outpatient surgery center that is scheduled to open in 2010.

Cuts in the New Hampshire state budget are also affecting DHMC. In a plan submitted by Governor John Lynch, funding for Medicaid would be cut to below current reimbursement rates, which already fail to cover the cost of services provided to Medicaid patients. The budget passed by the House of Representatives would restore some of those cuts. But, Aldous explains, “that only gets us back to the status quo. . . . It remains a critical issue.” In fiscal year 2008, he adds, DHMC lost $47 million on care provided to Medicaid patients.

School: The economic situation is also posing problems for the Medical School. Dr. William Green, the dean of DMS, says the economic downturn compounded the effect of several years of declining federal funding for the National Institutes of Health (NIH).

Grants and contracts income dropped 11% at DMS from FY07 to FY08. And the Dartmouth College endowment, of which the Medical School endowment is a part, dropped 18% in value during the first half of FY09. In fact, DMS’s three primary revenue sources—research grants, endowment income, and philanthropic gifts—have all taken a hit. “The challenge,” says Green, “is that all three of these are down at once.”

To meet the challenge, Green says the School needed to fill, through a combination of budget reductions and revenue increases, a projected gap of about $25 million over the next two years.

Among the people and programs coming in for prominent media coverage in recent months were the researchers at the Dartmouth Institute (TDI) for Health Policy and Clinical Practice. “Medicare spending continues to vary widely across the country, with some cities like Miami and Dallas experiencing much faster growth in costs than places like San Francisco and Pittsburgh,” noted the New York Times. “In areas where there are plenty of hospital beds and sophisticated imaging equipment available, doctors generally spend more on their patients. ‘The incentives are there for growth,’ said Dr. Elliott Fisher, the director of the Center for Health Policy Research” at TDI. Fisher also talked to National Public Radio, noting that the health-care “payment system treats each physician and each physician’s service as a separate service that requires a separate bill. . . . So the payment system . . . rewards unnecessary care, and it reinforces the fragmentation that causes so much difficulty for patients and physicians.” (For more on this subject, see page 28.)

The Las Vegas Sun was one of numerous newspapers across the country to assess how their communities fared in a recent TDI report. “The stark reality is that we are about to spend ourselves to death in health care,” said Dr. David Goodman, the co-principal investigator. . . . ‘If some of the locales that are experiencing high and excessive growth would moderate their growth in spending by just a bit, the whole system would be preserved.’”

The New Yorker said Peter Orszag, President Obama’s budget director, “is convinced that rising federal health-care costs are the most important cause of long-term deficits. As a fellow at the Brookings Institution, he became obsessed with the findings of a research team at Dartmouth showing that some regions of the country spend far more on health care . . . but that patients in high-spending areas don’t have better outcomes than those in regions that spend less money.”

“Many oncologists would probably tell you that they’ve had patients who suffered serious side effects, even death, from treatment that they might not have needed,” said William Black, M.D., a professor of radiology at Dartmouth. “The idea that getting tested for cancer might be useless or even harmful may strike you as completely wrongheaded. After all, smaller cancers are easier to cut out. They’re also less likely to have metastasized. . . . The flip side of this problem is that many screening tests do a great job at catching cancers that would never have caused problems and could simply have been left alone.”

CNN turned to Dr. H. Gilbert Welch for insight into a recent finding that many men are treated for prostate cancer despite having tumors that were growing too slowly to ever pose a serious health risk. “Dr. Gil Welch has studied the costs and benefits of screening for cancer and other diseases. He says early detection does help some, but makes patients out of others who may never have developed a problem. . . . ‘I think it’s a recipe for telling too many people they’re sick and treating too many people,’ Welch told the network.

“The idea that mammography may do more harm than good may be alien to many American women,” noted the New York Times. “Ultimately, women have to make their own decisions about whether to be screened, said Dr. Lisa Schwartz, an associate professor at Dartmouth. . . . ‘You’re not crazy if you don’t get screened, and you’re not crazy if you do get screened. . . . There is a real trade-off of benefits and harms.’” Schwartz was also quoted in the Huffington Post regarding another breast cancer question. “A report in last month’s Journal of the National Cancer Institute suggests that as little as one extra glass of wine, beer, or hard liquor a day can increase a woman’s odds of developing breast cancer.” But, Schwartz said, “I think these researchers are making the link between drinking and cancer look scarier than it really is.”
“All those T-shirts, hats, and other items promoting alcoholic beverages that young people wear may be more than just a fashion statement,” explained U.S. News & World Report. “Teens who own such merchandise are more likely to start drinking and become binge drinkers, a new study contends. . . . ‘About three million adolescents in the United States own alcohol-branded merchandise,’ said lead researcher Dr. Auden McClure, a pediatrician at Dartmouth-Hitchcock Medical Center in Hanover, N.H. ‘Ownership of these items is associated with susceptibility to alcohol use and binge drinking,’ she added.”

U.S. News & World Report also covered recent research led by “Dr. Andrew Forauer, an interventional radiologist at Dartmouth-Hitchcock Medical Center. . . . A new study finds that people with chronic kidney disease, whether young or old, respond equally well to dialysis done through arteriovenous (AV) fistulas, surgically created passageways between veins and arteries to help in the circulation of filtered blood.” Forauer told the magazine that “AV fistulas are underutilized in the United States, yet they are best for keeping blood vessels open for access so individuals can continue to get their lifesaving dialysis.”

For a story on mental health care in the U.S., Forbes magazine interviewed “Robert Drake, a psychiatry professor at Dartmouth Medical School [who] concluded that a national program to help mentally ill people on Social Security disability programs find jobs could save the federal government $368 million a year. . . . ‘Giving people with mental disabilities the power to build financial security will help improve their quality of life significantly by encouraging self-sufficiency and building self-esteem, which can ultimately help move their treatment forward as well,’ Drake said.”

USA Today asked a DMS expert for advice on talking to children about swine flu and other medical scares. “Children’s fears are likely to rise along with the confirmed cases of swine flu, but parents can help kids feel safe despite the scary news, mental health experts say. . . . ‘Parents are calling frantically, wanting to know what to do, in states where there have been cases,’ says Henry Bernstein, a Dartmouth Medical School professor and spokesman for the American Academy of Pediatrics.”

Consumer Reports asked James Weinstein, D.O., director of the Dartmouth Institute for Health Policy and Clinical Practice, about surgical treatment options for back problems. “Many common back problems—even those that cause severe pain—will resolve themselves over time,” Weinstein said. “Your chance of having a back operation varies largely by where you live,” he said. “The rate of spinal surgery in the U.S. has skyrocketed over the past two decades and is higher than anywhere else in the world. The related expenditures are staggering. In 2003 Medicare spent more than $1 billion on lumbar fusions alone.”

“In what’s described as a genetic leap, U.S. researchers have discovered how to destroy a key DNA pathway in a widespread human parasite,” reported United Press International. “Dartmouth Medical School scientists said their findings could help fast-track vaccine and drug development to prevent or mitigate serious global diseases. [The] achievement surmounts a major hurdle for targeting genes in Toxoplasma gondii . . . whose close relatives are responsible for diseases that include malaria and severe diarrhea. ‘This opens a wide window on a complex parasite family and can help accelerate the development of safe and effective genetically modified vaccines and drug therapies,’ said David Bzik, who led the study.”

New revenue will come in the form of increases in tuition and in the size of the entering class. DHMC also increased the amount it contributes to DMS (at Dartmouth, as at all academic medical centers, the clinical operation helps to subsidize the teaching and research effort).

Cut: To cut costs, the School reduced facilities expenses; asked all departments to trim noncompensation expenditures, such as for travel and supplies; left most vacant positions unfilled; and froze salaries for FY10.

But those actions were not quite enough to close the gap, so a small number of layoffs became “inescapable,” Green said in May, announcing what he called “some difficult decisions.” As of July 2009, 12 staff positions will be eliminated and an additional 40 will have their hours reduced. No faculty or grant-funded positions were affected. DMS has over 1,160 employees.

Strong: Though the institution must respond to the fiscal crisis, Green points out, it is also essential to retain a commitment to strong academic programs. For example, he says faculty must remain competitive for grants, particularly given the new monies appropriated to the NIH through the stimulus bill.

“We’re trying to respond in a way that’s responsible,” Green says, “to meet the financial challenges, but at the same time to cause the least impact on programs and services. We feel that we’ll get through this and emerge the stronger for the process, as painful as it may be.”

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