Fee Plans, Models and Schedules

‘What Should We Charge?’

Panel Members

S. Barry Issenberg, MD, Director, University of Miami Gordon Center
Michael S. Gordon Professor of Medicine and Medical Education
Associate Dean for Research in Medical Education

Kevin Miracle, MBA, EMT-P, Manager: Simulation Services
Peter M. Winter Institute for Simulation, Education and Research (WISER)

Paul Pribaz, MS, Executive Director, Jump Innovation
Jump Trading Simulation & Education Center. OSF Healthcare System

Panel Director: George Keeler, MA, MBA, Program Administrative Director,
UW (University of Wisconsin, Madison) Health Clinical Simulation Program
The presenters have no personal financial relationship with entities producing health care and/or simulation-related goods and services.
Session #356: Objectives

- State the difference between Cost and Price
- Identify the key factors that constitute Cost
- Gain exposure to various Fee Plans
Fee Structure for Simulation Use

S. Barry Issenberg, MD
Michael S. Gordon Professor of Medicine and Medical Education
Associate Dean for Research in Medical Education
Director, University of Miami Gordon Center
Gordon Center for Research in Medical Education

- 35,000 sq. ft. facility in Miami, FL (on medical campus
  - 23 Sim Rooms, 4 classrooms, 4 debriefing rooms, 2 R&D tech labs, 40 station computer lab, 2 conference rooms,
  - 6 Satellite locations
- University of Miller Miami School of Medicine
  - Undergraduate, Graduate, Continuing Education
- UHealth (6 hospitals, >20 clinics)
  - Practicing professionals in all Disciplines/Levels Attending, Fellow, Resident, Physician Extenders, Nurses, Patient Care Technician
Populations Trained in Emergency Programs:
CARDIAC AND PEDIATRIC LIFE SUPPORT / ACUTE CORONARY SYNDROMES / STROKE / AIRWAY / ANTI-TERRORISM / DISASTER / TRAUMA / TRIAGE / ARMY

Academic Year 2012 – 2013
## UNDERGRADUATE, GRADUATE AND CONTINUING MEDICAL EDUCATION (CME) TRAINING PROFILE

<table>
<thead>
<tr>
<th>Populations Trained</th>
<th>Cardiology</th>
<th>Clinical Skills</th>
<th>Neurology</th>
<th>Emergency</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Students</td>
<td>612</td>
<td>1,035</td>
<td>112</td>
<td>164</td>
<td>1,923</td>
</tr>
<tr>
<td>Residents</td>
<td>134</td>
<td>134</td>
<td></td>
<td></td>
<td>268</td>
</tr>
<tr>
<td>Physicians</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
<td>40</td>
</tr>
<tr>
<td>Physician Assistants</td>
<td>42</td>
<td>24</td>
<td></td>
<td></td>
<td>66</td>
</tr>
<tr>
<td><strong>Total Trained:</strong></td>
<td><strong>828</strong></td>
<td><strong>1369</strong></td>
<td><strong>246</strong></td>
<td><strong>164</strong></td>
<td><strong>2,297</strong></td>
</tr>
</tbody>
</table>
Budget Management

• GCRME reports directly to the Senior Associate Dean for Academic Affairs and CEO.
• Annual budgets prepared and presented to the Dean’s Office and Office of Financial Affairs for approval.
• GCRME sets its own annual budget and is responsible for generating sufficient funds to meet all expenses.

• With the exception of funding that is overseen by sponsored programs (e.g. state and federal grants, foundational grants), revenue generated from courses and educational systems sales are considered unrestricted funds and under the discretion of the GCRME Director for expenses as long as these are approved by the Department of Financial Affairs.
Budget Management – Sources of Revenue

• Recurring funding from State (40%)
• Federal grants (Dept of Defense) (10%)
• Unrestricted funding generated from the revenue (38%)
  • onsite training courses
  • dissemination of training courses and curricula
  • dissemination of simulation systems and curricula.
• Revenue from private foundations and individuals (10%)
• Revenue from an endowed chair (2%)
Budget Management – Sources of Expense

• Personnel (65%)
• Consulting Fees (10%)
• Dean’s Tax (10%)
• Equipment & Supplies (10%)
• Overhead (2%)
• Travel, Meetings, Food, Dues (3%)
# Auditorium & Support Fees

**Auditorium Rental Fees:**
Reservations are entered in our calendar and confirmed when full payment IDR is received. Rental hours billed include time necessary for set-up and clean-up of space.

<table>
<thead>
<tr>
<th>Service</th>
<th>Charge</th>
<th>Rate</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>AM only, PM only or all day rentals</td>
<td>$150/hour</td>
<td></td>
<td>_____</td>
</tr>
<tr>
<td>Mid-day rentals: 2 hour minimum charge</td>
<td>$200/hour</td>
<td></td>
<td>_____</td>
</tr>
<tr>
<td>Food service fee (applies for catered and brown-bag events)</td>
<td><strong>$100.00</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional set up: tables, chairs</td>
<td><strong>$50.00</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A/V Technician during rental</td>
<td>$40/hour</td>
<td></td>
<td>_____</td>
</tr>
<tr>
<td>Video-stream to IP address *</td>
<td>$140/hour (OT = $190/hour)</td>
<td></td>
<td>_____</td>
</tr>
<tr>
<td>Capture video for web</td>
<td>$140/hour (OT = $190/hour)</td>
<td></td>
<td>_____</td>
</tr>
<tr>
<td>File conversion for web</td>
<td>$140/hour (OT = $190/hour)</td>
<td></td>
<td>_____</td>
</tr>
<tr>
<td>Overtime GCRME staff</td>
<td>$40/hour</td>
<td></td>
<td>_____</td>
</tr>
</tbody>
</table>

**Total:**

**Cancellation Policy:**
If canceled at least 1 month prior, the rental fee, less 20%, will be returned.
Simulation / Classroom Fees

- Charged per sq ft of UM rate of $39.75 per sf per year = $3.31 per sf/month
- Simulation OR for Dept of Surgery = $1,100 / month
  - Dept uses its own equipment / supplies / faculty
- Sample Course = Advanced Trauma Life Support = $500
- GCRME run courses = $175 - $300/per person for full day course
Peter Winter Institute for Simulation, Education and Research

Kevin Miracle, MBA, EMT-P, Manager: Simulation Services
Peter M. Winter Institute for Simulation, Education and Research (WISER)
Peter Winter Institute for Simulation, Education and Research

- 16,000 sq. ft. facility in Pittsburgh, PA
  - 11 Sim Rooms, 2 classrooms, 3 debriefing rooms, procedures lab, 2 BLS/ACLS rooms, CT Surgery storage
  - 6 Satellite locations
- 140+ different courses, 400+ facilitators
- University of Pittsburgh
  - Schools of Medicine, Nursing, Pharmacy, Dentistry, Health & Rehab Sciences, Biology
- University of Pittsburgh Medical Center
  - Practicing professionals in all Disciplines/Levels Attending, Fellow, Resident, Physician Extenders, Nurses, Patient Care Technician
WISER Financial Model

• Budgeted Income received from:
  – University of Pittsburgh
    • 1 Satellite Center
  – UMPC
    • 5 Satellite Centers
• Additional Revenue
  • Fee for utilization
  • Donations
WISER Financial Model

• Expense payment:
  – University of Pittsburgh
  – UMPC
  • Depending on expense type and primary end user
Calculating Costs

- Direct or Fixed Costs
- Indirect or Variable Costs
- Miscellaneous Costs
- Fee Calculations
Direct or Fixed Costs

- Rent
  - Established by property owner
    - Includes electric, water, sewage, some maintenance and housekeeping services
    - 3rd floor WISER and 4th floor Administrative suites
- Salaries
  - Established through employer
- Benefits
  - As determined by employer
- Maintenance
  - Maintenance and service plans
Indirect or Variable Costs

• Equipment and/or Supplies
  – Linen
  – Biohazard disposal
• Repairs and/or Upgrades
  – Facility
  – Information Systems
  – Simulation Technology
Miscellaneous Expenses

- New course development
- Unanticipated expenses
- Instructor fees
- Refreshments
Course Fee Calculation

- **Central Venous Cannulation Training**
  - Library, MET 6, and MPL,
    - Room set-up, room turnover after class
  - Supplies
    - CVCT Kit/s, IV solutions & tubing, Neck and femoral modules for PTT, Ultrasound Gel, etc.
  - Equipment
    - CVCT PTT, Blue Phantom PTT, Ultrasound machine
  - Disposables
    - Gloves, gowns, masks, sharps box/s
  - Support
    - Instructor, Sim Specialist, IT Support, SIMS user fee
Developing a Fee Plan and Schedule for your Program

Paul Pribaz, MS, Executive Director, Jump Innovations
Jump Trading Simulation & Education Center
OSF Healthcare System, Peoria, Illinois
## Facility Overview

(67,000 sq. feet one of the largest centers in the world)

<table>
<thead>
<tr>
<th>Facility Type</th>
<th>Description</th>
<th>Available Rooms/Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virtual ICU</td>
<td>2 rooms</td>
<td>Regional Transport Center</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Apartment &amp; Ambulance</td>
</tr>
<tr>
<td>Virtual OR/Trauma Lab</td>
<td>600 square feet (1)</td>
<td>Virtual Reality Lab</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10 learner stations</td>
</tr>
<tr>
<td>Virtual Patient Unit</td>
<td>6 rooms</td>
<td>Skills Lab</td>
</tr>
<tr>
<td></td>
<td></td>
<td>24 learner stations</td>
</tr>
<tr>
<td>Anatomical Skills Lab</td>
<td>8 learner stations</td>
<td>Innovation Lab</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Device creation</td>
</tr>
<tr>
<td>Classrooms</td>
<td>6 rooms</td>
<td>Performance Improvement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Arena</td>
</tr>
<tr>
<td>Conference Center</td>
<td>300 persons/ divisible</td>
<td>Auditorium</td>
</tr>
<tr>
<td></td>
<td></td>
<td>75 persons</td>
</tr>
</tbody>
</table>
Program Overview

Education
- Nursing Education
- Resident Education
- Medical Students
- Continuing Education
Designing a Fee Use Schedule

Consider using Federal Guidelines
• OMB Circular A-21: Cost Principles for Educational Institutions
• Four principles:
  ✓ Reasonableness
  ✓ Allocability
  ✓ Allowability
  ✓ Consistent treatment in like circumstances
• Calculate price
• Cost Accounting approval
Why Comply?

• Many advantages:
  – Hard work happens once, minor revisions annually
  – Avoids frequent revisions of payroll forms when supporting multiple projects
  – Defensible pricing for internal and external customers
Process

- Define your service lines
  - Task training
  - High fidelity simulation
  - Surgical simulation
  - Virtual reality training
  - Immersive media services

- Generate the general lab costs by center and by room

- Average the time and costs into each service line

- Consider additional costs for external customers
Example

**High Fidelity Simulation**

- Basic room charge (includes debriefing room, A/V and software)
- Average mannequin charge
- Average equipment charge
- Actual disposable charge (pass-through)
- Blended technician time
  - Device setup and takedown
  - Weekly/monthly maintenance
  - Per use charge (e.g. per stick $)
- Equals $/hr/room of sim for an internal/federal customer
# Adding it up

<table>
<thead>
<tr>
<th></th>
<th>Hourly Rate</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room &amp; Equipment</td>
<td>$105</td>
<td>‘Base charge’, includes depreciation charge</td>
</tr>
<tr>
<td>Mannequin Charge</td>
<td>$7</td>
<td></td>
</tr>
<tr>
<td>Technician Charge</td>
<td>$30</td>
<td>Includes setup time, maintenance, etc.</td>
</tr>
<tr>
<td>Fringe</td>
<td>$8</td>
<td>Full vs negotiated federal rate</td>
</tr>
<tr>
<td>[F&amp;A]</td>
<td>$50</td>
<td>External customers only</td>
</tr>
<tr>
<td>[Profit]</td>
<td>$100</td>
<td>External customers only</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$150</strong></td>
<td>Internal rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>[$300]</strong></td>
</tr>
</tbody>
</table>

- Note there is no faculty time here
- Don’t forget disposables/pass-throughs!
- Keep records: cost justification, invoices, in-kind payments, capital reserve account
http://www.jumpsimulation.org/

Paul Pribaz
paul.pribaz@osfhealthcare.org
UW Health Clinical Simulation Program

Creating guided learning conditions that simulate real-life healthcare situations

George Keeler, Program Administrative Director
No Disclosures

www.med.wisc.edu/simulation
Simulation Team

Carla Pugh, PhD, MD  
Clinical Director

George Keeler, MA, MBA  
Program Administrative Director

Krystle Campbell  
Administrative Assistant

Susan Olson  
Senior Simulation Educator

Mark Johanneck  
Simulation Specialist
Our Vision

‘Offer a world-class simulation program that promotes sharing of clinical knowledge and skills across disciplines and practitioner populations to improve the quality and safety of patient care in Wisconsin and beyond.’
Organizational Model

School of Medicine and Public Health

UW Simulation Program

Hospital

Practice Plan
UW Health Simulation Facility
(6,500 sq. ft. of Highly Adaptable, Simulation Space)
UW Health Simulation: CTAC & SSL
(8,500 sq. ft. of Additional Simulation Space)
Primary Clients

- Anesthesiology
- Emergency Dept.
- Cardiology
- Medicine
- Pediatrics
- Surgery
- Physical Therapy
- Environmental Services

- Faculty (UWSMPH)
- Physicians (non-UW Health)
- Students (medical, nursing, pharm., bio-med. eng., p. t.)
- Residents & Fellows
- Practicing Nurses and CNAs
- Paramedics & Fire Fighters
- House Keepers
## Training

<table>
<thead>
<tr>
<th>Competency</th>
<th>Certification</th>
<th>Mastery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suturing</td>
<td>BLS</td>
<td>New Technology</td>
</tr>
<tr>
<td>Resuscitation</td>
<td>ATLS (Trauma)</td>
<td>Team skills</td>
</tr>
<tr>
<td>Airway</td>
<td>PALS, NRP, STABLE (Pediatrics)</td>
<td>Leadership</td>
</tr>
<tr>
<td>Ultra sound</td>
<td>FLS (Surgery)</td>
<td>Communication</td>
</tr>
<tr>
<td>Central lines</td>
<td>MOCA (Anesthesiology)</td>
<td>CME &amp; CEU</td>
</tr>
<tr>
<td>Annual reviews</td>
<td>ACLS</td>
<td>Prof. Development</td>
</tr>
<tr>
<td>Patient Safety</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Example: Fee Model Variables

- Operating Budget ($500,000)
- Depreciation Schedule ($200,000)
- Available Hours/high fidelity room (1,768)
- Number of High Fidelity Rooms (4)
- Utilization Rate
- Discounts
- Other Fees (set-up, clean-up, delivery, in-situ, etc.)
- Mark-ups (community)

[Fee Schedule Rooms 12-02-13.xls]
Thank You!

www.med.wisc.edu/simulation
Extra Slides