Finding Success with Shared Administrative Services within Schools of Medicine and Health Science Centers

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An element common to successful health science centers (HSCs) and schools of medicine (SOMs) is effective administrative infrastructure at all levels of the organization. This infrastructure supports not only the groundbreaking achievements of faculty members but also the high-quality education provided to students in a cost-conscious manner.

Recent changes in the financial underpinning of Academic Medical Centers (AMCs) have compelled HSCs and SOMs to reconsider their administrative models. The effects of greater integration within the clinical enterprise of an AMC, including the realignment of and heightened focus on clinical revenues and expenses, have naturally led to an examination of the investment of clinical funds in the academic mission. Given the multimillion-dollar significance of this funds flow, HSCs and SOMs want to demonstrate that administrative functions are provided effectively and efficiently. This is combined with the pressure of obtaining traditional academic funding streams (e.g., state funds, tuition, F&A) externally and internally and the complexity of managing the core HSC and SOM functions. All together, these considerations are causing organizational leaders to explore new models for delivering administrative services, particularly in the academic departments that serve faculty and students on a daily basis.
CHALLENGES WITH HISTORICAL MODEL

In the traditional, department-based administrative model, an administrator within each department directs support staff who provide a host of functions such as clerical, financial, research administration, educational program administration, and human resources. Under this framework, resource levels are typically determined by each department, and interactions with SOM- and/or HSC-level support functions may vary. Although this model is common and simple in structure, it has several shortcomings in the evolving AMC environment:

- Possible redundancies in work effort
- Inconsistencies in support processes and access to key services, quality, and expertise
- Potential coverage issues
- Limited succession planning and career growth opportunities
- Minimal identification and dissemination of best practices
- Incongruence with the increased focus on collaboration/interprofessionalism across disciplines within HSCs and SOMs
- Insufficient access to the sophisticated management skills and deeper expertise required for the ever-increasing complexity within AMCs

While certain services may prove to be most effective when oriented within individual departments, serious consideration should be given to models that allow for key functions and resources to be shared across multiple departments or fully centralize a given function at the SOM/HSC level. These types of frameworks are often more effective in promoting the quality and performance sought by SOMs, HSCs, and their clinical partners.

DEVELOPMENT OF A NEW MODEL

To advance from the siloed, single department–based administrative structure, organizations commonly turn to models with consolidated units that serve the administrative needs of a set of departments. To establish this style of model, organizations will need to:

1. Define the current state.
Understand the current-state administrative infrastructure within and across departments, as well as the functions housed centrally within the SOM, other school(s) within the HSC, and the HSC itself. This includes staffing levels, duties/responsibilities, workflows, workload, and drivers of effort by function.

2. Compare departmental performance internally and externally.
Analyze the organization’s administrative performance (in terms of general workload, services provided, and related cost) internally across departments and compared to peer institutions. This knowledge will inform the development of alternatives for administrative staffing requirements, organizational models, and operations.

3. Identify variances and inconsistencies.
Once a baseline understanding of the current model is confirmed, determine variances internally and compared to peers, investigate why these variances exist, and identify opportunities for sharing resources.
4. Examine models along the continuum and identify the appropriate point for the provision of services.

Assess the feasibility of various models and determine the most effective distribution of administrative functions within the overall organizational structure based on the institution’s resources, policies, and goals.

While it may be determined that select functions are most effective in their current structure and location, others may benefit from integration or even further consolidation across a wider base of constituents. Table 1 illustrates a proposed distribution of administrative functions among HSC entities.

5. Determine potential financial impact.

Analyze the total financial implications of any models under consideration. In some cases, the financial impact may be marginal or budget neutral in nature. Even in scenarios for which a reduction in costs is not realized, organizations should consider the overall value and benefits (e.g., more widespread access to administrative expertise, greater consistency in processes) derived from a more contemporary model.

6. Select and implement a new model.

Select the model that most closely aligns with the strategic objectives of the organization, following thorough analyses of the information collected in prior steps, and proceed with implementation. Detailed planning efforts are critical for successful implementation and should address items such as initial/ongoing support and training, sequencing of the transition to the new model, location of and access to shared resources, and additional resource requirements.

### Table 1 — Example Distribution of Administrative Functions among Entities

<table>
<thead>
<tr>
<th>ADMINISTRATIVE FUNCTION</th>
<th>HSC</th>
<th>DEAN’S OFFICE</th>
<th>SHARED UNIT ACROSS DEPARTMENTS</th>
<th>INDIVIDUAL DEPARTMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Affairs</td>
<td>●</td>
<td>●</td>
<td></td>
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<tr>
<td>Administrative Support</td>
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<td>Educational Administration</td>
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<tr>
<td>Grant Management</td>
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</tbody>
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**KEY:** ● Unchanged  □ New  × Eliminated/Consolidated
POTENTIAL BENEFITS

The implementation of a shared administrative services model can yield benefits to stakeholders, including:

- **GREATER CONSISTENCY** in administrative expertise and promotion of streamlined processes, which increases service quality.
- **IMPROVED DEPLOYMENT** of resources and financial performance.
- **ABILITY FOR MORE EASILY SCALED STAFFING** in specific areas to meet changes in department size and overall workload volumes.
- **STRONGER AND MORE CLARIFIED** career path for administrative staff.
- **MITIGATION** of service delays and lack of coverage.

KEY SUCCESS FACTORS

HSCs and SOMs are complex entities, each uniquely configured and managed to meet the strategic imperatives of their leadership teams, the communities/regions where they are located, and other key stakeholders. Thus, the alternative models under consideration may vary significantly from one institution to the next in terms of staffing levels, services provided, reporting structure and organization, and overall level of consolidation. Regardless of the institution, the following factors should be incorporated into any solution to ensure the success of a shared services model:

- Faculty and leadership from the departments, SOM, and HSC are involved in the development process from the onset. Furthermore, timely and consistent communication is present throughout the process, as are opportunities for those not directly involved with planning and design to be able to voice their concerns and suggestions.
- A data-driven, metric-based process is used to develop staffing levels across each function and unit.
- Clearly defined roles and job descriptions are established. In some cases, new roles may be created, or existing roles modified, to meet the needs and demands of the entities served by the administrative support unit(s).
- Appropriate and well-defined reporting structures are formed between the administrative support unit(s), departments, SOM, and other units within the HSC.
- The administrative model is reviewed regularly to ensure balance of workload and appropriate staffing. Additionally, the mechanisms to adjust staffing based on workload and other factors, such as performance against key service-based metrics, are clearly articulated.
Potentially Challenges and Approaches

As with any change in structure, concerns may arise—particularly from faculty and staff at the department level who may experience a considerable shift in their day-to-day routine. Common concerns and challenges may include:

**Disruption of Service.** When selecting the new model, the possibility of service disruption should be considered for each viable option.

**Solution:** Pilot a subgroup of participants prior to full rollout to document successes and challenges. Work through solutions to shortcomings that may arise, refine the model as necessary, and identify subject matter experts to assist with the broader rollout.

**Loss of Dedicated Administrative Staff.** In a new administrative infrastructure, responsibilities that department staff previously handled may now be shifted to a unit that serves multiple departments (or is housed centrally within the SOM or HSC).

**Solution:** Though a department may no longer have exclusive administrative staff, it will likely realize key benefits under the new model, including improved service quality and consistency and enhanced coverage across various functions. It is vital to communicate these benefits to department members. Additionally, provide ongoing support and training for members of the department so they can seamlessly use the administrative support unit and transition to the new workflow.

**Adjustment or Downgrade of Staff Roles.** Under a department-based model, a single staff member often ends up supporting diverse and increasingly specialized activities. This may lead to misaligned expertise and responsibilities.

**Solution:** Shifting to a shared services structure often represents an opportunity for staff to be matched with their interests and strengths, thus allowing them to focus on a distinct administrative function as opposed to being a jack-of-all-trades. Staff can build expertise while ensuring high-quality service to the departments supported by the shared administrative unit(s). Furthermore, a shared services support model lends itself to a clearer career path for administrative staff compared to the traditional structure in which opportunities for growth may be limited. These advantages should be highlighted for staff.

**Additionally, provide ongoing support and training for members of the department so they can seamlessly use the administrative support unit and transition to the new workflow.**"
Administrative Staff in a Remote Location(s). Consolidating administrative functions into a centralized unit(s) may lead to more geographic distance between the administrative team and the departments and faculty they serve.

**Solution:** It is crucial to define and document the appropriate timing and frequency of contact and communication channels between the units and departments. It is also important to build streamlined and consistent touch points between the entities to foster open communication and collaboration.

**LOOKING FORWARD**

As HSCs and SOMs continue to pursue higher performance and effective resource utilization, the shared services model for administrative functions is a compelling strategy. Such a model will ensure that HSCs, SOMs, and their constituent departments are able to thrive and achieve their desired strategic objectives, despite operating in an environment in which the funding for administrative infrastructure is under greater scrutiny, but demand for efficient, responsive, and high-quality administrative services is on the rise.
About ECG

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