mutual interest; [1] new accounting standards that vacation be accrued on NIH grants and contracts, [2] A21 requirement that Animal recharge rates be burdened with full overhead, [3] the misconception on the part of many faculty grant writers that listing 95% effort will improve funding possibilities.

Medicare:

In 1969 auditors from the general accounting office, reviewed medical records in a large mid western medical center and found serious discrepancies regarding bills sent for services provided to Medicare beneficiaries.

As a result the department of HEW issued regulations, i.e., Intermediary Letter 392 which clarified the ground rules under which physicians providing care to Medicare beneficiaries could bill for these services.

The most important requirement was, “personal and identifiable care”, which meant if the attending physician did not perform the initial history and physical he or she immediately thereafter, met with the house officer, reviewed the diagnosis and planned for the care of the patient, and frequently visited the patient while in the hospital.

The GBA was active in advising its membership of these requirements and planning steps to be sure there was full compliance.

In 1978 HEW published preliminary regulations in the federal register that would greatly reduce the ability of certain teaching physicians to collect for services to Medicare beneficiaries.

The AAMC established a Medicare committee to meet with representatives of the federal government to discuss the proposed regulations. Meetings were held in Washington once a month for almost a year.

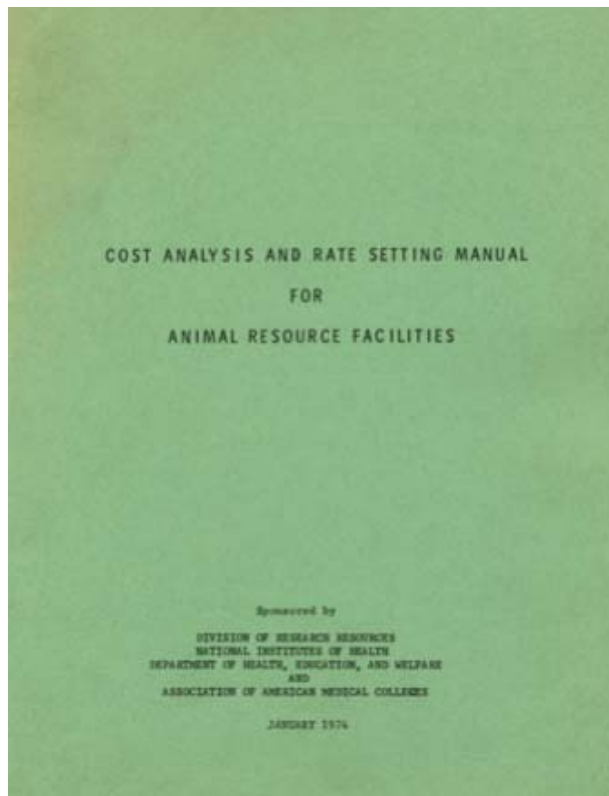
The meetings proved to be very productive and as a result the proposed regulations were not issued at that time.

Veterans Administration Hospitals:

The partnership between the Academic Medical Centers, and the nations VA hospitals plays a very important role in the mission of medical schools as related to medical education, research and patient care.

The GBA has provided leadership over the years in resolving problems of mutual concern to the medical schools and the VA hospitals.

Issues that have been discussed, and in most cases resolved to the satisfaction of all concerned, include such matters as; sharing information regarding medical school faculty who have part time VA appointments and receive a portion of their salary and benefits from the VA, differences between medical school benefit programs and the VA (federal) benefits programs, (i.e., how to treat all faculty as fairly as possible). Sharing important resources to the benefit of their joint mission and programs.



The “Cost Analysis and Rate Setting Manual for Animal Resource Facilities” was published in January 1974. This project was jointly sponsored by the Division Of Research Resources, National Institute of Health, Department of Health, Education and Welfare, and The Association of American Medical Colleges. The manual begins with the following acknowledgement: “This manual on cost analysis and rate setting for animal facilities owes it’s existence to the Division of Research Resources Ad Hoc Committee on Animal Costs and the working sub committee that developed the text and tables, and to the encouragement and support of Dr .John A. D. Cooper, President, Association of American Medical Colleges, and Dr. Thomas Bowery, Director, Division of Research Resources, National Institutes of Health. Members of the ad hoc committee and sub committee were; Dr. Michael Ball, AAMC, Mr. Thomas Campbell, AAMC & Upstate Medical Center, State University of New York, Mr. Thomas Fitzgerald, Chairman, New York University, Medical Center, and Mr. Clifton Himmelsbach, Georgetown University School of Medicine.

Chapter Ten

The Decade of the 1980's And 1990's

In 1986 the GBA conducted a self-study to determine if changes should be made that would assist the organization in accomplishing its mission. One recommendation was to realign the GBA along functional lines with membership representing a wide spectrum of administrative personnel.

Subsequently the organization continued to grow to include:

- ❑ Principal Business Officers
- ❑ Dean's Office Staff
- ❑ Department Administrators
- ❑ Central University Professional staff
- ❑ Research Administrators
- ❑ Practice Plan Managers
- ❑ Budget Managers
- ❑ Others

In November 1995 the National Chair, Byron Backlar, with the support of the Steering Committee, proposed that a Strategic Planning Task Force be created. The charge to the Task Force was to make recommendations to the GBA Steering Committee regarding if and how the structure and activities that existed at that time should be changed to better serve the membership. [1].

The principal question that was addressed by the Task Force was, “whether the GBA should try to retain its current membership groups, or restrict its membership to one or a few types of medical school administrators.”

“The Task Force operated under the general assumption that the principal challenge in the coming years will be figuring out ways to manage at the institutional and the departmental levels in an era of diminished and constrained resources. There are increasing demands that and expectations that we are going to have to conduct our business in a more corporate fashion. In the future we will be managing in smaller organizations, rather than growing organizations. And, this will have to be done in cultures/milieu where key personnel with authority have different expectations.”

[1] The Task Force was chaired by Philip Schrodell and its members included: Jaclyne Boyden, David Perry, Deborah McGraw, Tom Spencer, Jeffrey Mossoff, Cheryl Atkins-Lubinsky and Jack Krakower.

Recommendations of The Task Force

The Mission of the GBA:

As stated in the rules and regulations, the purpose of the GBA is to advance the managerial art and science of administering medical schools, and to facilitate direct interaction with the AAMC staff and councils with institutional representatives charged with the responsibilities of business affairs.

“The Task Force acknowledges that the center of gravity for the GBA is, and should be, the academic mission of the institution and there is no attempt to dilute that in this recommendation. However, the interrelationship of the educational mission with research, patient care and public service, as well as the consolidation of administrative functions occurring at many medical schools, mandate that dean’s office staff and department business officers be well versed in general administrative and management issues. While the Task Force believes that the impact of this suggested change in the GBA’s mission will be relatively modest in terms of future meetings, it could serve as an important reference as future planning committees set agendas. The change of the mission statement might also modestly impact GBA membership, which is discussed later in the report.”

The Task Force strongly recommends increased collaboration between the GBA and the GIP:

In light of the overlap of interests, concerns, responsibilities and professional development programs of the GBA and the Group on Institutional Planning, and the proposed refinement in mission, the Task Force urges the leadership of both groups to seek every opportunity to engage in collaborative effort.

The Task Force considered changes to the regional organizational structure:

“The Task Force spent considerable effort discussing the current regional organizational structure within the GBA. There was some consensus to abandon it completely ... there were major objections expressed by members of the Southern Region to the possible elimination of the regional structure. The Southern Region in particular has had very strong regional participation and excellent summer programs. There was also concern within the Task Force as to what structure should replace the regional structure for selecting members of the Steering Committee. ... it was decided to retain the current regional structure for now and that it be reexamined within the next few years at such time as the GBA and GIP consider consolidation.”

The organization should encourage the development of affinity groups.

It was felt that such groups would provide more fluidity as the needs and roles of the GBA membership changed. Examples of areas considered included: finance, general administration, information systems, research administration and planning (strategic and facilities).

The Task Force recognizes the need to broaden its membership base to include those individuals whose backgrounds may extend beyond the traditional GBA stereotype.

“The trend towards blending the various components of the academic medical center environment has significantly increased the variety of individuals who could benefit from and who could provide a valuable resource to the GBA.”

The task force recommended that the appointment process be modified as follows:

- ❑ A Principal Business Officer appointed by the Dean to serve as the principal institutional contact to the AAMC on matters involving finance and general institutional administration, e.g., faculty appointments, information systems, research administration, personnel, etc.
- ❑ GBA members may be appointed either by the Dean or his/her designee.
- ❑ Individuals may also petition the GBA steering committee for membership.
- ❑ Encourages membership for anyone who has significant administrative responsibilities involving medical schools.
- ❑ The size of an institution’s membership will not impact an institution’s AAMC dues.

There is both an opportunity and a need for the GBA to find ways to inform non-GBA members about the organization, and how it may serve their needs or interests.

“The Task Force believes that many individuals who might benefit from participation in the GBA are not familiar with the organization since it does not actively solicit membership. Furthermore, designation to the group is currently limited to appointment by the Dean.”

It was recommended that the leadership make a commitment to develop an “active” and expanded membership, and in addition to the dean the designated Principal Business Officer have authority to appoint appropriate staff at their school to GBA membership.

Professional Development Program:

The Task Force made seven recommendations regarding professional development programs:

- ❑ That the GBA discontinue sponsoring a program at the AAMC annual meeting.
- ❑ That the GBA continue to sponsor and, if possible, enhance the PBO meeting.
- ❑ The Spring Meeting has become and should continue in the Task Force's view, to serve as the centerpiece of the GBA's professional development activities. The Task Force recommends that the GBA and GIP sponsor a joint meeting in 1998.
- ❑ The Task Force advocates that future professional development programs, and in particular the Spring Program, should have as their focus general, broad-based administrative management skills, functions and issues.
- ❑ The Task Force recommends cutting the registration fees and closely related costs of meetings as much as possible.
- ❑ The Task Force calls upon all PBO's to actively encourage participation in GBA professional development program offerings by their institutions' administrative teams.
- ❑ The Task Force recommends that the GBA national organization should maintain an essentially neutral posture regarding regional or affinity group meetings, neither encouraging nor discouraging them.

In November 1992, as part of the AAMC national meeting in New Orleans, the GBA celebrated its twenty-fifth anniversary.

The planning committee included Bill Hilles, Tom Fitzgerald, Reggie Graves, Jack Krakower, Bernie McGinty, Bob Plaisance, Bob Price and Marvin Siegel.

The activities included a booth in the AAMC exhibition hall and a reception/dinner.

The booth had as a backdrop a picture of the 1972 GBA members who had provided material for a composite picture.

The booth included booklets published by the GBA over the 25 year period, memorably from various GBA activities, a video, which included thoughts from fifteen past national chairs, and many other interesting historic material.

There comes those rare occasions in life when you receive a letter that is so special that it makes all the sweat and toil seem trivial. Marv Siegel returned from the meeting in New Orleans and received such a letter from Tom Fitzgerald.



550 First Avenue, New York, N.Y. 10016
Cable Address: NYUMEDIC

School of Medicine
Office of Grants Administration and Institutional Studies
(212) 263-6701 FAX (212) 263-8201

November 20, 1992

Mr. Marvin H. Siegel
Assistant Vice President for Medical Administration
University of Miami School of Medicine
1600 N.W. 10th Avenue
RMSB 1128A
Miami, Florida 33101

Dear Marv,

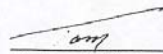
If anyone should ever say that you're not the greatest, they will have to deal with me. Although many contributed to the success of the GBA Silver Anniversary, your personal efforts have made the event unforgettable.

I wish I had taken a picture of you trudging across the hotel lobby at 7:00 A.M. that Sunday morning, bearing a camera case, a shoulder carry-on, a leather tube case with one very large rolled up photograph sticking out of the end, and a huge suitcase on wheels containing all the goodies of GBA memorabilia. How you got it all together, plus a video production, may be beyond the comprehension of others, but not to me.

Your spirit and determination is akin to that of the men and women who went West by wagon train to settle a nation. You were able to pull out of the ravages of 'Andrew' and get on with the show. With people like you it is no wonder that the University of Miami Medical Center, conceived and built in the last half of this century, is now world renowned and the gateway to South America. I am indeed fortunate to count you as a colleague and friend for these many years and for those to come.

My best wishes to you and the family for the holiday season and God bless and keep you all.

Sincerely,


Thomas A. Fitzgerald, LHD
Senior Director

TAF:jw

Many important matters were taken up by the GBA during the decade of the 1980's and 1990's. Some of these included:

External Relations Committee: As discussed in Chapter Nine, this committee organized many important meetings between members of the GBA and NIH.

Resource Analysis and Management Committee: This committee, which was created in the 1970's made important contributions in the 1980's and 1990's. This included a special project related to improving the LCME Annual Financial Questionnaire. A fringe benefit survey that was very successful and well received. A number of other surveys including; Administrative Costs survey, Clinical Department Administrator's salary survey, and a special project to encourage GBA members to write manuscripts that would be judged and the best awarded a special prize and considered for publication in the Journal of Medical Education.

GEMENAC Report: In February 1981 the GBA looked into the issue of a recent report that recommended an 18% reduction in medical school first year enrollment.

AAMC Task Force on Financing Medical Education: In 1994 this Task Force conducted a number of meetings. This was related to the AAMC's efforts to understand the impact of healthcare reform on medical education.

Issues that were addressed included:

- ❑ What new costs will medical schools incur in moving clinical training programs into community-based ambulatory care settings?
- ❑ Will health care reform create other expectations and mandates for medical schools that will increase costs?
- ❑ At what level did clinical revenues support academic programs in medical schools?
- ❑ What are the likely changes to clinical revenues as price competition proliferates and how can it best be monitored?
- ❑ What does it cost to educate a medical student and how is it best to determine these costs?

ASSOCIATION OF AMERICAN MEDICAL COLLEGES GROUP ON BUSINESS AFFAIRS 1972- 73



The GBA booth at the AAMC meeting had as a backdrop, a five feet by six feet composite picture of the 1972-73 membership. Many attempts were made to obtain pictures of every member but unfortunately some were not received. As Tom Fitzgerald said, the picture added to the pleasant memories of the 25th anniversary. The logistics were interesting. The original picture is kept at the University of Miami School of Medicine. UMSM Bio Medical Communications Department took a picture that Marv Siegel could roll up and carry on the plane. He called Leon Gauthier at Tulane and Leon had a plexa-glass cover made (five feet by six feet), with a hole in each corner. They meet at the hotel in New Orleans and put it all together so it could be hung up behind the GBA booth. Due to some miracle everything went perfect! So much for "Murphy's Law".

About The Authors

Marvin Siegel was born in Pittsburgh, Pennsylvania in October 1934.

He moved to Miami Beach, Florida in 1947, He continues to live in the South Florida area to this day.

In 1952 he enrolled as a freshman at the University of Miami in Coral Gables, Florida.

This is note worthy also, because in 1952 the University of Miami established the first accredited Medical School in the State of Florida.

In 1956 Siegel received his bachelors degree in business administration and enrolled in law school. Since he did not have the financial resources to attend class full time, he went to law school at night and worked for a CPA firm during the day.

He was awarded his Juris Doctor degree on 1962.

While he was still attending law school, he accepted a position as Assistant Controller at Jackson Memorial Hospital, in Miami. Jackson Memorial is the teaching hospital for the University of Miami School of Medicine.

In 1965 he accepted an appointment to become the first Business Manager at the University of Miami School of Medicine.

During the next twenty-three plus years he was to serve as the school's chief administrative, business and fiscal officer under five deans.

In 1968 the school established a medical practice plan and Siegel took on the additional responsibility as manager.

He has said that helping to establish the practice plan and seeing it grow and mature over its first two decades was one of the most enjoyable aspects of his professional career.

Shortly after he assumed his responsibilities as Business Manager, the school was visited by the Joint Accreditation team from the AMA and the AAMC.

“Gus” Carroll was the fiscal officer of the Joint Accreditation team. Marvin did not know of “Gus’s” illustrious background, but he was extremely impressed with this very gracious man and his depth of knowledge regarding medical center administration.

“Gus” told Siegel about the work he had done in New York and at the AAMC, and his interest in cost studies.

He also threw in some free advise, “Marvin” he said, “Get to know the secretaries to the departmental chairmen. These are the people who actually run the school.”

Siegel became actively involved in the GBA from its beginning. In 1972, as the first chairperson of the Professional development committee he helped to plan and participate in the first national meeting in Miami Beach.

In 1973 he served as National Chairperson. Over the years he has remained very active in GBA activities including speaking at many national meetings, participating in cost allocation studies, serving as a member of a number of committees including, Data Development, Medicare and several others.

Marvin has been married to the former, June Cohen, for close to forty-three years. They have a son, Scott, and two daughters, Lisa and Aimee, a wonderful son-in-law Elwood, and a beautiful daughter-in-law Sandi. And the light of their “golden” years – his five grand children, Rachel, Brandon, Hannah, Justin and Dylin.

QuickTime™ and a Photo - JPEG decompressor are needed to see this picture.

June and Marvin Siegel

William (Bill) Hilles was born in Columbus, OH, but grew up in Bethesda, MD. He is a graduate of Duke University, where he earned both a BA and MA. Following a post-graduate year at the University of North Carolina, he began his health administrative career at the National Institutes of Health in 1960 as a management intern, followed by management assignments with the National Institute of Allergy and Infectious Diseases and the Division of Research Grants.

Over the following 35 years, Bill sharpened his experience with business administration as applied to medical education. Beginning in 1964, at Rutgers, where a medical school was evolving, he served at four additional schools – New York Medical College & Flower-Fifth Avenue Hospital in NYC, Johns Hopkins, Georgetown and finally, the University of Arkansas in Little Rock, from which he retired in 1997. Interspersed with these institutional experiences, he was on the staff of the Association of American Medical Colleges from 1969 to 1979. During these years he administered a number of programs in the Division of Operational Studies, which included helping to establish the Group on Business Affairs (then BOS), serving as its Executive Secretary from the mid- to late 1970s.



Betty Lou and Bill Hilles

Bill returned with his wife, Betty Lou, to their Bethesda home in 1997. Then, in 2002 they moved to Amelia Island Plantation, twenty miles northeast of Jacksonville, FL. They both enjoy frequent returns to Little Rock for visits with their daughter Sharyn and family, which include grandson, Sam (now 11), and granddaughter, Emily (now 8), and to Charlottesville, VA, for visits with their son Scott and family, including

granddaughter, Lydia (now 9). Additionally, Bill and his wife manage to fill their time in these “golden years” beach walking and gardening. Bill also enjoys lap swimming, singing in the Plantation Chapel Choir, and pursuing his hobbies of genealogy and oil painting. [1]

[1] See Appendix One – “Founding Fathers” for fuller biography.

Appendix One The Founding Fathers

On October 27th 1967, at 9:30 A.M., in a small room in the New York Hilton, eight individuals gathered for an historic meeting, that was to lead to the formation of the Business Officer's Section of the Council of Dean's, of the Association of American Medical Colleges, (later to be renamed the Group on Business Affairs).

The following is a brief biographical sketch of each of these individuals.

Augustus J. Carroll



Augustus J. Carroll joined the AAMC in 1958 as a consultant and in 1962 as a full time official.

Prior to joining the AAMC "Gus" Carroll had spent many years on problems related to the management and accounting aspects of the Auburn State Prison and the University of Syracuse land grant college of Forestry.

During this period of his life, he developed the skills that permitted him to relate the principles of management and fiscal reporting to the very special accounting, management and fiscal reporting needs of academic medical institutions.

Mr. Carroll developed and completed many important projects in the ten years he spent at the AAMC. Just to name a few:

- ❑ The questionnaires that made possible the annual AAMC report on medical school expenditures by source of funds.
- ❑ The AAMC faculty roster study - (in 1968 it was called, “The biennial study of faculty salaries and fringe benefits”).

As Dr. Ward Darley said in an editorial in the Journal of Medical Education, Vol. 43, June 1968, page 746, “The passage of time will not erase the impact that Augustus J. Carroll has had upon the world of medical education . His principle dictum ‘know the facts that explain the figures’, must not be forgotten. Unless medical educators satisfy this dictum, they will never understand the increasingly complex relationship of costs to objectives and accomplishments.”

HUGH HILLIARD



Hugh Hilliard had his introduction to higher education administration in 1948 when he was a member of the audit staff of a CPA firm that was auditing the records of Emory University. After completing the requirements for the CPA certificate, he took a position as business manager of a medium-sized hospital in middle Georgia. In 1952, he accepted a similar position for Emory’s University teaching hospital. He held several other positions at Emory and in 1961 became business officer for the School of Medicine. His participation in the forming of the GBA was one

of the highlights of his career. Later, he was given additional responsibilities in central administration of the University and spent the last 12 years of his 32 year career with Emory as Vice President for Finance and Treasurer (CFO). The School of Medicine position was assumed by Bill Harris. but Hugh continued his interest in and support of finance and administration of medical education.

In his personal life, Hugh has been married to the former Genie Pettiss for 54 years and they have three children and seven grandchildren. He is an active member of an Episcopal church and volunteers one day a week at the church and another day at Emory University Hospital.

George (“Mac”) Norwood

In 1956 George M. (Mac) Norwood, a native North Carolinian, was Hospital Business Manager at the University of North Carolina at Chapel Hill when he became interested in cost analysis in health institutions. He took a course in the subject offered by the American Hospital Association, then did a study of his own hospital which was well-received by the state funding authorities. In the early sixties, after Mac had become the business officer of the Division of Health Affairs at UNC, he encountered a copy of Gus Carroll’s book about cost analysis in medical schools. he called and then visited Gus to discuss the application of Carroll’s system to the medical, dental, and public health schools at North Carolina. About the time the studies were completed, Mac went to the Jefferson Medical College in Philadelphia as Vice President and Treasurer, which position he held when, in 1965, Gus Carroll initiated efforts to organize the Business Officers’ Section of AAMC.



Carroll found a widespread interest among medical school business officers in such a project, and an organizational meeting occurred in conjunction with the AAMC annual convention in 1966.

Thereafter, the Section members organized themselves into regional subgroups that met about quarterly for mutual training and fellowship. Mac was a member of the northeastern regional subgroup and he remembers with pleasure several occasions on which the body assembled for weekend meetings sponsored respectively by member institutions. There were also productive training sessions and seminars held in conjunction with the AAMC annual conventions.

In 1972 the Jefferson President and Board asked Mac to assume responsibility for the planning activities already underway at the institution, whereupon he became Vice President for Planning, and gave up his business management role. It was necessary for Mac to leave the BOS

and to resign from his position as National Chairman-elect. He later became active in organizing a comparable group of medical school planning coordinators.

When Dr. Peter Herbut, President of the newly named Thomas Jefferson University, died suddenly in 1976, Mac Norwood was elected Interim President. He was serving in that position when, in April, 1977, his wife, Zabelle, was stricken with bacterial meningitis, which eventually caused her death in February, 1978. During the period of Mrs. Norwood's illness, Dr. Lewis Bluemle was elected President of Jefferson, and Mac became Vice President for Planning and Development. He served in that position until he retired in June, 1979.

Bernice(Bunny) Carter Harris and Mac had been friends in high school, but their lives had taken different paths. As a widower aware that bunny had lost her husband some years before, Mac made arrangements to visit her in North Carolina during the summer of 1978. they decided to marry on August 5, and to live in Philadelphia. After retirement in 1979, the Norwood's settled into a new home in Chapel Hill. There followed an active retirement period involving community volunteer services, much travel, and many home craft and woodworking projects.

Just after a severe hurricane called "Fran" on September 6, 1996, Mac suffered a paralytic stroke while driving the car. He received excellent medical care and extensive therapy during the succeeding months, after which he felt almost fully recovered. Bunny and Mac sold their home and moved in 1998 to Carolina Meadows, a retirement community in the Chapel Hill area.

C. N. ("Red") Stover

C. N. "Red" Stover, Jr. was born in Fort Collins, CO, and attended Colorado State University, graduating in 1943 with a B.S. degree in Chemistry. He subsequently went on to the University of Wyoming, where in 1948 he achieved his M.S. in Physical Chemistry. From 1948-49, he served as a teaching assistant at the University of California, Berkeley, and the following year, joined that institutions' Radiation Laboratory as an analytical chemist. Between 1950 and 1952, "Red" was a chemical engineer in Utah, first with Geneva Steel, where he conducted applied research to improve coke production techniques. The following year he served with Utah Power & Light, where he supervised water-treatment and fuel-testing and control laboratories.

"Red" had began his career in chemical engineering; in 1952, however, he became a convert to business management in a post first as Research Administrator, but subsequently called Business Manager, of the University of Utah's Radiology Laboratory. In 1954, he became the University College of Medicine's, first Assistant to the Dean, a post elevated in 1968 to Assistant Dean. He was responsible budget management and personnel administration.



It was at this time that his long experience in medical school business management and his interest in developing a broader national scope for the profession came to the attention of "Gus" Carroll at the AAMC. He was invited to join six other medical school administrators to launch the AAMC-sponsored Business Officers' Section in 1968 as a member of the Organization Committee. "Red" served with this body first as Program Committee Chairman in 1968, and then as National Treasurer through 1970.

"Red" moved from Salt Lake City to Chapel Hill the preceding year to the position of Associate Dean for Administration of the UNC College of Medicine, where he served until his retirement in 1984.

During the early 1970s, "Red" was active in the newly established Southern Region of the National Business Officers' Section, but continued to demonstrate his leadership ability by rising in 1976 to the position of National Chair-Elect in 1976, and Chair in 1977.

Throughout his professional medical administration career, "Red" endeared himself to his colleagues with his ready wit and endless, well-told jokes. He was warm and generous to his friends and acquaintances. When he died in December, 1998, he was survived by his daughter, Susan, a son, Steven. His many friends and business colleagues also mourned his passing and rejoice in the many happy moments when their paths crossed his.

JOE DIANA

QuickTime™ and a TIFF (Uncompressed) decompressor are needed to see this picture.

Joseph A. Diana was born June 26th 1924 in New Castle, Pennsylvania. His Received a BA degree in History and Political Science from the University Of Michigan in Ann Arbor in 1946.

He began his professional career as a teacher of history and civics.

From 1950 through 1960 he served as the Assistant Business Manager/
Business Manager, Engineering Research Institute, Willow Run Research
Laboratories, Institute for Science and Technology, at the University
of Michigan.

From 1960 through 1969 he served as Assistant to the Dean, University of Michigan Medical
School, Ann Arbor. He also served as Secretary to the Faculty.

In 1969 he served as Assistant Controller, University of Michigan, Ann Arbor.

He served as Vice President for Finance and Management, State University of New York, at
Stony Brook, from 1970 to 1975.

He served as the Vice Chancellor for the Urbana Campus, and Associate Vice President for
Business Operations for the Urbana Chicago Circle and Medical Center Campuses, University of
Illinois, from 1975 to 1979.

He has continued his vigorous activities even after retirement. These include: Director of
Business services, Industrial Technology Institute, Michigan. He has provided his services many
non profits and government agencies, including, Department of Health and Human Services,
Financial Distress Program, National Advisory Committee on Health Professions Management,

Commissioner, American Dental Association, Touro College, Meharry College, and University of Michigan Medical School.

BILL HILLES

William (Bill) Hilles was born in Columbus, OH, but grew up in Bethesda, MD. He is a graduate of Duke University, where he earned both a BA and MA. Following a post-graduate year at the University of North Carolina, he began his health administrative career at the National Institutes of Health in 1960 as a management intern, followed by management assignments with the National Institute of Allergy and Infectious Diseases and the Division of Research Grants.

While at NIH, he became acquainted with Dr. Dewitt Stettin, who was to become the first dean of a new 2-year medical school at Rutgers University. In 1964, Bill was invited to join him in New Brunswick, NJ as the school's first business manager. The excitement of being part of starting a new venture from scratch led him to begin his association with the Association of American Medical Colleges and Gus Carroll, who spent many hours helping an inexperienced medical school manager with the intricacies of finance, cost accounting, and general administration. Three years later, this experience led him to appointment as Business Manager and Assistant to the President of New York Medical College & Flower-Fifth Avenue Hospital in NYC. Here, with the help of Gus Carroll, he became active in the formation of the Business Officers' Section (now, GBA) under the AAMC.

In 1969, the AAMC was in the process of moving its headquarters from Evanston, IL to Washington, DC, and Bill was recruited as a staff member with experience in medical school business management. For the following ten years he served on the staff of the Association's Division of Operational Studies, as a senior staff associate, involved at the national level with program cost studies, faculty salary surveys and reviews of medical school practice plans. He continued to nurture the AAMC's Business Officers' Section, subsequently as its Executive Secretary. Additionally, he was instrumental in the development of a national body of medical school & academic health center planning officers. This soon became a section of the Association (PCG, or Planning Coordinators' Group), now the GIP (Group on Institutional Planning).

By 1979, Bill was anxious to return to active institutional management, but still in the health sector. He was invited to join the staff of Johns Hopkins University as Administrator of its Comprehensive Cancer Center in Baltimore. This was a relatively new venture for Hopkins, and it gave him deep involvement with a dynamic cancer research program, and the opportunity for excellent interaction nationally with other cancer center administrators. Taking advantage of this association and his growing management experience, he was invited by the National Cancer Institute to participate in many site visits to other cancer centers undergoing credentialing.



In 1982, he returned to the Washington area, joining the staff of Georgetown University's Medical School and Hospital with specific responsibility for managing the business side of a very active Department of Medicine. Here he remained until called in 1988 to the senior staff of the University of Arkansas College of Medicine, his fifth medical school assignment, serving as its Associate Dean for Administration & Finance. He remained active in the GBA and its southern region. Midway through his tenure there, he was asked by the AAMC to spearhead a 25th year GBA anniversary celebration during the Association's annual meeting in New Orleans. While in Arkansas, he became active civically in Civitan, serving as its President in 1996-97. He remained in Little Rock until his retirement in 1997. The following year, the AAMC honored Bill with an Emeritus Membership citation.

Bill returned with his wife, Betty Lou, to their Bethesda home in Maryland. Then, in 2002, they moved to Amelia Island Plantation, twenty miles northeast of Jacksonville, FL. They both enjoy frequent returns to Little Rock for visits with their daughter and family, and to Charlottesville, VA, for visits with their son and family. Additionally, Bill and his wife manage to fill their time in these "golden years" beach walking and gardening. Bill also enjoys singing in the Plantation Chapel Choir, and pursuing his hobbies of genealogical research and oil painting.

Bill Zimmerman

Bill Zimmerman was born in Edmonton, Alberta, Canada on July 21, 1915. His family immigrated to Portland, Oregon when he was a young boy. He attended the University of Oregon in Eugene, graduating in 1940 with a degree in Business Administration. While at the University, he worked in the office of the Chancellor of the University. Before he graduated, he was offered a position at the University of Oregon Medical School in Portland, Oregon, and he stayed at the Medical School until he retired in 1980. He worked directly under the Dean of the Medical School, and was given a number of titles over the years, from Business Manager to Assistant Dean for Business Affairs.



During the thirty years he spent at the Medical School, Bill oversaw many changes and the extraordinary growth of the complex situated on a hill overlooking the City. What began as a three-building campus developed under Bill's leadership into the Oregon Health Sciences University, a huge complex which included the medical school and an associated hospital, a dental school, a nursing school, the Multnomah County Hospital, the Veterans' Hospital, and various research centers such as the Casey Eye Institute.

Perhaps Bill's most enduring contribution to the OHSU campus, however, was his introduction of parking meters to the campus! The growth of OHSU, coupled with the difficult hilly terrain, led to a parking crunch in the 1960s, which was only partially solved by the meters. Upon his retirement, one of his going-away gifts was the head of a parking meter mounted on a wooden plaque.

Bill was also active in many organizations and professional groups throughout the years. Prominent among these was the Association of American Medical Colleges' Business Officers' Section (subsequently termed Group on Business Affairs). Because of his seasoned experience as a medical school administrator, he was asked in 1967 by "Gus" Carroll to participate with six other medical school business officers in forming the Section. When the Sections' regions were formally established, Bill served as the first chairman for the Western Region, and in 1969 spearheaded two successful western educational forums. Bill also took an active role at the national BOS level, leading the development of a workshop on "Relations With the Federal Government." In September, 1970, he was elected to fill the unexpired term of George ("Mac") Norwood as National Chairman-Elect. He also chaired the Section's Financial and Statistical Standards Committee. The following year he assumed the national chairmanship.

Through the years, Bill was "courted" by many other hospitals around the nation. He declined all these offers, opting to stay in Portland, where he had grown up and raised his own family of three daughters and a son. However, in 1975, he was unable to refuse an offer to travel to Saudi Arabia, as a consultant to the royal family, to assist in the construction and development of a major hospital and medical school complex. He and his wife, Dorothy, were there for three

years, while he was on sabbatical from OHSU. He then returned to OHSU, where he stayed until his retirement.

Bill was active in sports, primarily golf, tennis

David A. Sinclair

David A. Sinclair was born and grew up in Adams, New York.

After graduation from Adams High School he attended and graduated from Westminster College and Syracuse University.

QuickTime™ and a
Photo - JPEG decompressor
are needed to see this picture.

However, World War II loomed early in his career.

He served with the Army's 29th Infantry Division from 1943 to 1945 in the European theatre, and was awarded the Combat Infantry Badge and three battle stars.

Dave began his academic administrative career in 1947 at Syracuse University as an account clerk. In July 1950 he assumed the post of principal account clerk at the College Of Medicine, State University of New York. Syracuse. There he became a protégé of Gus Carroll, becoming Director of Business Affairs in 1962, Assistant Vice President for Business Affairs in 1965, and Vice President for Administration in 1969.

In 1967 Dave was sought by his former mentor, Gus Carroll, to the group of medical school business officers that was planning an organization of medical school administrators, forming under the AAMC. He was an active participant on the planning committee. When Gus Carroll died, the new Business Officers Section established an annual lecture in his honor. Dave was instrumental in attracting Julius Richmond, M.D., Acting President, SUNY Upstate Medical Center, to deliver the first annual A. J. "Gus" Carroll memorial lecture at the Business Officer's meeting in October 1968.

The Northeast Region of the BOS matured as a group in promoting educational forums in the late 1960's and early 1970's, and Dave served as the first regional chair in 1969-70.

During the late 1970's he contributed significantly to the administrative studies undertaken at the AAMC. This included work related to Program Cost Studies, and Medical Practice Plans, as well as many other topics. He spent many days as a resident consultant at the AAMC and on site visits to various medical schools as part of the AAMC's grant supported studies.

Dave retired from SUNY-Upstate in June 1977. Upon retirement he was named a recipient of the Chancellor's award for Professional Service as well as being designated Vice President Emeritus. He remained on the Upstate Foundation Board. Subsequently as an Emeritus member and continued to attend campus event after retirement.

Dave Sinclair died June 16th 2000, and his friends and professional colleagues remembered him for his "gentle and generous manner, and his keen professional savvy."

APPENDIX TWO Early Documents

After three + decades its interesting to look back at some of the documents that were so important to the creation of the GBA.

February 16th 1968: Gus Carroll wrote to medical school business and fiscal officers to advise that the AAMC has endorsed establishment of a Business and Fiscal Section of the Association.



ASSOCIATION OF AMERICAN MEDICAL COLLEGES
2530 RIDGE AVENUE EVANSTON, ILLINOIS 60201

EVANSTON: 312-328-9505
CHICAGO: 312-273-4350
CABLE ADDRESS: AAMC EVANSTON

February 16, 1968

Memo to:

From: A. J. Carroll

Subject: Business and Fiscal Officers Section of the AAMC

The Executive Council and officers of the AAMC have enthusiastically endorsed the organization of a Business and Fiscal Officers Section of the Association. I have been authorized to handle the staff work required for this important development and since my own experience has been in this part of administration, I am particularly pleased with the assignment and this opportunity to welcome you as the official representative of your medical school. It is encouraging that in designating their representatives all of the deans indicated their approval and support of the new organization.

The purpose of this communication is to bring you up-to-date on developments, the necessary mechanism of establishing a sound and official section of the AAMC, and proposed general objectives and future plans of the group. I also want to invite your active participation, criticism, and suggestions.

At the beginning, at least, we look forward to both regional and annual meetings which will be mutually beneficial. It is clear though that the success of these meetings will call for early planning and actions which for practical reasons will depend to a large extent upon effective use of the mail.

I am, therefore, enclosing the following papers to let you know what has been done, what is being done, and what we should look forward to doing in the immediate future.

1. Report of the New York City meeting - October 27, 1967
2. Memo distributed at the New York meeting
3. Report of the Planning Committee meeting held October 27, 1967
4. Memo to members of the Planning Committee - January 9, 1968

Very soon I will send you a list of the official representatives designated for each school and I will continue to send you information so that you can keep an up-to-date file. I will assume that you will not mind if we ask for your special cooperation and suggestions as our plans move ahead.

February 16, 1968

The immediate functions of the Planning Committee are (1) to formulate tentative by-laws and a plan of organization for presentation to the Executive Council of the AAMC and (2) to work with a group in planning a regional meeting which might serve as a model for other groups.

I have requested 6 hours of meeting time (2 half days) during the 1968 AAMC Annual Meeting which is to be held in Houston. We will have more information for you on this after discussions with the Planning Committee.

The success of this undertaking will require full cooperation of all of the schools and I sincerely ask for your cooperation. Your suggestions and comments will be much appreciated.

Prior to the first meeting the Dean of each medical school provided the name of the individual that would attend the meeting representing their institution. The following list reflects the information received from each school:

MASTER LIST

10/25/68
JW

REPRESENTATIVES OF MEDICAL SCHOOL DEANS IN THE
BUSINESS OFFICERS SECTION OF THE
ASSOCIATION OF AMERICAN MEDICAL COLLEGES

Name of School	Representative	Title
Med. Col. of Alabama	Dr. W. Paul Brann	Chief Fiscal Officer
Albany Med. College	Mr. Bernard Siegel	Business Mgr. and Controller
U. of Arizona	Mr. Thomas R. McWilliams	Assistant Comptroller
U. of Arkansas	Mr. James B. Cartwright	Chief Accounting Officer
Baylor Univ.	Mr. Alphas O. Johnson	Business Manager
Boston Univ.	Mr. Robert Jordan	Business Officer
Bowman Gray Sch. of Med.	Mr. Harry O. Parker	Controller
Brown Univ.	Mr. John B. Price	Business Mgr. and Controller
U. of California,		
Calif. Col. of Med.	Mr. Thomas A. Rolinson	Finance Services Officer
U. of California, Davis	Mr. Glen Snodgrass	Asst. Dean for Adm.
U. of California, San Diego	Mr. Stephen J. Adams III	Administrative Services Officer
U. of California, L.A.	Mr. Barry Beckerman	Staff Officer
U. of California, S.F.	Mr. Joseph H. Fee	Business and Finance Officer
Case-Western Reserve Univ.	Miss Ruth E. Bardwell	Exec. Asst. to the Dean
Chicago Med. School	Mr. William E. Rooker	V.P. of Bus. Administration
	(Alternate) Mr. Henry Paul	Business Administrator
U. of Chicago	Mr. Melvin T. Tracht	Business Administrator
U. of Cincinnati	Mr. Ronald C. Leach	Asst. to Dean and Fiscal Off.
U. of Colorado	Mr. A. E. Williamson	Executive Assistant
Columbia Univ.	Mr. B. D. Moss, Jr.	Business Officer
U. of Connecticut	Mr. Edward W. Maher	Dir. of Health Center
		Administrative Services
Cornell Univ.	Mr. David C. House	Fiscal Officer
Creighton Univ.	Mr. Frank B. Evans	Business Manager
Dartmouth Med. School	Mr. Gerald S. Atchison	Executive Officer
Duke Univ.	Mr. S. Douglas Smith	Adm. Asst. to the Dean
	Mr. Ronald A. Lochbaum	Asst. Comptroller
Albert Einstein Col. of Med.	Mr. Julius Ferstein	Business Manager
Emory Univ.	Mr. Hugh E. Hilliard	Controller and Assoc. Treas.
U. of Florida	Mr. James P. McLean	Asst. in Administration
Georgetown Univ.	Dr. Clifton K. Himmelsbach	Assoc. Dean for Research
George Washington Univ.	Mr. Donald K. Hames	Budget Officer
Med. Col. of Georgia	Mr. Doyle Dillard	Asst. Comptroller
Hahnemann Med. Col.	Mr. John Deufel	Business Officer
Harvard Medical School	Mr. Richard J. Olendzki	Asst. Dean for Finan. Affairs
U. of Hawaii - J. S. McNeil	Mr. Harry M. Siegmund	Asst. to the Dean
Howard Univ.	Mr. Harold B. Jordan	Administrative Assistant
U. of Illinois	Mr. David Bonham	Business Manager
Indiana Univ.	Mr. Daniel P. Benford	Asst. to the Dean
U. of Iowa - R. K. Schmidt	Mr. William L. Lillibridge	Adm. Asst. for Finance
Jefferson Med. Col.	Mr. George M. Norwood, Jr.	V.P. for Bus. & Adm. Affairs
Johns Hopkins Univ.	Mr. Jack R. Tyson	Bursar
U. of Kansas	Mr. Howard Feldmann	Controller
U. of Kentucky	Mr. Eddie K. Parker	Asst. to Dean for Bus. Affairs
Loma Linda Univ.	Mr. C. Victor Way	Adm. of Medical Center and
		Chief Fiscal Officer
Louisiana State - Shreveport	Mr. Robert R. Graves	Business Manager
Louisiana State - New Orleans	Mr. E. F. Fohlig	Business Manager
U. of Louisville	Roy Polston	Accounting Supervisor
Loyola Univ., Stritch School	Mr. Paul Gazzerro, Jr.	Asst. to V.P. & Fiscal Officer
Marquette Univ.	Mr. James L. Quinlan	Business Manager
U. of Maryland		
U. of Massachusetts	Mr. John Stockwell	Assoc. Dean for Admin.

Representatives in the Business Officers Section (continued)

Name of School	Representative	Title
Meharry Med. Col.	Mr. John M. Sharp	Comptroller
U. of Miami	Mr. Marvin H. Siegel	Bus. Mgr. for Med. Affairs
U. of Michigan	Mr. J. A. Diana	Secretary to the Faculty
Michigan State Univ.	Mr. George L. Walsh	Adm. Asst. for Bus. Affairs
U. of Minnesota	Mr. Gerald H. Gillman	Assistant to the Dean
U. of Mississippi	Mr. Frank Zimmerman	Bus. Mgr.-Comptroller
U. of Missouri	Mr. Charles E. Looker	Assistant Director
Mount Sinai School of Med.	Mr. Louis A. Rems	Controller
U. of Nebraska	Mr. Ernest Rockenbach	Finance Officer
New Jersey Col. of Med.	Mr. Joseph F. Salerno	Dir. of Business Affairs
U. of New Mexico	Mr. Carroll J. Lee	Comptroller
New York Med. College	Mr. Ralph M. Rogers	Adm. Assistant to the Dean
	Mr. C. E. Brush	V. P. and Bus. Manager
	Mr. David Morgan	V. P. for Government Relations
(Alternate)	Mr. William C. Hilles	Exec. Asst. to the Pres.
* State U. of N.Y., Brooklyn	Mr. Milton Miller	V. P. for Business Affairs
State U. of N.Y., Buffalo	Dr. Robert Brown	Associate Dean
State U. of N.Y., Stony Brook	Mr. Lars Larson	Administrative Assistant
State U. of N.Y., Syracuse	Mr. David A. Sinclair	V. P. for Bus. Affairs
U. of North Carolina	Mr. James R. Turner	Asst. Dean for Administration
U. of North Dakota	Mr. Gerald Skogley	Business Manager
Northwestern Univ.		
Ohio State Univ.	Mr. Bernard J. Lachner	Assistant Dean
U. of Oklahoma	Dr. Edward N. Brandt, Jr.	Asst. to the V. P.
U. of Oregon	Mr. William A. Zimmerman	Assoc. Dean for Bus. Affairs
U. of Pennsylvania	Mr. Alfred F. Beers	Business Manager
Pennsylvania State Univ.	Mr. Harold Reinert	Business Manager
U. of Pittsburgh	Mr. Vincent J. LiVolsi	Exec. Asst. to the Dean
U. of Puerto Rico	Mr. Agustin Boissen	Contract Administrator
U. of Rochester	Mr. David J. Fanning	Asst. Dir. for Finance
Rutgers Med. School	Mr. James Peters	Business Manager
St. Louis Univ.	Mr. Joseph E. Lynch	Asst. to Dean for Admin.
Med. Col. of So. Carolina	Mr. Floyd Hagan	Budget Director
U. of Southern California	Mr. Richard Webster	Asst. Univ. Business Manager
Stanford Univ.	Mr. Courtney Jones	Dir. of Bus. & Fiscal Affairs
U. of South Dakota	Mr. Earl F. Bihlmeyer	Medical Administrator
Temple Univ.	Mr. David W. Siegel	Asst. V.P. for Admin.
U. of Tennessee	Mr. Cecil Q. Tipton	Business Manager
U. of Texas, Dallas	Mr. Julius Weeks	Assoc. Dean for Bus. Affairs
U. of Texas, Galveston	Mr. Vernon E. Thompson	V. P. for Bus. Affairs
(Alternate)	Mr. Warren G. Harding	Assoc. Director
U. of Texas, San Antonio	Mr. Bruce M. Smith	Business Manager
Toledo State Col. of Med.	Mr. Milton Blunk	Asst. to the President
Tufts Univ.	Mr. Hubert Davis	Chief Business Officer
Tulane Univ.	Mr. Lawrence Guichard	Business Manager
U. of Utah	Mr. C. N. Stover, Jr.	Asst. to the Dean
Vanderbilt Univ.	Mr. Warren H. Kennedy	Director of Finance
U. of Vermont	Mr. James H. Bates	Exec. Asst. to the Dean
U. of Virginia	Mr. Stuart Allen	Asst. to Dean for Finan. Matters
(Alternate)	Mr. Tom Nalley	Adm. of Private Practic Clinic
Med. Col. of Virginia	Mr. L. Daniel Crooks	V. P. for Bus. & Finance
U. of Washington, Seattle	Mr. Robert L. MacHugh	Associate Adm. Director -Hlth. Scien
Washington Univ., St. Louis	Mr. John L. Midkiff	Business Manager
Wayne State Univ.	Mr. Richard Aja	Business Manager
West Virginia Univ.	Mr. Howard O. Croasmun	Asst. to the Comptroller
U. of Wisconsin	Mr. Ralph Hawley	Business Manager
Woman's Medical Col.	Mr. Edward Kane	Financial V.P.
Yale Univ.	Mr. Stanley H. Davis, Jr.	Assoc. Comptroller of the Univ. for Med. Affairs
#6651 New York University School of Medicine	Mr. Thomas J. Fitzgerald	Assistant Controller

Gus Carroll wrote to Robert C. Berson, M.D., Executive Director, AAMC, on November 6th 1967, to advise as to the steps that had been taken thus far and the plans for the first meeting:



ASSOCIATION OF AMERICAN MEDICAL COLLEGES

2530 RIDGE AVENUE EVANSTON, ILLINOIS 60201

EVANSTON: 312-328-9505
CHICAGO: 312-273-4350
CABLE ADDRESS: AAMC EVANSTON

November 6, 1967

Memo to: Robert C. Berson, M.D., Executive Director

From: A. J. Carroll

Subject: Report of meeting of medical college business and fiscal officers held as part of the AAMC Annual Meeting, 2:00 p.m. to 4:00 p.m., October 27, 1967, New York City

Preparation for the Meeting

Deans of 84 medical schools designated 126 persons to attend the meeting.

Four developing schools and 14 established schools were not represented.

I wrote each person who had been designated to attend inviting suggestions for topics to be discussed. About 80 persons responded by suggesting 55 different questions and subjects for discussion. They were summarized on three lists:

No. 1 listed items under 10 broad categories according to the level of interest reported;

No. 2 listed 23 suggested topics regarding medical school relations with the federal government; and

No. 3 listed 32 suggested topics regarding medical school activities not concerned with the federal government.

Dr. Ernest Allen had agreed to speak about current problems regarding medical school-federal government relations, and Mr. Nathaniel Karol had agreed to participate in the discussions. So I sent them copies of list no. 2 about three weeks before the meeting.

Several of the responses to my letter expressed the hope that the meeting would be more than a few speeches and that those who attended would be able to get answers to some of their problems. In a 2-hour meeting this would be practically impossible so I wrote a 15-page memo for distribution during the meeting.

It included the three lists of suggested topics. I skipped no. 1, the general summary, and no. 2 regarding federal matters with the hope that these would be at least partially covered by Dr. Allen, Nat Karol, and the discussion period. Regarding list no. 3 I gave some information about many of the 30 topics either by briefly stating my own opinions or

November 6, 1967

suggestions or by referring to specific information which could be obtained concerning these matters from AAMC publications or other sources. This gave everyone something to take back home and we are beginning to get requests for some of the reference information.

The Meeting

Except that we had an overflow crowd (between 135 and 150) and not enough seats, the meeting went well and seemed to be well received.

Lee Powers chaired the meeting. I kept my paper short; Ernest Allen gave a friendly, informative, and factual but comforting talk; we had a full hour for open discussion; Nat Karol was on the rostrum with us; I had previously suggested that we should take advantage of the presence of the federal people, and this is the way it worked out. Lee fielded the questions nicely and we had a lively hour of discussion.

I talked to many of the business officers later and they were enthusiastic and pleased with the meeting.

Future Plans

The 2-hour session was too short to accomplish much but from the letters and calls I received before the meeting it became clear that there was a unanimous feeling that regular meetings should be held--smaller but longer regional meetings, an annual meeting, and possibly some workshop type meetings regarding special areas of medical college business administration.

I realized that there would not be enough time for productive discussion of what should be done next so I invited 7 experienced business officers to meet with me on the morning of October 27 to talk about the future.

A summary report of this meeting which includes an outline of future plans is attached. If you have a few minutes on your next visit to Evanston I'd like to get your thoughts on these matters.

Bill Hilles served as secretary and prepared the minutes of the first meeting of the BOS (GBA):



MINUTES OF THE FIRST ANNUAL MEETING
of the
BUSINESS OFFICERS SECTION
ASSOCIATION OF AMERICAN MEDICAL COLLEGES

Shamrock Hilton Hotel
Houston, Texas

Thursday, October 31, 1968, 1:30 p.m. to 5:00 p.m.

The Chairman, Mr. Joseph A. Diana called the First Annual Meeting of the Business Officers Section, AAMC, to order. Mr. Diana reported for the Ad Hoc Committee on Organization, citing the history of the group's formation and the role of the late "Gus" Carroll in initiating plans for the Business Officers Section. He acknowledged the efforts of the Planning Committee in carrying out what "Gus" Carroll has started. The plans for the Section were brought to fruition by the acceptance of the group by the AAMC Council.

Mr. Hugh E. Hilliard reported for the By-Laws Committee, reviewing the role of the Planning Committee and the various proposals considered. He remarked that although there would probably be some ad hoc committees established, the formation of standing committees would be delayed until the next annual meeting of the Section in order to avoid overstructuring until the new Section and its officers have a chance to identify the specific committee needs. Mr. Hilliard invited comments from the audience to the draft by-laws which were circulated. Upon motion duly made, seconded and unanimously carried, it was,

RESOLVED, that the by-laws as circulated be accepted without change. Mr. Robert G. Lindee reported for the Nominating Committee. Because of the press of time, permission of the assembly was requested to proceed to elect the organization's first slate of officers without the formality of written notice specifying the candidates. Upon motion duly made, seconded and unanimously carried, it was,

RESOLVED, to waive the formality of electing officers only after written notice.

Mr. Lindee reported that it was the Nominating Committee's desire to present a slate of officers which represented various national regions and types of medical schools. The following slate of officers was presented:

- President - Mr. Joseph Diana
- Vice President - Mr. Harry Parker
- Secretary - Mr. William C. Hilles
- Treasurer - Mr. C. N. Stover, Jr.

Upon motion duly made, seconded and unanimously carried, it was,

RESOLVED, that the nominations be closed and that a unanimous ballot be cast for the slate of officers.

Mr. Diana announced that two suites in the hotel would be made available today and tomorrow for small discussion groups and regional meetings.

Mr. George M. Norwood, Jr. reported for the Budget Committee. He summarized the various suggestions that had been offered to enable the new Section to meet its operating commitments. He reported that the AAMC had assured the new Business Officers Section that they would cover basic expenses of the Section. As yet there is no budget for the Section; however, it is expected that one will be developed when the Executive Committee makes its plans during the course of the year. Upon motion duly made, seconded and unanimously carried, it was,

RESOLVED, that the report of the Budget Committee be accepted and made a part of these minutes.

Mr. Diana discussed the objectives and future activities for the Section. He reviewed the purpose of the organization, namely to advance medical education particularly in the areas of business, fiscal and administrative management of medical schools. He reaffirmed the commitment of the founders group to the goal that the Section will be representative of all schools in performing its function and that the officers of the Section, the members and Chairmen of the Standing Committees will be subject to sufficient turnover. This would insure new blood and new viewpoints to prevent stagnation and unresponsiveness to new thoughts from others and yet, at the same time, maintain continuity and balance. Mr. Diana summarized a number of goals which the Section's raison d'etre suggests. He emphasized the need for professionalizing the business officer's role as a team member in governing the medical school, providing the best techniques and assistance to serve the programs of that institution. At the same time the officer would work to achieve high-level sensitivity to the needs of the school's personnel and programs. Mr. Diana suggested several activities which the officers of the Section would consider in the ensuing months, e.g., workshop for medical school management, interchange of administrative talent between institutions, middle management training, a medical school administrative fellowship program with the federal government, etc.

Mr. Tom Campbell conducted an open discussion on professional development. He remarked that a recent questionnaire on the background and organizational position of medical school business officers indicated a multiplicity of institutional charts of organization and business officer experience. He suggested that workshops be patterned after the AAMC administrative institutes, with the Section picking the appropriate subject and developing the curriculum. Regional workshops would then be held to explore the subject and follow the curriculum. He suggested that fellowships of three to twelve months be established at medical schools, the AAMC and federal government agencies to broaden the experience of the business officer. It might be possible to secure support for this program from federal government or foundations, he suggested. It was recommended that colleges with programs of public administration and hospital administration give some attention in their curricula to the administration of a medical center. The advisability of developing standard operating procedures and procedural manuals on business methods was discussed. It was suggested that those business officers who had recently conducted surveys of medical school practices in business areas make the results of their survey available to the Business Officers Section for possible circulation.

Dr. Rice, Director of the Division of Operational Studies, AAMC, stressed the need for a close working relationship between the business officers and his

Division. He expressed appreciation for Mr. Campbell's assistance on the various fiscal studies conducted by his office.

The Chairman asked for reports of the regional meetings held to date. Mr. Hilliard reported that the Southern Region met in Atlanta on May 13, 1968. Relationships with teaching hospitals, the AAMC Faculty Salary Questionnaire, budgeting and interim financial reports and plans for future meetings were among the topics discussed. The meeting was attended by 25 people representing most of the southern medical schools.

Mr. William C. Hilles reported on a regional meeting of the northeastern medical schools held July 26, 1968. Representatives from 28 of the Region's 37 medical schools were on hand along with representatives from the AAMC and from medical schools outside the northeast. This meeting was an informal one with much opportunity for cross discussion. Sections of the agenda were moderated. Topics included organizing business services within a modern medical center, fiscal considerations of medical service plans, organization plans and by-laws for the Business Officers Section, AAMC questionnaires and studies. A summary of the proceedings of this meeting were developed and it was suggested that a copy be sent with these minutes to the Business Officers Section representatives throughout the country.

Mr. Diana adjourned the meeting for the day.

Friday, November 1, 1968, 1:30 p.m. to 5:00 p.m.

Mr. C. N. Stover, Jr., served as Chairman for the day's presentations. He introduced Dr. Manson Meads, Dean of the Bowman Gray School of Medicine, who presented "A Dean's Eye View of the Business Officer." Dr. Meads emphasized that the rapid growth of faculties, facilities, and programs resulting in the increasing complexity of financing and emerging public attitudes with the respect to allocation of national resources has brought about the need for a business and finance officer qualified to perform as a key medical school administrator. Such an individual must be capable of ensuring the optimum use of existing resources and of assuring that appropriate information is developed relating to program costs and sources of income so essential for sound, long-range planning, decision making and program evaluation. A reprint of Dr. Meads' presentation was ordered to be made part of the records of the meeting.

The Chairman presented Dean William F. Maloney of the Tufts University School of Medicine who addressed the Section on "The Relationship of the Business Officer with AAMC." Citing the recognition that the advancement of medical education depends on good management, which was expounded in 1876 by leaders of 22 medical colleges meeting to form a provisional Association of Medical Colleges of America, Dr. Maloney emphasized a continuing concern through the years with good medical college management. He acknowledged the close working relationships between medical school business officers and the AAMC's Division of Operational Studies in such areas as medical school program costs, medical center staffing patterns, cost analysis in teaching hospitals, annual expenditure reports, etc. He urged a continuation of these relationships in such areas as improving statistical reporting, finding better ways to account the cost of medical education, developing better methods of budgeting and internal fiscal reporting for medical schools, and improving relationships

between medical schools and federal agencies. He emphasized that as a responsible official concerned with sound financial policy and operation of his medical school, the business officer must recognize his responsibility for bringing his wisdom to the national policy scene through the AAMC. Dr. Maloney's presentation was ordered to be made part of the records of this meeting.

Mr. Robert F. Kerley, Vice President for Business Affairs and Treasurer, University of Kentucky, represented Mr. Ernest M. Conrad, Vice President for Business Finance, University of Washington, who was unable to be present. Mr. Kerley addressed the group on "The Relationship of the Business Officer with COGR." He discussed the role in federal-university relations which could be undertaken jointly by the Committee on Governmental Relations of the National Association of College and University Business Officers and the new Business Officers Section. He reviewed the brief history of the government-university liaison and the development and nature of COGR, particularly with respect to its concentration on problems affecting educational institutions with significant federally sponsored programs. He indicated, however, that the Committee is not designed to handle all the special problems that may concern the AAMC. He emphasized the need therefore for complete coordination and continuing dialogue between the two business officers groups on all matters of common interest as well as the specialized problems with particular interest to the medical schools. He suggested that it might be appropriate for subcommittees of each of the groups to meet on a continuing basis to formulate a joint approach to issues. A reprint of Mr. Kerley's address was ordered to be made part of the records of the meeting.

The Chairman introduced Julius B. Richmond, M.D., Acting President, State University of New York Upstate Medical Center, who delivered the first Annual A. J. "Gus" Carroll Lecture. His presentation, "On Creative Administration," reflected on the talents and accomplishments of the late Gus Carroll, emphasizing his creativeness in developing more effective ways to meet the problems of medical center administration. Dr. Richmond suggested at least three areas which will be of concern for the next several years: (1) The development of a spirit of inquiry, initiated by the business officers, into creative medical school financial management; (2) Adequate attention to institutional self-study and self-analysis, resulting in new approaches to better management of resources; (3) Emphasis on the need to examine new approaches in financing of health services. Dr. Richmond stressed his view of the business officer as a full member of the academic community, not exclusively a service arm of the institution. Dr. Richmond's lecture was ordered to be incorporated in the official records of this meeting.

There being no further business to be undertaken, the First Annual Meeting of the Business Officers Section of the AAMC was duly adjourned.

William C. Hilles, Secretary

APPENDIX THREE
Twenty-Fifth Anniversary Meeting

In conjunction with the AAMC national meeting in New Orleans, Louisiana, October/November 1992, the GBA celebrated twenty-five years of accomplishments.

Of the twenty-four living, past national chairs, (Richard Littlejohn had passed away), twenty one attended the meeting and posed for a group photograph.



Starting top row, left to right: Dan Benford (1972), “Red” Stover (1977), Marv Siegel (1973), Joe Diana (1969), Bob Winfree (1992), Hugh Hilliard (1970), Warren Kennedy (1978), Roger Meyer (1989), Jim Peters (1975), Mario Pasquale (1983), Bob Price (1982), Jim Hackett (1988), Tom Fitzgerald (1972), Bernie Siegel (1980), Bottom Row, left to right: Bill Zimmerman (1971), Wayne Kennedy (1976), Debbie McGraw (1993), Janice Arbuckle (1991), Barney McGinty (1985), Les Wilterdink (1986), John Deeley (1987),

The dinner was a wonderful success. It took place at Antoinette, one of New Orleans finest restaurants. Attendance of more than several hundred included many of those had been in the GBA from its early days, as well as those who had joined only recently.

It was a wonderful opportunity for some of the “old timers” to pass on some “history” to the younger members.

Bill Hilles served as chair of the event and began by outline the evenings program.



Some of Those Who attended The Dinner At Antoines



A Grand Time Was Had By All !



Kathryn and Joseph Diana



Becca and Robert Price



Flo and Wayne Kennedy



Maxine and Dan Benford



Florence and Bernie Siegel



Janice Arbuckle



Marvin and June Siegel



Eleanor and Mario Pasquel



Jeannie and Hugh Hilliard



Anne and Jim Hackett



"Red" Stover



Helen and Warren Kennedy

The next morning five of “The Founding Fathers”
and three spouses gathered for breakfast.

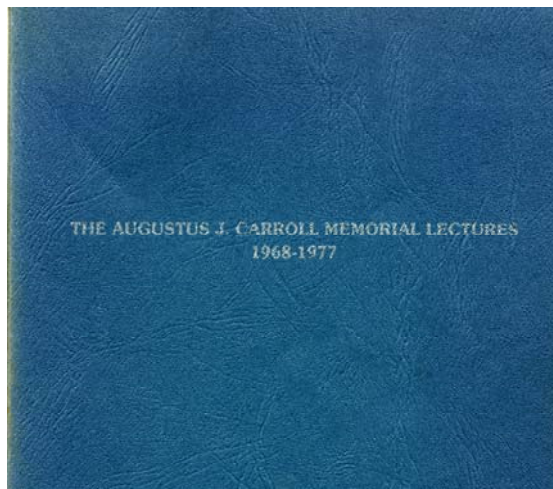
Everyone agreed that the members could be very proud of what had been accomplished
In the first twenty-five years. We hope that everyone will be together in 2008 to talk
of what has been accomplished over the first forty years.



Pictured from left to right: Dave Sinclair, Bill Zimmerman, Bill Hilles, Betty Lou Hilles, Hugh Hilliard, Jeannie Hilliard, Joe Diana and Kathryn Diana

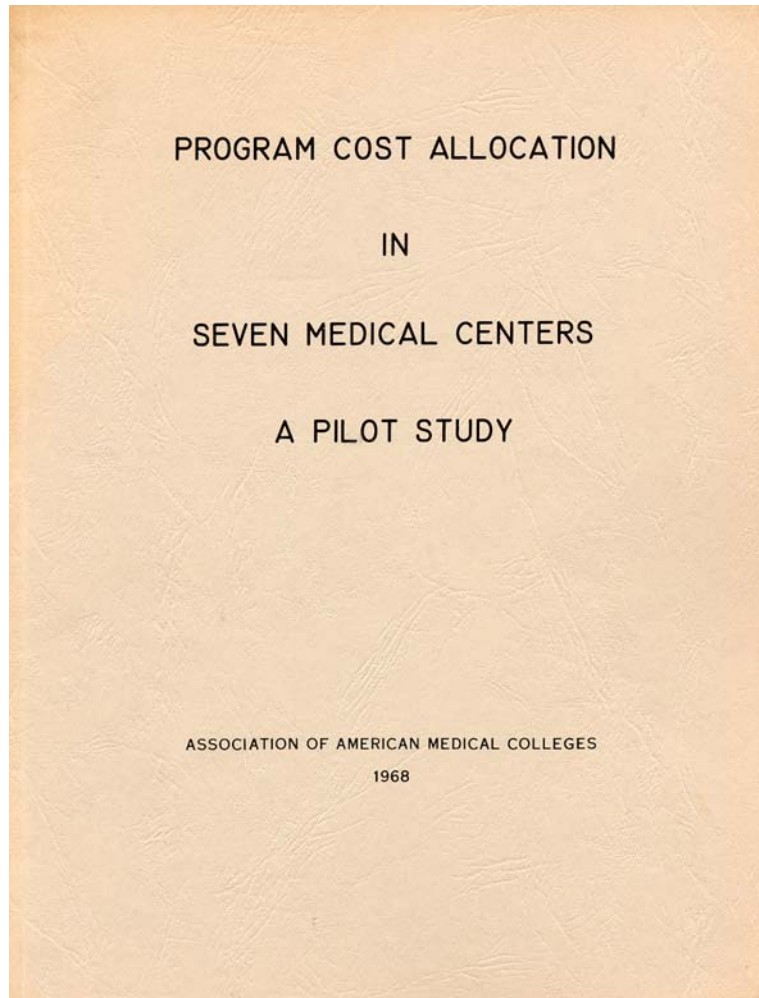
Appendix Four AAMC and GBA Publications

Publication of studies, reports, journals, etc, has been of up most importance to the GBA from its earliest days. This is part of the “Gus Carroll” tradition. Gus liked nothing better than to complete a detailed examination of a problem and than to record the results of the effort in written document that could be used to benefit as many people and organizations as possible.



GBA publications can trace their beginning to 1958 when the AAMC published a book by Mr. Augustus J. Carroll, ‘A Study of Medical College Costs’.

After that came the publication in 1967 of the of a document titled, “Program Cost Allocation In Seven Medical Centers A Pilot Study”.



Tom Campbell was a protégé of “Gus” Carroll and had been deeply interested in the question of the cost of medical center programs from his earliest days at the AAMC.

The study was financially supported by the National Institutes of Health and the Bureau of Health Manpower, Public Health Service, Department of Health Education and Welfare. In addition, partial financial support for the study came from a W. K. Kellogg Foundation grant to the AAMC.

As the cost of medical education continued to increase during the 1960’s, and medical schools programs of bio medical research, sponsored by NIH, grew rapidly, there was increased pressure to determine as accurately as possible, what were the true costs ?

This study laid the groundwork for a multitude of future studies in the decades that followed. It set forth some very important basic principles regarding cost allocation formulas for academic medical centers. (see chapter Five – AAMC/GBA Studies – The Cost Of Medical Education).

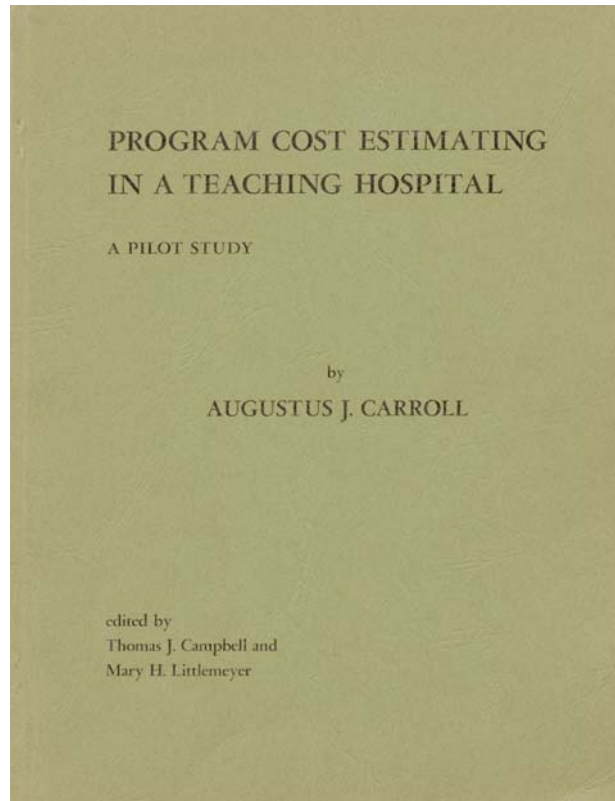
In the Forward to the report it states, “There was mutual recognition of the need to explore possibilities of refining existing cost information reporting systems with the objective of unifying and simplifying the methods that medical centers use in meeting the requirements of their various funding agencies (including the requirements of the federal, state and local governments as well as the University). Also, the study participants were to review the requirements presently stipulated by granting agencies to ascertain whether modifications are needed to reduce the time, effort, and complications of present reporting requirements.

In 1969 the AAMC published, “Program Cost Estimating in A Teaching Hospital.” by Augustus J. Carroll. The study was edited by Tom Campbell.

In the foreword to the report, the author’s state, “In 1958 the AAMC published Mr. Carroll’s book, ‘A Study of Medical College Costs’. As a result of this publication, and from his continuing studies in the area of program cost, he was esteemed as one of the foremost experts on medical school fiscal affairs in the nation.”

On April 10, 1968, Mr. Carroll suddenly died. At the time he was working on the hospital cost study. A steering committee, selected AAMC staff and the combined efforts of many individuals resulted in the completion of the project and the publication of this report in 1969.

The steering committee selected the Yale-New Haven hospital for the pilot study.



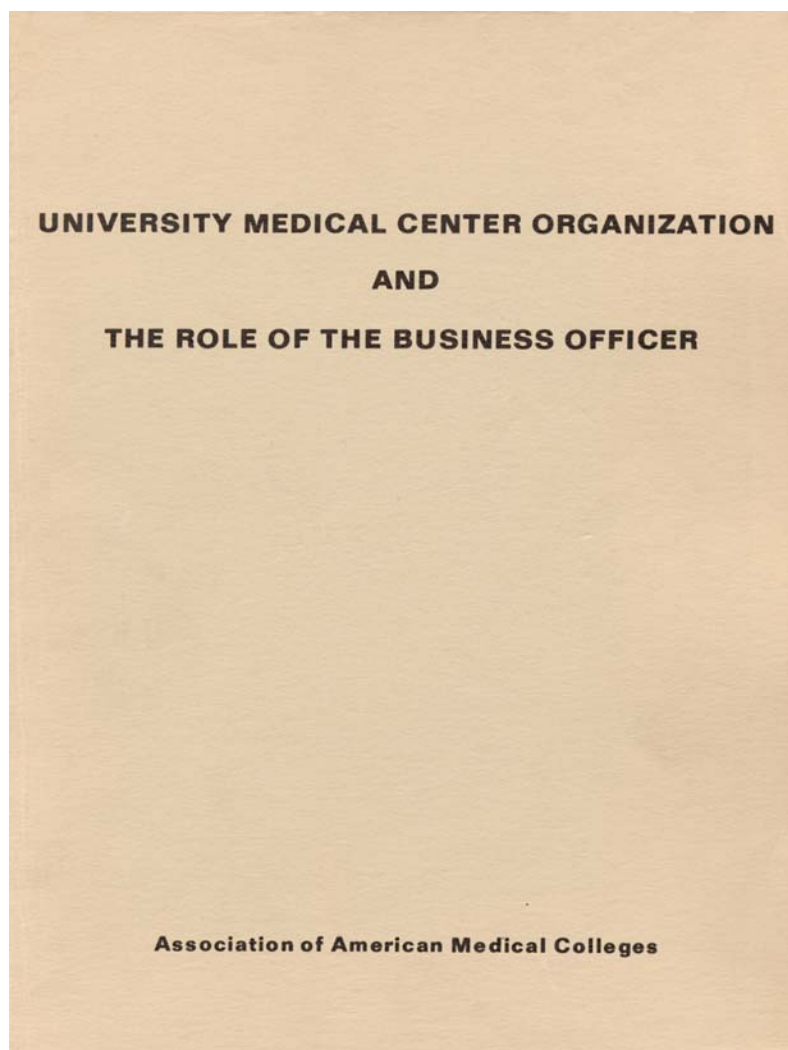
Included in the back of the report is a section written by Mr. Campbell entitled: “Practical Use of Program Cost Information.”

In this section he said, in part, “In the future, as the costs of programs such as Medicare and Medicaid become more stabilized and programs designed to provide more sophisticated information are refined, the health care industry will be in a better position to explain and control its costs. It is certain that the progress in the years ahead will develop at an ever-accelerating rate, and a higher quality of care will be extended to a constantly broadening segment of the population. These changes will be a tremendous benefit, but they will be costly. Increasing effectiveness will be expected and demanded by the general public. Therefore it will be necessary for those who have responsibility for these programs to have the best systems available for reviewing, controlling, and explaining the costs involved.

In its first thirty-five years of service to academic medicine a hallmark of the GBA has been its professional development activities. In particular, regional and national workshops regarding topics of vital importance in achieving the goal of improving the business, fiscal and administrative management of medical schools.

We might say that all of this began with a \$121,600 grant to the AAMC from the W. K. Kellogg Foundation in May, 1969.

This grant provided financial support for a workshop that would help to achieve the goals described above.



One of the many benefits that derived from this gift from the W. K. Kellogg Foundation was the publication, by the AAMC, in 1972, of “University Medical Center Organization and The Role of the Business Officer.”

Looking at the list of topics included in the work shop and this publication we can see how important this type of activity was to the professional development of the membership of the GBA and to all those who benefit from their efforts.

The topics included:

- ❑ Relationships within the Medical Center and the Role of the Business Officer.
- ❑ Relations with the Federal Government.
- ❑ Fiscal and Administrative Relations with the Parent University.
- ❑ Medical Service Plans.

Major contributors and participants included:

- ❑ George Norwood, Jr., [a], Vice President for Planning, Thomas Jefferson University.
- ❑ Bernard J. Lachner, Assistant to the Dean, Ohio State University.
- ❑ Harold R. Jordan, Administrative Assistant to the Dean, Howard University.
- ❑ James R. Turner, Assistant Dean for Administration, University of North Carolina.
- ❑ William A. Zimmerman, [b], Associate Dean, University of Washington.
- ❑ Thomas a. Fitzgerald, Assistant Controller, New York University Medical Center.
- ❑ Clifton A. Himmelsbach, M.D., Associate Dean for Research, Georgetown University.
- ❑ Daniel P. Benford, Assistant to the Dean, Indiana University.
- ❑ Erick K. Erickson, [c], Vice Chancellor, University of California, San Francisco.
- ❑ Lars W. Larson, Assistant to the Vice President for Health Sciences, State University of New York, Stony Brook.
- ❑ Joseph Lynch, Director of Business and Finance for the Medical Center, St. Louis University.
- ❑ Edward W. Maher, Director of Health Center Administrative Services, University of Connecticut.
- ❑ Adrian E. Williamson, Executive Assistant to the vice President and Dean, University of Colorado.
- ❑ Bernard Siegel, [d], Business Manager and Controller, Albany Medical College.
- ❑ Harold W. Reinert, Business Manager, Pennsylvania State University.
- ❑ Hugh E. Hilliard, Controller and Associate Treasurer, Emory University.
- ❑ Ronald A. Lochbaum, Assistant Controller, Duke University.
- ❑ Alfred F. Bears, Business Manager and Assistant Comptroller, University of Pennsylvania.

[a] Chaired workshop - Relationships within the Medical Center and the Role of the Business Officer.

[b] Chaired work shop – Relations with the Federal Government.

[c] Chaired workshop – Fiscal and Administrative Relations with the Parent University.

[d] Chaired workshop – Medical Service Plans.

The project was directed by Thomas J. Campbell.

The editor of the workbook was George M. Norwood, Jr.

In his introduction, Mr. Norwood concluded, “This workbook is one project in the program of professional development and training. It is not intended to be a text or reference book, but a single outline to guide discussion as business officers get together to share their knowledge and experience. Indeed, it consists largely of material about their own institutions furnished by several of the participating members. While the business officer seldom is called upon to establish the ‘university medical center organization’, he has a vested interest in it and it contributes to his ability to fulfill his own role. If this work book can serve in some measure to generate the increased effectiveness on the part of the business officer, it has served its purpose well.”

During the early 1970’s the issue of health manpower grew in importance and drew national attention. The policy of the Federal government stated that the nation was short 40,000 physicians, and proportionately hundred of thousands of other health professionals, in particular, nurses.

The congress appropriated funding to help alleviate this problem. The Physicians Assistant program provided millions of dollars to fund the nations medical schools so they could increase the size of entering freshman medical students.

At the same time the government (Federal and State), asked for solid information related to the cost of medical school and medical center programs.

During this period, two of the most important studies that were published were one conducted by the AAMC, it became known as, The Sprague Report, (the name of the committee chairman, Charles C. Sprague, M.D., Dean, University of Texas, Dallas, and the report prepared by the Institute of Medicine, U.S. Department of Health, Education and Welfare, Public Health Service, Health resources Administration, “Cost of Education in the Health Professions. “ January, 1974.

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As to the first report, official title, “Report of the Committee on The Financing of Medical Education” Association of American Medical Colleges, October, 1973.

Joining the Chairman, Dr. Sprague, was a distinguished group of academic officials, from a wide variety of institutions.

MEMBERSHIP LIST

AAMC Committee on the Financing of Medical Education

Charles C. Sprague, M.D. Chairman University of Texas, Dallas	Donald J. Hanahan, Ph.D. University of Arizona (Resigned, Sept. 1, 1972)
William G. Anlyan, M.D. Duke University	William D. Mayer, M.D. University of Missouri, Columbia
James W. Bartlett, M.D. University of Rochester	Russel A. Nelson, M.D. The Johns Hopkins Hospital
Howard L. Bost, Ph.D. University of Kentucky	Robert G. Petersdorf, M.D. University of Washington (Resigned, May 31, 1972)
Samuel T. Castleman American Security & Trust (Resigned, Oct. 8, 1971)	Bert Seidman* AFL-CIO
Robert A. Chase, M.D. Stanford University	William H. Stewart, M.D. Louisiana State University
John A. Gronvall, M.D. University of Michigan	*Mr. Seidman did not participate in the Committee's consideration of this report

Task Force on Cost of Medical Education

John A. Gronvall, M.D. Chairman University of Michigan	Arnold Lazarow, M.D., Ph.D. University of Minnesota
John C. Bartlett, Ph.D. University of Texas, Houston	L. Edgar Lee, Jr., M.D. Case Western University
James W. Bartlett, M.D. University of Rochester	William D. Mayer, M.D. University of Missouri, Columbia
Donald A. Boulton, Ed.D. University of North Carolina	Henry C. Meadow Harvard Medical School
Ray E. Brown Northwestern University	William B. Weil, Jr., M.D. Michigan State University
John E. Chapman, M.D. Vanderbilt University	Henry Pohl Chicago Medical School (Student Representative) (resigned, Dec. 31, 1972)
Christopher C. Fordham, III, M.D. University of North Carolina	Alvin Strelnick Yale Medical School (Student Representative) (resigned, Dec. 31, 1972)

Task Force on the Cost of Graduate Medical Education and Faculty Practice Plans

William G. Anlyan, M.D. Chairman Duke University	Robert M. Heysel, M.D. The Johns Hopkins Medical Institutions
Christopher C. Fordham, III, M.D. University of North Carolina	Arnold S. Reldman, M.D. University of Pennsylvania
William J. Grove, M.D. University of Illinois	Charles B. Womer Yale-New Haven Hospital

Task Force on Facilities

Howard L. Bost, Ph.D. Chairman University of Kentucky	Baldwin F. Lamson, M.D. UCLA Hospitals & Clinics
Gerlandino Agro NewYork Medical College	Robert G. Lindee Henry J. Kaiser Family Foundation
Charles F. Gregory, M.D. University of Texas	Manson Meads, M.D. Wake Forest University

Task Force on Biomedical Research:

The Executive Council in September, 1972, established the Committee on Biomedical Research and Research Training. The Task Force on Biomedical Research, therefore, ceased to exist as of September 14, 1972.

Robert G. Petersdorf, M.D. Chairman University of Washington	Donald J. Hanahan, Ph.D. Vice-Chairman University of Arizona
Ronald Estabrook, Ph.D. University of Texas	Robert G. Lindee Stanford University
Alfred Gellhorn, M.D. University of Pennsylvania	A. Brian Little, M.D. Cleveland Metropolitan General Hospital
Gerhard H. Giebisch, M.D. Yale University	Paul A. Marks, M.D. Columbia University

Financial support for this project was provided by the National Fund for Medical education, Inc., and the Bureau of Health Manpower Education, Department of Health Education and Welfare.

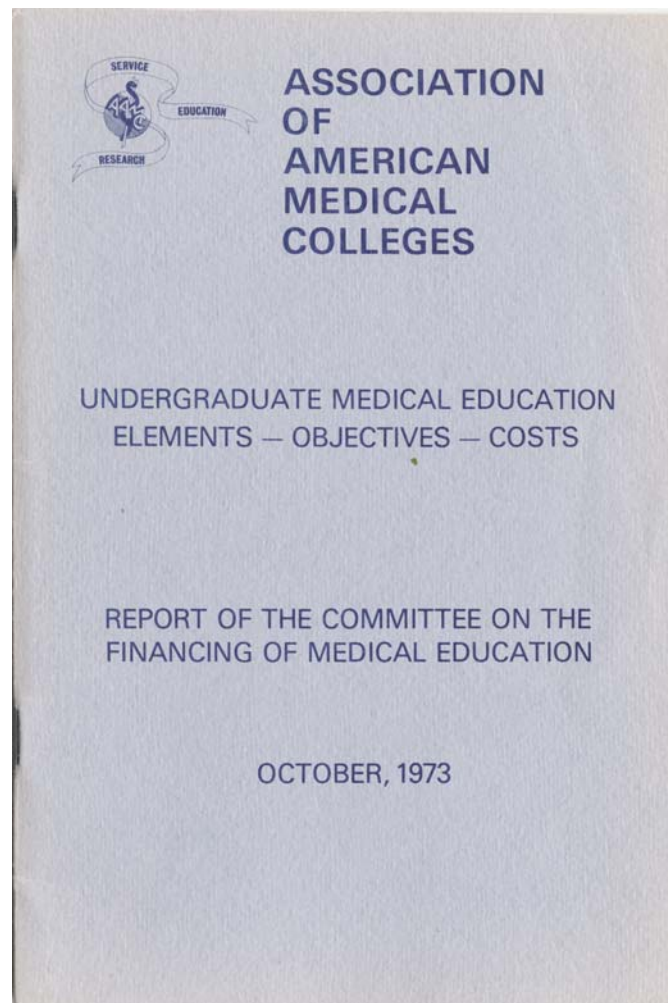
The report began, "It may have been true some decades ago that the education leading to the M.D. degree took place in a setting almost entirely devoted to that sole objective. But the contemporary medical school, and thus the framework for medical education, has become increasingly complex."

The report continued by explaining the growth pattern that has transpired in recent years:

- ❑ Teaching medical students, in 1961 65,000 to 110,000 in 1972.
- ❑ Medical schools responded to decisions made by the Congress and the Executive Branch after World War II, that biomedical research was in the public interest and that public

funds should be appropriated to serve this purpose. This resulted in a growth from less than \$10 million in 1950, to more than \$400 million in 1972.

- ❑ Expenditures by medical schools to support their regular operating programs grew from \$200 million in 1961 to \$780 million in 1971. For the same period expenditures for sponsored research increased from \$220 million to \$930 million.
- ❑ University hospitals and their major teaching affiliates together account in 1970 account for one fifth of all the health care provided by the nations hospitals. This grew from less than 14% in 1965.



The report said, “Undergraduate medical education is composed of interacting elements integral to a unified process leading to the M.D. degree. The elements in this process are the instructional activities covering the imparting of disciplinary and inter-disciplinary subject matter through lectures, seminars and laboratory exercise, participation in the care and management of patients, and training in research methods for the solution of problems in health.”

“Fundamental to the process for quality medical education is the requirement that the student be instructed by educators who are capable of teaching up-to-date medicine. This can be accomplished only by faculty that is involved, in adequate measure, with developments at the frontiers of scientific knowledge in the health sciences through such scholarly pursuits as their own bio medical research activities, and in the application of that knowledge through their involvement in contemporary health care practices.”

This section of the report concluded:

“Even after the physician finishes his formal period of education and training he /she must continue learning during his/her formal period of education and training he/she must continue learning during his/her entire career to maintain his/her competence and keep abreast of the advances in knowledge, technology and medical practice. Thus any meaningful concept of medical education must encompass the full spectrum of undergraduate, graduate and continuing medical education. The medical school plays a critical role in all of these.”

The report explained that in order to understand the cost of medical education it is necessary to understand its nature and essential elements and its relationship to the total span of the education and training of physicians. These were explained in the report.

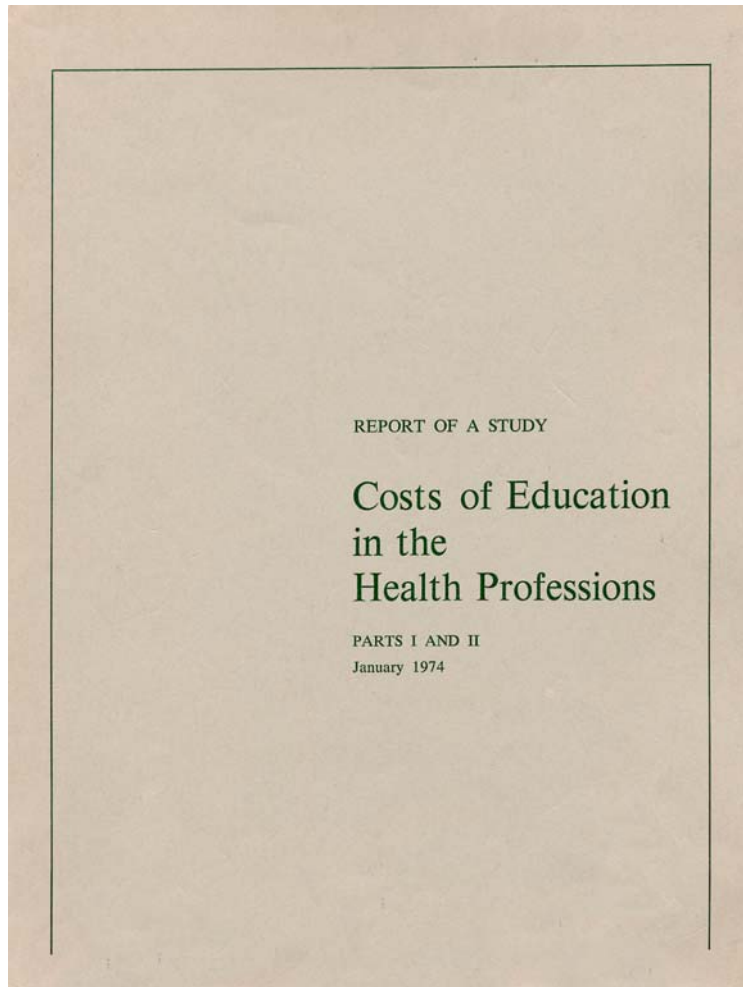
The study determined that in 1972 dollars the average cost per year to educate a medical student, in the twelve schools participating in the study, ranged from a low of \$16,400 per student, to a high of \$24,100.

It said, “The varying costs presented should be viewed as guideline measures of the resources required for the M.D. degree program, reflecting varied institutional settings and educational approaches.”

The next major report on this subject, as stated earlier, was the report prepared by the Institute of Medicine, U.S. Department of Health, Education and Welfare, Public Health Service, Health resources Administration, “Cost of Education in the Health Professions. “ January, 1974.

Although neither an AAMC or GBA publication, it is very important to include it in this section because of its historic importance, and also, because it was a collaborative effort which involved significant input on the part of the AAMC.

This report was published by the National academy of Science, Washington, D.C., and supported by funding from Department of Health, Education and Welfare.



The Steering Committee was chaired by Julius Richmond, M.D., Director Judge Baker Guidance Center, Boston, Massachusetts.

The study staff was directed by Ruth S. Hanft, Institute of Medicine.

In the preface the authors begin, “Costs of health professions education have long been topics of discussion among educators, members of professional associations and Federal and State officials. The complexity of many health professional schools and the interrelationships between teaching, research, and patient care in the educational process make cost determination both difficult and controversial. Data are scarce on cost per student and aggregate costs for the institutions in all of the health professions.

Costs appear to vary greatly in all of the professions but there are few explanations for the variation. Recent increase in public financial support of health professional education have prompted a concerned effort toward a better understanding of educational costs.”

“The Comprehensive Health Manpower Act of 1971 (Public Law 92-157) introduced a new method of Federal Aid for education in the health professions: direct payment to schools on the

basis of their enrollment, or, 'capitation' grants. Congress, desiring information for its deliberations on the amounts of capitation payment, asked the Institute of Medicine/National Academy of Sciences, to provide estimates of the education costs per student in each of the eight health professions covered by the Act. [a]

In its summary the report states:

“Estimates as to the cost of education in the health professions cannot be derived by routine methods of cost accounting. The activities that constitute education must be defined before costs can be assigned. The process depends on a thorough analysis of health professions schools. These institutions are central to an enterprise of great diversity and growing national economic impact:

- National health expenditures reached \$94-billion in 1973. and now exceed \$100-billion.
- Health occupations employ more than four million workers whose 600 different jobs range from clerical positions that require no education past high school, to skilled professions for which training extends as many as 11 years past the college baccalaureate degree.”

“A context for the study is provided by an appraisal of the educational institutions in the aggregate.

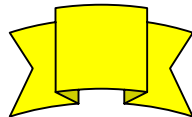
- ❑ More than 1,600 schools in the United States provide education in the eight professions.
- ❑ The schools spent more than \$3-billion in the education of more than 300,000 students in 1972 but received less than 40% of their income from unrestricted education funds.
- ❑ Two-thirds of all health professional students are in nursing. The other seven professions in 1973 graduated 22,900 students with the first professional degree.
- ❑ Health professional schools vary greatly on their curricula, mixture of students, organization, and financial structure. Institutional settings range from the freestanding school that educates one type of professional, to a health science center complex of schools, which may educate students toward the first degree in five or six professions and also train graduate students and house staff. Schools with major programs of biomedical research and patient care may direct only a small portion of their activities toward education for the first degree.

[a] The Act provided funding for schools of: Medicine, osteopathy, dentistry, optometry, pharmacy, podiatry, veterinary medicine, and nursing.

The report summarized its recommendations as follows:

- ❑ “The study group endorses a policy that health professional schools be regarded as a national resource requiring federal support.
- ❑ The study group recommends that the federal government use net education expenditures as a basis for establishing capitation payments to health professional schools.
- ❑ The study group endorses a capitation grant program as an appropriate federal undertaking to provide a stable source of financial support for health professional schools.
- ❑ The study group is of the opinion that capitation grants ranging between 25 and 40 per cent of net educational expenditures would contribute to the financial stability of public and private health professional schools and would be an appropriate complement to income from tuition and gifts and support by state governments, all of which should be maintained as nearly as possible in their present proportions.
- ❑ The study group recommends that capitation be based on graduate, with appropriate transitional support to schools that have greatly increased their enrollments in the past few years, or have recently changed to a three-year degree program.
- ❑ The study group recommends that capitation not encourage one length of curriculum over another in any one profession.
- ❑ The study group recommends that a mechanism be established in the Federal executive and legislative branches to coordinate the implementation of any financing policy for health professional education.”

Neither time nor space allows us to list all of the important GBA publications over the first 35 years of its existence. Suffice it to say that the authors believe that the GBA publications listed in this Appendix are fairly representative of what has been published during this period of time and the topics and problems that were considered.



We close with the GBA newsletter that was published during the 1980's. It was called "FORUM". It contained excellent articles of importance to the membership and was very well received.

FORUM

FROM THE CHAIR

Dear Fellow GBA Members:

This will be my last opportunity as national chairman to communicate with you through the *GBA Forum*. The *Forum* is a valuable publication for all of us and is an opportunity to communicate with each other on a national basis. Its continued high quality requires your support through articles and through the sharing of your knowledge.

I would like to impart to each of you the importance of governance of our group. This year, we have tried to make the regions stronger through more active participation of your regional chairperson in the decision-making process of the group.

Your regional chairpersons now select the members to national committees; decide when and where your future meetings will be held; what the program content will be; and whether or not there will be regional workshops, individual regional meetings, or both. They depend on you to help them make these decisions. Your regional chairpersons cannot make these decisions in isolation. So governance is you. It is important that you tell your regional chairperson your desires, be active in your region, let your regional chair know if you are interested in serving on national committees, and advise your regional chairperson what you want him or her to accomplish and what you want your national organization to be. Our strength is in the regions; we cannot afford to be passive.

The committees are for your benefit. They should not be self-perpetuating. More GBA members should be able to become active and have the honor of serving at the regional and national level.

We have had an active group of regional chairpersons this year.

Together with your national officers, they have set goals for each committee and given them a charge to accomplish.

I want to express appreciation to your national staff, John Deufel, Carolyn Curcio, and their assistants. We are fortunate to have these individuals working for us.

Thanks also for the support of Bob Price, past national chairperson, Mike Scullard, chairperson-elect, and Barney McGinty, national secretary who always assured we have our minutes and communication in good order.

Your regional chairpersons were excellent and worked hard. So thanks to Mike Amey for the Northeast, Bob Rose from the South, Duane Gaither from the Midwest, and Bob Winslow from the Western region. Your national standing committee chairman and their members deserve our appreciation for all of their efforts and excellent programs.

My thanks to all of you for your kind letters and calls of support during this past year.

Mario Pasquale
Chairperson, GBA

FROM THE REGIONS

Intellectual Property: Looking Both Ways at Jefferson

Technology transfer, the commercial application of intellectual property, is the newest big game for most medical schools. At Jefferson Medical College of Thomas Jefferson University, this process is looked upon as a means of linking basic research to the public benefit while improving the quality of what the school is doing internally. Examination of the links between basic research, applied research, and the marketplace has shown that successful efforts are almost always the result of academic cooperation across traditional departmental lines. A new, highly innovative, artificial larynx which reached the market in October, 1983, was the result of the joint efforts of faculty members in otolaryngology and biomedical instrumentation. Similarly investigators in pharmacology and hematology together found a new use for an old compound, and that technology has now been licensed to a major pharmaceutical firm for use in its research.

The marketing of intellectual property is now generating new revenue for some of the medical school's faculty members and their departments, as well as for their institution. Equally important, it is showing the faculty the rewards of academic collaboration across traditional lines of thought and departmental boundaries. This collaboration will lead to enhanced educational opportunities for Jefferson Medical College's medical students and graduate students, as well as new opportunities for commercial development. It should also bring a larger number of minds to bear upon the sticky ethical questions arising from academic-corporate relationships which have yet to be resolved.

continued on page 2

HIGHLIGHTS

Paying Hospital-Based
Physicians Under TEFRA

✱

Stanford Constructing
State-of-the-Art
Animal Facility

✱

Special Programs for
Basic Sciences Departments
at Northwestern

Appendix Five
Group On Business Affairs
Rules And Regulations/By Laws

I. Name

The name of the organization shall be the "Group on Business Affairs of the Association of American Medical Colleges," hereinafter referred to as the GBA.

II. Purpose

The purpose of the organization is to advance the managerial art and science of administering medical education in the areas of business, fiscal and administrative management of medical schools, and to facilitate direct interaction of the AAMC staff and Councils with institutional representatives charged with responsibilities in business affairs.

III. Membership

1. Members shall be appointed by the deans of medical schools that are members of the Association of American Medical Colleges (hereinafter referred to as the AAMC) and shall serve at the pleasure of their respective deans. Deans may designate a member of their staff to appoint individuals to the GBA
2. Deans of schools holding affiliate membership in the AAMC (such as the Canadian medical schools) may appoint members of the GBA. These members shall have the privileges of the floor in all discussions, and shall be entitled to one vote per school.
3. Deans of schools holding provisional institutional membership in the AAMC (such as newly developing medical schools) may appoint members of the GBA. These members shall have the privileges of the floor in all discussions, and shall be entitled to one vote per school.
4. Other interested individuals without voting rights may be elected to the GBA by the membership or by its Steering committee. In this manner, appropriate individuals from the AAMC staff may become ex-officio members of the GBA.
5. Representatives of school holding full (regular) institutional membership in the AAMC shall be entitled to vote and there shall be only one vote per school.

IV. Regional Organization

1. The purpose of the regional organization shall be to encourage communication between GBA members with common regional interests and to provide a forum for discussion of matters to be acted on later at the national meetings.
2. The total number and geographical names of the regional groups shall be the same as regional groups for deans of medical schools and for the AAMC Group on Student Affairs.
3. A medical school may be affiliated with more than one region. The dean of the medical school shall designate the region(s) of affiliation and, if more than one, which region shall be the primary affiliation.
4. Each region shall have a Chairperson and such other officers as may be appropriate to be elected prior to the annual meeting by the representatives of the medical schools having primary affiliation with that region. A simple majority of the voting members is required.
5. The regional groups shall hold at least one meeting annually unless a majority of the members with primary affiliation (by mail or at a previous meeting) postpones or cancels.
6. Minutes of the meeting shall be recorded and a summary of the proceedings of the regional meetings should be distributed to all members of the regional group and to the GBA Steering Committee.

V. Meetings and Quorums

1. Meetings of the national GBA membership shall be held annually. Additional meetings may be called by the GBA Steering Committee or by 25 member institutions.
2. A majority of the voting members (one vote for each school holding institutional membership in the AAMC, affiliate membership in the AAMC, or provisional institutional membership in the AAMC) shall constitute a quorum.
3. Formal actions may only be taken at meetings in which a quorum is present. At such meetings, decisions will be made by majority vote of those voting.
4. In the conduct of meetings, the order of business shall be under the direction of the Chairperson who shall make all parliamentary decisions. Such decisions may be reversed by two-thirds majority of the voting members present and voting.

VI. National Officers

The national GBA officers shall include a Chairperson, a Chairperson-Elect, an Executive Secretary, and such other officers as may be appropriate.

The GBA Chairperson may not serve consecutive terms.

The Chairperson-Elect shall be elected annually by a simple majority of the voting members present and voting at the GBA annual meeting. The term of the Chairperson shall commence one year thereafter.

The Executive Secretary of the GBA shall be appointed by the AAMC President and shall be an AAMC staff member. The Executive Secretary shall coordinate the provision of appropriate staff support and assist in the general direction of the GBA.

Nominations for the Chairperson-Elect and other officers shall be made by a nominating committee appointed by the GBA Steering Committee and such nominations shall be publicized in advance to the membership. Additional nominations may be made from the floor by the members, providing the consent of the nominees has been received.

The Nominating Committee will recommend to the Steering Committee any elected national officer or officer-elect if the elected person is unable to serve. These appointments will remain effective until the next annual meeting.

VII. Committees

1. The GBA Steering Committee shall be composed of:
 - * National Officers of the GBA
 - * The Regional Chairpersons
 - * The Immediate Past National Chairperson
 - * Chairpersons of GBA Standing Committees, who shall be ex-officio non-voting members.

2. The GBA Steering Committee shall manage the affairs of the Group. It shall also approve all committee appointments.

3. Other Standing or Ad Hoc GBA Committees may be authorized by vote of the GBA membership with the concurrence of the AAMC President. If a new committee is needed between annual meetings, an Ad Hoc Committee may be authorized by the Steering Committee and appointed by the Chairperson to serve until the next GBA annual meeting.

4. The GBA Committees, whenever practical, shall include:
 - * Representatives from each of the GBA regional groups
 - * Appropriate AAMC staff members
 - * A member of the Steering Committee

5. Appointment to committees shall be made annually by the GBA Chairperson with the approval of the Steering Committee.

6. Committee Chairpersons shall be appointed by the GBA Chairperson. Each committee may also elect a Vice-Chairperson and a Secretary.

7. Minutes shall be kept of all committee meetings and circulated to committee members and the National Chairperson.

8. The role of all GBA committees, except for the Steering Committee, shall be advisory. Accordingly, they shall obtain approval for any major projects from the GBA membership at the annual meeting (or from the GBA Steering committee between annual meetings) and the AAMC President. Contact with major related organizations outside the GBA shall be coordinated with the GBA Executive Secretary.

9. The Standing Committees and their functions shall be reviewed annually by the Steering Committee. Those committees no longer needed may be dissolved upon the recommendation of the Steering Committee to the national GBA membership and upon the approval of the national membership.

10. Descriptions of the purpose and functions of each current GBA committee shall be appended to the Rules and Regulations (see Appendix) but the committee description shall not be considered an official part of the Rules and Regulations. Major changes in the committee descriptions shall be made only by or with the approval of the GBA membership of the GBA Steering Committee.

VIII. Parliamentary Authority

For matters not covered in these Rules and Regulations, parliamentary authority shall be Roberts Rules of Order.

IX. Amendments

Subject to the approval of the AAMC President and the Executive Council, these Rules and Regulations may be altered, repealed, or amended or new Rules and Regulations adopted by a two-thirds vote of the voting members present and voting at any annual meeting of the GBA membership for which prior written notice of the Rules and Regulations changes has been given, provided that the total number of votes cast for the changes constitutes a majority of the combined institutional, affiliate, and provisional institutional membership. (As indicated in Section III, the voting members are limited to one GBA representative per school holding institutional, affiliate, or provisional membership in the AAMC.)

Revised as of November 17, 1997

Appendix Six
Past National Chairpersons

2002 Michael A. Hindery	1985 Bernard McGinty
2001 George Andersson	1984 Michael A. Scullard
2000 David Perry	1983 Mario Pasquale
1999 Jaclyne Boyden	1982 Robert B. Price
1998 Patricia St. Germain	1981 Jerry Huddleston
1997 Philip Schrodel	1980 Bernard Siegel
1996 Byron Backlar	1979 Richard G. Littlejohn*
1995 Gregory Handlir	1978 Warren H. Kennedy
1994 Lee Fetter	1977 C. N. Stover*
1993 Deborah McGraw	1976 V. Wayne Kennedy
1992 Robert Winfree	1975 M. James Peters
1991 Janice M. Arbuckle	1974 Marvin H. Siegel
1990 Richard A. Grossi	1973 Daniel P. Benford
1989 Roger Meyer	1972 Thomas A. Fitzgerald
1988 James Hackett	1971 William A. Zimmerman
1987 John Deeley	1970 Hugh E. Hillard
1986 Lester G. Wilterdink	1969 Joseph A. Diana

*Deceased

Appendix Seven
Emeritus and Honorary Members
Service with Distinction

Emeritus Members:

Patricia St. Germain (2003)
University of Arizona College of Medicine

Roger D. Meyer (2003)
University of California, San Diego School of Medicine

Marvin Siegel (2001)
University of Miami

Robert Price (2001)
University of Texas, San Antonio

V. Wayne Kennedy (2000)
University of California, San Diego College of Medicine

Robert Winfree (2000)
Duke University Medical Center

William Hilles (1998)
University of Arkansas College of Medicine

Byron Backlar (1997)
Oregon Health Sciences University School of Medicine

Bernard McGinty (1995)
Duke

John Melendi (1995)
South Florida

Thomas Fitzgerald (1994)
New York University School of Medicine

Jerry Huddleston (1994)
Ohio State University School of Medicine

Wayne Daley (1992)
University of Minnesota - Duluth School of Medicine

Ben Weaver (1992)
East Carolina University School of Medicine

Reggie Graves (1991)
Louisiana State University School of Medicine

Richard G. Littlejohn, Ph.D. (Deceased) (1990)
University of California, San Francisco School of Medicine

W. James Peters (1990)
New York Medical College

Lester G. Wilterdink (1989)
Albany Medical Center of Union University

George W. Seils (1989)
University of Arizona College of Medicine

Warren Kennedy (1988)
Bowman Gray School of Medicine of Wake Forest University

George Warner (1988)
University of Arkansas College of Medicine

David House (1988)
Dartmouth Medical School

Jeanne Williams (1987)
University of California, Los Angeles UCLA School of Medicine

Daniel P. Benford (1986)
Indiana University School of Medicine

Mario Pasquale (1985)
University of Colorado Health Science Center

Hugh E. Hillard (1984)
Emory University School of Medicine

Clarence N. Stover, Jr. (Deceased) (1983)
University of North Carolina at Chapel Hill School of Medicine

Elliot J. Wells (1983)
University of Alabama School of Medicine

Bernard Siegel (1982)
Hahnemann Medical College

Joseph E. Lynch (Deceased) (1982)
St. Louis University School of Medicine

James P. McLean (1981)
University of Florida College of Medicine

William A. Zimmerman (1980)
Oregon Health Sciences University School of Medicine

Lou Rems (1978)
Mount Sinai School of Medicine

Ruth E. Bardwell (1978)
Case Western Reserve University School of Medicine

David A. Sinclair (1977)
State University of New York at Syracuse Health Science Center College of Medicine

Robert MacHugh (1976)
University of Washington School of Medicine

Service With Distinction:

James Bennett (1998)
Duke University Medical Center

Honorary Members (continued):

G. Phillip Schrodel (2000)
University of Michigan Medical School

Deborah McGraw (1998)
University of California, San Diego School of Medicine

Leon D. Gauthier (1993)
Tulane University School of Medicine

Joseph Arcese (1989)
University of Colorado School of Medicine

Jack Groves (1989)
Wright State University School of Medicine

David J. Bachrach (1989)
University of Michigan Medical School

Stephen Chapnick (1989)
Case Western Reserve University

Wallace L. Harris (1986)
Emory University

Sid R. Wallace (1979)
University of Calgary Faculty of Medicine

Marilyn Riddle (1977)
University of North Carolina

Thomas J. Campbell (1976)
Administration SUNY-Upstate Medical Center

Alfred Beers (1976)
University of Pennsylvania

Ronald A. Lochbaum (1974)
Kirksville College of Osteopathic Medicine

George M. Norwood, Jr. (1973)
Thomas Jefferson University

Robert G. Lindee (1973)
Palo Alto Medical Research Institute

Appendix Eight

ASSOCIATION OF AMERICAN MEDICAL COLLEGES

EXECUTIVE STAFF

	Area Code (202)
Jordan J. Cohen, M.D. , President	828-0460
Richard M. Knapp, Ph.D. , Executive Vice President	828-0410
Joseph A. Keyes, Jr. , Senior Vice President	828-0555
Kathleen S. Turner , Vice President	828-0463
Robert L. Beran, Ph.D. , Vice President, Student Affairs and Education Services	828-0250
David A. Blake, Ph.D. , Senior Vice President for Biomedical Research	828-0485
Edwin L. Crocker , Vice President of Administrative Services	828-0440
Robert M. Dickler , Vice President for Health Care Affairs	828-0492
Paul F. Griner, M.D. , Vice President for Assessment and Management Change in Academic Medicine	828-0418
Donald G. Kassebaum, M.D. , Vice President, Educational Research & Assessment	828-0596
Thomas F. Moberg , Vice President for Information Resources	828-0466
Herbert Nickens, M.D. , Vice President for Community and Minority Programs	828-0572
Susan Neely , Vice President for Communications	828-0459
Michael E. Whitcomb, M.D. , Vice President for Medical Education	828-0505

GBA EXECUTIVE SECRETARY

Jack Krakower, Ph.D. , Assistant Vice President and Director of Institutional Data Systems	828-0654 FAX 828-1125 <i>jk Krakower@aamc.org</i>
<i>Electronic Mail Address:</i>	

GBA WEB PAGE

<http://www.aamc.org/about/gba>