

## INTERVIEW OF STEVE RUSSELL, 1994

BLAKE HAILEY: Today's date is April 13th, 1994. I'm Blake Hailey. We have with us Mr. Steve Russell, the executive director of the Medical Practice Plan here at the University of North Texas Health Science Center at Fort Worth and we're making this video in the Biomedical Communications Department of the Gibson D. Lewis Health Science Library. After that long spill, Mr. Russell, I'd like to thank you for taking time out of your schedule to meet with us today. And could I get you to go over a little prior background and what brought you to the health science center?

STEVE RUSSELL: Sure.

BLAKE HAILEY: TCOM, as it was back then.

STEVE RUSSELL: That's correct. I started out back in the early 70s, 1973 to give you a little bit about my background, at the Legislative Budget Board in Austin. In that, basically I worked with the House Representatives and, of course, the Senate. I worked in budget preparation for the biennial budget request that we go through here every couple of years as well as evaluating those requests I stayed there for a term of four years. From there I wanted to get involved in higher education. I went up to Texas Woman's University as the budget director as well as being over the service departments. Stayed out there a couple years and had the opportunity to come to a medical school because that was, at least my aspirations and still is, to work in a medical school. And had the opportunity to come here as the business manager of the institution. So I worked under the physical officer.

BLAKE HAILEY: Uh-huh.

STEVE RUSSELL: Served under two physical officers for five years and basically I had the accounting functions and payroll functions and budget functions and purchasing functions reporting to me at that time. And eventually the physical plants. I've kind of gone through the whole gamut on the physical side of the house. One year I was kind of interim, physical officer for the institution. In August of 1986, I had another opportunity to become the head of our practice plan --

BLAKE HAILEY: Uh-huh.

STEVE RUSSELL: -- which oversees the business functions for our physicians and I've been there ever since. And it's been a very interesting and it has been rewarding. It has its ups and downs working with physicians, but I enjoy it. Like I said, I've been in that office and functioning in that office since 1986 to the present time. So that's kind of my background in a nutshell.

BLAKE HAILEY: Well, this brings up a question then, in becoming a health science center, which has been a lot of our focus in these videos, what were some of the physical and administrative concerns and questions that you had to address and think about when becoming a health science center from the college of osteopathic medicine?

STEVE RUSSELL: Well, I think -- of course, like I said, my background it's been strictly in the fiscal area. I've been involved in other things in this institution. I think the biggest thing important for us becoming a health science center from the fiscal side of it is it gives us an opportunity to be able to, as far as cost analysis. Down in Austin, when the legislature's looking at cost, when we were just separated out strictly as a medical institution and just a medical school, when they looked at administrative cost we were kind of always on the high side in our cost for students we were a little bit on the high side.

BLAKE HAILEY: Uh-huh.

STEVE RUSSELL: We weren't able to disperse our cost like the other health science centers were able to. I think this gives us a real opportunity to come more in line with what the other medical schools were doing from the fiscal standpoint of it. And being able to get with the state being as tight fiscally as they have been in the past and from what I hear, this next session is going to be just as tight. In fact, I understand that they are going to ask for us to come in with level budget.

BLAKE HAILEY: Uh-huh.

STEVE RUSSELL: It allows us to develop programs that we can get funding for to help offset some of the cost administratively as well as financially to help us, I think, head down the road and be more competitive.

BLAKE HAILEY: So our costs are coming down then per student as time goes by?

STEVE RUSSELL: I think it will, and the reason is because we do have that designation. Plus, it does help us out in other areas also.

BLAKE HAILEY: Why was it necessary for the growth and success of TCOM to become a health science center, in your opinion?

STEVE RUSSELL: Well, like I said, I think the biggest thing it allows us -- I know that from a practice-plan standpoint, it allows us to market our practice plan, because a lot of people look at when you're a health science center you have more things to offer.

BLAKE HAILEY: Uh-huh.

STEVE RUSSELL: So in doing that I think it allows, from my standpoint, it allows us -- we are in the process right now trying to develop different programs that we can market our physicians into and being a health science center I think gives us a little bit more leverage in which to do that. So I think it's been a real plus as far as the physician side of the house is concerned.

BLAKE HAILEY: What programs would you like to see the physicians get involved in that you're interested in?

STEVE RUSSELL: Well, as far as from the Health Science Center, of course, public health language which is on the board. I think probably from a physician's standpoint that's the biggest thing I see out there. I know we have our Biomedical Graduate Program that's in place. That's more, I think on the basic science side of the house. Although we do have some of our physicians through research that participate in those programs, but I think that the public health school would be a real plus and if we could develop like some PA programs which I know is on the drawing board. There's a lot of opportunities for us to market that out there especially with the federal prisons which we're in contractual negotiation with at the present time. I think those two programs especially the PA program.

BLAKE HAILEY: PA stands for?

STEVE RUSSELL: Physician Assistants.

BLAKE HAILEY: Oh, okay.

STEVE RUSSELL: Nurse practitioners, those sort of things.

BLAKE HAILEY: Oh, okay.

STEVE RUSSELL: Because as health care is changing those have become more and more players in the medical care environment.

BLAKE HAILEY: You think we're pretty good. The health care horizon seems to be changing as far as health care reform. Are we in pretty good position for to weather those changes, do you think?

STEVE RUSSELL: I think this institution is way ahead of most institutions and that we're primary care based and have been since and such. And we have an excellent track record in Austin. I think that's reason that we're in existence because we've been able to put physicians out in rural communities. We lead, of course, the state in that arena. Where the Clinton plan is going and what you're hearing all around the country is that primary care physicians, PCP's as they call them, are going to be the backbone of this system. Managed care is coming in, which means capitation. So I think we're very well-positioned. And that's what we do and that's what we do best. And what these different entities are looking for, if you look at some of the other allopathic schools, they're more specialized in those specialities. And in doing that, they're having to make, either make a decision to try to stay the way they are or kind of get into the arena of primary care physicians. We're already there so we already got the base in place. And I think that's going to give us a leg up on a lot of institutions.

BLAKE HAILEY: And you mentioned that the other osteopathic schools take a different approach than we do with the primary care physicians.

STEVE RUSSELL: Well the allopathic.

BLAKE HAILEY: Allopathic. Now do you see that being one of the big differences in the state as far as our health science center has to offer that the others are not offering.

STEVE RUSSELL: Sure. I agree with that. There is one other institution that is beginning to get into that arena, but it's UTMB down in Galveston. But they're more or less going out and buying practices that have a family practitioners already established. The reason they do that is that feeds their hospital system and so forth. Some of the other schools are pretty well staying status quo. Now one of the things you've noticed, or at least in my meetings I've had is that academic institutions are a little slower to change than in the private sector. I think we've added individuals to my staff so we're trying to position ourselves right at the present to be competitive in that market. And so I think as far as the schools in the State of Texas, we're well on our way in hopefully achieving where we want to be in the next couple years. Because I think that's when we're going to see the big changes. They're already occurring, but probably the next two to three years it will really have set in.

BLAKE HAILEY: You said that there have been academic institutions are slow to change. Why do you think that's the case?

STEVE RUSSELL: Well you know, a lot of physicians when they come to medical school, they don't just come to just practice medicine. They're interested in academic component which got research involved in it, also teaching students. And with the way medicine is changing, the whole crux and the passes, the more volume you can push through your clinics, the more exposure your students would have. Under the new arrangements that are beginning to come about, even though Congress is kind of deadlocked

on where managed care is going to go or where medicine's going to be in the next ten years, most institutions, hospitals and others are beginning to change. I mean, the change is happening without any legislation really being passed. But what capitation means is, Blake, is you'll receive so much per member, per month. Now, let's say on a PCP, prime and care physician, let's say that's \$12, \$13 per month. You get that irregardless of whether that patient enters your system or does not enter your system.

BLAKE HAILEY: Oh.

STEVE RUSSELL: So you know, it's going to be an interesting teaching phenomenal, I think, because students need to see that volume to learn. But in the same breath, if you don't see any patients you make just as much money. The whole buzz, you try to keep your patients. You like healthy patients, number one.

BLAKE HAILEY: Right.

STEVE RUSSELL: For medical schools on a whole, you usually get allotted because you see a lot of Medicare. You see a lot of Medicaid. You see a lot of indigent care. We get a lot of cases that -- we got sicker patients and a lot of people say, "Well, that's not necessarily true", but I think overall most medical schools have sicker patients than the private docs on the outside have. A lot of private docs still do not accept assignment on Medicaid and Medicare. They won't see those sort of patients. So I think those are some of the reasons.

BLAKE HAILEY: Academic institution will see those kind.

STEVE RUSSELL: They will see those kind. But getting back to that question, in the past there's always been plenty of patient volume.

BLAKE HAILEY: Uh-huh.

STEVE RUSSELL: Most medical schools are hooked up to county hospitals or other type of entities. So it's going to be interesting because the physicians, not only in academic medical institutions, but also they are going to have to change the way in which they practice medicine. And, like I said, a lot of them when they come, physicians come to a medical institution, they're interested in more than just seeing patients. They're interested in research and those sort of endeavors as well as teaching. They kind of look at it, they are getting subsidized by usually somebody, in our case, the state.

BLAKE HAILEY: Uh-huh.

STEVE RUSSELL: They're just not as -- a little bit sometimes harder to change those mindsets. And that's across the country. That's just not here, that's everywhere. So we're in the process, at least part of my role is that we've got to change those mindsets to be competitive. We're going to have to compete for those patients.

BLAKE HAILEY: Right.

STEVE RUSSELL: And the reason why we're going to have to compete for those patients -- the patient will have a choice under the new healthcare plan. They will be able to go other places. So we've got to position ourselves that patient satisfaction has to be high on the list so we retain the patiented volume we have.

BLAKE HAILEY: Well, what challenges lie ahead for you? Some sounds like you have already mentioned, what other challenges lie ahead for you and MSRDP coming in the future.

STEVE RUSSELL: Well, like I said, I agree with you. I have mentioned some of those. I think the biggest -- the challenge that I see is, is changing the mindsets on how we operate. And that goes all the way from when the patient enters the system, until they leave the system, until -- until they pay their final bill. So we're looking at some things that's a little bit different. We're looking at centralizing more functions.

BLAKE HAILEY: Uh-huh.

STEVE RUSSELL: Where in the past, you had the individual dock out, a little clinic. They had their own staff. They managed it from A to Z. And -- and what you're seeing now is the physician. They're coming into large groups. Exactly, Blake. They're coming to larger groups, and when they do that, they're beginning somewhat to be taken out of the managerial role, which kind of goes against the grain somewhat. So I've got to be able to develop systems, informational systems. It allows them to get the proper information they need to feel comfortable with what we're doing if we're centralized more, so they can spend their time and -- again, seeing patients, teaching students and research and those sort of things. So that's one of our biggest challenges. It's been a challenge all along, but it's becoming more so because we do not position ourselves in the market to be able to compete competitively with these other entities, and -- and then we're not going to have the patient volumes we need to, not only teach our students, but be competitive within the arena.

BLAKE HAILEY: How else do you see your role changing in the future as executive director?

STEVE RUSSELL: Well, from what I see at least from Dr. Cohen's standpoint, he wants me to, you know, become more involved in the clinic environment.

BLAKE HAILEY: Uh-huh.

STEVE RUSSELL: Right now there's some functions that report to my office, some functions report to the clinics. And at least from the business aspect of it, our front desk people is mainly what I'm talking about out in the clinics. He wants me to play probably a more active role in that. Combining -- combining all the business functions into one central area.

BLAKE HAILEY: It's a realignment, then.

STEVE RUSSELL: It is a realignment. It's something that's happening all over the country and, you know, we're looking very hard at that. And, like I said, one thing I try very hard to do is that you want to try to get by in those individuals that are out are out in the clinic as well as the physician. It makes for much more smoother transition and we're in that process, and I think it's coming along.

BLAKE HAILEY: It will probably take a couple years, it sounds like.

STEVE RUSSELL: It probably -- hopefully within a couple of years we'll have everything in place. I think we have to within a year or two because I think we're going to be -- right now the Dallas/Fort Worth area is considered one of the ten top markets in the country as far as marine managed care and capitative programs. From what I understand, you know, we're looking at about a two-year window. So, yes, we do need to have our products in place within a couple of years.

BLAKE HAILEY: Probably moving faster probably than you'd like it to, at some point.

STEVE RUSSELL: I think it is for everybody. I feel that we're no further behind and probably not any further ahead than some places. I feel like we're ahead of a lot of entities. I really do.

BLAKE HAILEY: It sounds like we are a lead of the game, it sounds like to me from what you've mentioned today. We have covered a lot of ground in a short amount of time. Are there some subject areas that you'd like to bring up that perhaps you're going to be involved in or are involved in that we haven't discussed? From the top of your head.

STEVE RUSSELL: Not really off the top of my head, Blake. Like I said, I'm pretty well involved in the fiscal side of the house. I think some of the -- down in the next session of legislature, we're going to have to -- to show that we -- we -- we still are unique, and try to come up with some -- some unique proposals that maybe we can get some additional funding while we're trying to get other components or health science center going. Because it's going to be a very tight budget. I guess my biggest challenge will be is to try to run our practice plan as efficiently as possible, because we need to try to collect every dollar possible that we can; because as the state dollars are shrunk, what occurs -- and it occurs in all medical schools -- they depend more and more on the practice plan to pick up some of those costs and fray. And so -- that's a real challenge with the docs, because things are getting tighter for them also, and the dollars are beginning to be shrunk. So basically, what I'll be trying to do during that time is develop those informational systems that allows us to -- to collect are every dollar that we possibly can.

BLAKE HAILEY: So you'll be gearing up here for the legislative session coming up in '95, it sounds like.

STEVE RUSSELL: Well, I don't -- I don't make that many trips to Austin, but I do get to make probably a couple down there because they do have some committees that deal with the practice plan. And so we do have some -- some discussions. But I think the most physician practice plans feel that the squeeze is coming about.

BLAKE HAILEY: Uh-huh.

STEVE RUSSELL: Unfortunately, physicians are going to have to work harder, maybe work longer, to bring in maybe less money than they brought in the past. I think that's the -- the real thing that physicians have a hard time understanding, which I can relate to very well. You know, you work harder, you usually make more money, but under the new system, that pie is only so big.

BLAKE HAILEY: Right.

STEVE RUSSELL: And since over 50 percent of our businesses is governmental business, Medicaid, Medicare and Champus, those are being squeezed down. I hear from Dr. Buchanan and surgery, they're on a weekly basis. He's become very active in finding out what's going on but, you know, sometimes on his neurosurgeon he gets 25 cents on the dollar.

BLAKE HAILEY: Oh.

STEVE RUSSELL: So it's a real squeeze. So these docs are having to work harder to -- to maintain what they've been accustomed to. And I think they realize they're not going to be able to maybe maintain some of the levels they've had, they've been accustomed to in the past. And I think we can show -- we have shown them why that that's happening. They understand it. You know, they go the same seminars, a lot of them that I do, as well as read all the magazines that are out. So it's -- it's a transitional time.

BLAKE HAILEY: Well, it sounds like we're definitely in good shape with your help, and you've done an excellent job, it sounds, like on your end. I know the school owes you a lot. Sounds like you're going to continue to serve in that capacity for a while and enjoy doing so.

STEVE RUSSELL: Yes, sir. I think so. I hope so.

BLAKE HAILEY: Well, it sounds like you're doing an excellent job. Mr. Russell, we do appreciate you taking the time out of your extremely busy schedule to meet with us this morning. I know it was probably hard fitting us in. We're glad we caught you now instead of, say, next year or something. But thanks again. We do appreciate it. STEVE RUSSELL: Thank you. Appreciate it.

BLAKE HAILEY: And with that, I'll bring to a close this interview. Thank you.

STEVE RUSSELL: Thank you.