

# Pediatric Insight Recap

## No Margin, No Mission – Fiscal Focus and Transparency

The fiscal challenges in academic medicine are apparent to us all. In this conversation, our council discussed what leaders in academic pediatric medicine need to understand about the business of medicine and what principles need to be considered to maximize fairness and the chances of accomplishing competing priorities and goals. Below are the key points from our conversation:

- A solid understanding of funds flows is an imperative skill for clinical leaders.
- Transparency and a deep understanding of the variables of funds flow are necessary to instill trust among faculty. This is especially true about both sources of revenue as well as shared, or central expenses. Failure to be transparent can be a significant liability for recruitment and retention.
- Leaders must be provided with the support for them to gain understanding and adapt to challenges that vary from division to division, or program to program.
- Attempts to acknowledge all faculty activities, including those beyond clinical revenue, are imperative. All of these activities add to the multiple missions of academic institutions.
- Data exist for benchmarking by specialty and should be used when available.
- No one wants to feel as though their work is not valued; thus, try to avoid the use of the term “subsidizing” or to solely focus on revenue-generating activities.
- Incentives are a mixed blessing; they should be:
  - Used to supplement salaries that are already at fair market value, i.e. not as components of compensation that are at risk for potentially preventing attainment of fair market levels.
  - Transparent, understandable, and ideally simple.
  - Possibly focused on attainment of division goals vs. individual goals.
  - If possible, reflect non-revenue-producing activities that are also important to the department or institutional goals as well.
- Once in place, flexibility and creativity for incentive programs should be encouraged whenever feasible, to optimize faculty engagement and to diminish the risk of feeling disenfranchised or un-empowered to reach the missions and goals.

### Moderator



#### **Robert S. Sawin, MD**

Dr. Sawin is a pediatric surgeon, Emeritus Professor and Surgeon in Chief at Seattle Children’s Hospital and the University of Washington. Dr. Sawin served as the Vice-Chairman of the Department of Surgery, University of Washington School of Medicine, Senior Vice President and Chief Surgical Officer of the Seattle Children’s Hospital.

[Click here](#) to watch the video or listen to the podcast.