

ADEA member institutions are surviving, and some have developed strategies that offer a roadmap to a brighter future.

In this month's letter, Dr. Rick Valachovic, Executive Director of the American Dental Education Association, revisits a handful of our institutional members to see how they are weathering the continued economic downturn.



Looking for Silver Linings Among Economic Storm Clouds

Last summer, I checked in with some ADEA member institutions to get a sense of how they were faring during the economic downturn. The consensus? Times were tough, but financial pressures were providing opportunities to transform their programs for the better.

One year later, storm clouds still hang over the economy, threatening to rain down more troubles before the forecast improves. The states are tapped out, and the federal government is divided over its role in stimulating the economy. Nevertheless, all of our member institutions are surviving, many are doing well, and some have embraced transformative strategies that offer a roadmap to a brighter future.

As Dr. Peter Polverini, Dean of the [University of Michigan School of Dentistry](#) (UMSD), put it, "The economic downturn can have two effects: force you to stop doing things, or force you to think about how to do things better."

Peter's school is one of those that has made great strides in transforming how it goes about the business of educating future dentists, but before I tell you about what is happening in Ann Arbor, I want to let you know what kinds of economic problems ADEA members, especially the publicly funded ones, are up against.

According to the [National Association of State Budget Officers](#) (NASBO), 36 states cut higher education in their fiscal 2010 budgets, and 31 are proposing further cuts in 2011. These come on top of earlier cuts in a number of states. According to Scott Pattison, NASBO's Executive Director, "State revenues remain well below pre-recession levels. At the same time, states are facing increasing spending demands in areas such as health care and social services. This is leading many states to re-examine the roles and functions of state government, including their level of support for higher education."

This comes as no surprise to folks in Alabama, where the state contribution to higher education has been reduced by about 10% per year since 2008. Another 10% cut is expected this year. Dental schools also feel the pinch when states cut their Medicaid benefits. These are still intact in Alabama, and Dr. Huw Thomas, Dean at the [University of Alabama at Birmingham \(UAB\) School of Dentistry](#), hopes they will remain so, at least for essential care, for the foreseeable future.

In the past two years, UAB has coped with the reduction in state support by realigning its curriculum, consolidating its departments, and not replacing three clinical faculty who took early retirement. With these cost-cutting measures, 12% and 15% tuition hikes in the last two years, and the start of an international dentist program that has brought in revenue, UAB has managed to stay afloat, but Huw is concerned about the future. "We are hoping that the recovery reaches Alabama in time to prevent us from having to make additional cuts," he told me.

The [University of Colorado Denver School of Dental Medicine](#) (UCSDM) has taken similar measures. According to its Dean, Dr. Denise Kassebaum, the school has taken several steps to decrease its reliance on state allocations and identify alternative funding sources. It raised tuition, increased enrollment in its D.D.S. and international student programs, initiated clinical facility expansion to increase service offerings, and increased collaborative research with other campus units to gain faculty salary support and extramural funding. It has also decreased costs significantly by closing its dental hygiene program, moving its hospital-based faculty practice into a building owned by the school, and reorganizing its clinics to utilize staff more fully.

"We are trying to identify inefficiencies and maximize use of the clinic," says Denise. "We have also initiated a compensation-related incentive plan to encourage our clinical faculty to be as productive in their supervision of students and residents as possible." The changes appear to have produced an increase in clinic income, and UCSDM is planning to continue them.

In contrast to these and other public institutions, the impact of the economic downturn on most private schools has been minimal. Stable applicant pools and consistent enrollments have allowed these tuition-driven institutions to continue, for the most part, with business as usual. This is especially true at schools that have been careful to manage their investments and budgets conservatively. Nevertheless, private schools are not immune to the economic downturn. They are seeing its impact in their clinics, where students have traditionally relied on a steady stream of Medicaid patients for a variety of practice opportunities.

Michigan is one of many states that have cut adult dental benefits to Medicaid enrollees. When the state did this during the last recession, patients without dental benefits sought out mostly palliative and emergency care, depriving students of the opportunity to develop and implement long-term care plans. To ensure students continue to be exposed to these opportunities, one private dental school, the [University of Detroit Mercy](#) (UDM), has begun a program to enhance public awareness among other patient populations of clinical services offered by the School of Dentistry.

"Many auto industry workers and others in southeast Michigan have lost their dental benefits in the past year," says Dr. Mert Aksu, Dean of UDM's School of Dentistry. The school plans to continue to invest in its campaign promoting the availability of its clinical services while respecting the line between town and gown. "We do not want to compete with our own alumni for patients," Mert assured me. "We are looking for those patients who are falling through the cracks."

California has also eliminated the Medicaid adult dental benefits it previously offered through Denti-Cal, but Dr. Nader Nadershahi, Acting Dean at the [University of the Pacific Arthur A. Dugoni School of Dentistry](#), told me that Dugoni Pacific's clinic population has remained fairly stable. The school has retained former Denti-Cal patients by adjusting some payment plans to make it easier for patients to afford care.

"When the economy goes down," Nader noted, "the bar shifts in terms of which individuals can afford coverage. That tends to favor dental schools, because patients who might not be able to afford any dental care in private practice are able to have their oral health care in a lower-cost teaching clinic."

Dental hygiene programs, especially those at public institutions, are also facing economic pressures as a result of the downturn, but its largest impact is felt less by the programs themselves than by their current and former students.

Many recent graduates are struggling to find a job—any job, not just full-time jobs with benefits—and established hygienists increasingly report underemployment, with four-day weeks cut down to three or eight-hour days reduced to six. In areas where these trends are most pronounced, the impact on enrollments threatens to be severe.

I spoke with Prof. Tami Grzesikowski, Dean of the [College of Health Sciences at St. Petersburg College](#) (SPC) in Florida. She told me that the underemployment trend began several years back. When SPC saw the length of time for graduates seeking a job reaching up to a year, the school decided it was time to act. SPC chose to reduce its class size by 20%, and according to Tami, other schools in Florida have done the same thing.

This sounds like a wise course of action, and the impact of reduced tuition revenues on SPC's financials has been negligible, thanks to skyrocketing enrollments in other programs such as the Health Services Administration program. Yet SPC's online bachelor's degree completion program in dental hygiene has not gone unscathed. The program has seen enrollment drop precipitously as the incomes of working hygienists have dwindled. "Fortunately, we have not lost any full-time faculty, but we have limited dollars available to hire adjuncts," Tami told me. "Last fall we had five. Now I am deciding whether to employ one or two for the upcoming semester."

Prof. Phyllis Spragge, Director of the Dental Hygiene Program and Interim Dean of Biology and Health Sciences at [Foothill College](#) in the San Francisco Bay area, painted a somewhat different picture than her Florida counterpart, but the crux of the matter is the same. Underemployment dogs dental hygienists throughout California, and Foothill graduates now find themselves competing with graduates from several recently opened, for-profit programs.

"Dental hygiene graduates are flooding the job market," Phyllis told me. "The dental hygiene education market in California appears to be saturated."

Like SPC, Foothill has managed to preserve its faculty and programs, but a few support-staff positions have been cut, and an administrator who retired has not been replaced. Foothill still has a healthy applicant pool, as does SPC—perhaps because both programs have established reputations for quality—but Phyllis worries that in

the long term, underemployment will push applicants to choose other health professions, ultimately undermining her program and others.

"The rationale for community colleges continuing to support expensive programs such as dental hygiene diminishes as employment opportunities diminish," Phyllis notes. "How supportive will the administration be if the number of applicants declines and alumni have difficulty finding work?"

These issues merit further exploration in a future *Charting Progress*, but for now, let me get back to the transformation occurring at the University of Michigan Dental School (UMDS). It offers excellent examples of the silver linings that many schools are finding despite the economic storm clouds hovering overhead.

Michigan was already struggling to improve its financial health before the national economy took a dive. Federal stimulus dollars have buoyed the state during the past year, but as these dry up, new cuts to higher education will likely be forthcoming. Peter Polverini estimates that the university may lose upwards of \$100 million in state support in the next few years.

In anticipation of this loss, the University of Michigan has been building its reserves and progressively reducing its support to individual schools and colleges. To create additional economies, the university has begun to implement a shared-services model. This constitutes a radical change to UM's way of operating. "We have functioned almost as a confederation," Peter told me, "and there is a lot of duplication of services as a result." UMDS will be the first school within the university to adopt the shared-services model, which they expect to be in place next year. Grants management, billing, collection, and other administrative processes will be centralized at a projected annual savings of \$1 million to the dental school alone when fully implemented.

UMDS is also developing a new interprofessional clinic within its walls, with a goal of facilitating collaboration among dental, medical, nursing, pharmacy, and social work students. The new clinic presents additional opportunities to create efficiencies, and UMDS is seizing them. The clinic will adopt many of the practices that health reform experts expect to reduce costs and improve care: early intervention and diagnosis, electronic health records, a capitation payment model, and a focus on chronically ill patients. Additionally, Peter is planning to engage insurance companies in developing new billing models that take advantage of the interdisciplinary provision of care.

"Instead of just talking about health reform, let's do it," Peter concludes. His voice exudes confidence in the future, something I felt in talking with many of you. Despite the fact that UAB is currently "in a holding pattern," as Huw Thomas put it, he is also optimistic about the future. "We have tried to be very strategic in our approach to cost-cutting so that once the recovery comes," he said, "we can hit the ground running."



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