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↻ Designates that this item is a change item

## Agency Purpose

**M**ayo Clinic aspires to provide the highest quality, compassionate patient care at a reasonable cost through a physician-led team of diverse people working together in clinical practice, education, and research in a unified multi-campus system.

Mayo aims to conduct its interdependent programs of medical care, research, and education in keeping with the highest standards of ethics and quality. Fundamental to this pledge is the need to combine the science and art of medicine and technology with personalized care. Excellence in all endeavors with respect for the individual – both patient and employee – is the primary goal.

## Core Functions

Mayo Clinic operates clinics and hospitals throughout Minnesota with the main facility located in Rochester. In addition, Mayo Clinic has sites in Arizona, Florida, Iowa, and Wisconsin. Mayo Clinic actively engages in competitive, prioritized, coordinated research programs, which enhance the care of the patient and decrease the burden of disease. In addition to patient care and research activities, Mayo Clinic provides education in the medical sciences amidst a scholarly environment. Mayo Clinic's education of future physicians, medical scientists, and allied health staff contributes to the quality of healthcare at Mayo Clinic and in communities throughout the state of Minnesota and worldwide. The educational activities of Mayo Clinic staff are a key component of Mayo's continuing excellence.

## Operations

Mayo clinics and hospitals served more than 520,000 patients in 2007. The state of Minnesota has provided Mayo Medical School with financial aid for its Minnesota students in the form of capitation support since the opening of the school in 1972. During the 2008-09 academic year each Minnesota student has received \$18,088 in state funding to reduce the cost of tuition.

The Mayo School of Graduate Medical Education Family Medicine Residency Program was established in 1978. The program prepares the prospective family physician for primary care practice in all settings with a special emphasis on rural and underserved communities. Funding provided by the state of Minnesota offsets by approximately \$22,679 the cost of resident stipends that average \$47,953 per year.

## Key Measures

- ◆ Mayo Medical School graduates will leave medical school with less debt than the national average.
- ◆ Mayo Medical School will produce highly qualified physicians who practice primary care medicine in rural areas of Minnesota. (Minnesota Milestones Goals 16-20, and 43)
- ◆ Mayo School of Graduate Medical Education Family Medicine Residency Program will train Family Medicine Physicians who are committed to improve the health of Minnesotans by practicing medicine in rural areas of Minnesota. (Minnesota Milestone Goals 16-20)

## Budget

Income from current activities, the best indicator of Mayo Clinic's success in funding its overall mission, was \$294 million in 2007. Mayo Clinic makes significant investment in education and research. Total commitment to education was \$215 million in 2007, with Mayo funds accounting for \$166 million of this amount. Total expenditure on research reached \$485 million in the same year. Mayo contributed \$180 million to research endeavors.

## At A Glance

- ◆ Patient Care – Physicians, scientists, and allied health staff collaboratively providing healthcare.
- ◆ Medical Education – one of the largest graduate education centers in the country, training physicians in more than 100 specialties.
- ◆ Research – Strong biomedical research programs in both basic and patient oriented area.
- ◆ Over 52% of the 1,347 graduates of Mayo Medical School are Minnesota residents.
- ◆ The Mayo School of Graduate Medical Education Family Medicine Residency Program has graduated 186 physicians. Forty-nine percent of these doctors choose to practice in Minnesota.

Contact

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*Dollars in Thousands*

	Current		Governor Recomm.		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	1,202	1,250	1,250	1,250	2,500
<b>Recommended</b>	<b>1,202</b>	<b>1,250</b>	<b>1,175</b>	<b>1,226</b>	<b>2,401</b>
Change		0	(75)	(24)	(99)
% Biennial Change from 2008-09					-2.1%
 <b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	1,202	1,250	1,175	1,226	2,401
<b>Total</b>	<b>1,202</b>	<b>1,250</b>	<b>1,175</b>	<b>1,226</b>	<b>2,401</b>
 <b><u>Expenditures by Category</u></b>					
Local Assistance	1,202	1,250	1,175	1,226	2,401
<b>Total</b>	<b>1,202</b>	<b>1,250</b>	<b>1,175</b>	<b>1,226</b>	<b>2,401</b>
 <b><u>Expenditures by Program</u></b>					
Mayo Medical School	591	615	577	602	1,179
Mayo Family & Residency	611	635	598	624	1,222
<b>Total</b>	<b>1,202</b>	<b>1,250</b>	<b>1,175</b>	<b>1,226</b>	<b>2,401</b>

<i>Dollars in Thousands</i>				
	FY2009	Governor's Recomm.		Biennium
		FY2010	FY2011	2010-11
<b>Fund: GENERAL</b>				
<b>FY 2009 Appropriations</b>	1,250	1,250	1,250	2,500
<b>Technical Adjustments</b>				
Current Law Base Change		50	101	151
<b>Subtotal - Forecast Base</b>	1,250	1,300	1,351	2,651
<b>Change Items</b>				
Base Reduction	0	(125)	(125)	(250)
<b>Total Governor's Recommendations</b>	1,250	1,175	1,226	2,401

# MAYO CLINIC

## Change Item: Base Reduction

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$(125)	\$(125)	\$(125)	\$(125)
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$(125)	\$(125)	\$(125)	\$(125)

### Recommendation

The Governor recommends a reduction of \$250,000 for the FY 2010-11 biennium to the Mayo Clinic general fund operating budget. The Governor intends that the Mayo Clinic should focus its operating funds on maintaining its highest priority services. In addition, the Governor intends to provide as much flexibility as possible to the agency for the implementation of these reductions.

### Background

The Mayo Clinic's operating budget of \$1.25 million each year includes amounts budgeted for the Mayo Medical School and the Mayo Family and Residency Program. Mayo clinics and hospitals served more than 520,000 patients in 2007. The state of Minnesota has provided Mayo Medical School with financial aid for its Minnesota students in the form of payment support since the opening of the school in 1972. During the 2008-09 academic years each Minnesota student has received \$18,088 in state funding to reduce the cost of tuition.

The Mayo School of Graduate Medical Education Family Medicine Residency Program was established in 1978. The program prepares the prospective family physician for primary care practice in all settings with a special emphasis on rural and underserved communities. Funding provided by the state of Minnesota offsets by approximately \$22,679 the cost of resident stipends that average \$47,953 per year.

### Relationship to Base Budget

This proposal represents a 10% base level reduction to the general fund budget.

### Key Goals and Measures

Mayo will safeguard core activities and reduce administrative overhead. The agency will manage budget reductions through various service level reductions or eliminations, staffing decreases, and/or operating expense reductions. The resulting budget will focus on new ways to operate the department's core functions.

**Statutory Change:** Not Applicable.

**Program Description**

The mission of the Mayo Medical School is to use the patient centered focus and strengths of the Mayo Clinic to educate physicians to serve society by assuming leadership roles in medical practice, education and research. A newly revised curriculum is designed to foster the individual strengths and talents of each student, and to take full advantage of the unique integrated research, education and practice resources of Mayo Clinic. The school seeks to provide access to a medical education to all students regardless of socioeconomic background. The school also strives to eliminate barriers that may inhibit students from entering the historically lower paying primary care specialties. Finally, Mayo Medical School provides students the opportunity to obtain an excellent medical education that is delivered in a cost efficient manner, and allows these students to graduate unencumbered by a large debt-load.

**Program at a Glance**

As of July 2008:

- ◆ 55% of enrollment to the Mayo Medical School was from Minnesota.
- ◆ 35% of Mayo Medical School graduates are practicing medicine in Minnesota.

**Population Served**

Graduates of undergraduate colleges and universities who are seeking a high quality, affordable medical education are served by this activity.

**Services Provided**

Mayo Medical School (MMS) was founded in 1972. The small class size, 50 students per class, facilitates a personalized course of instruction characterized by extensive clinical interaction and the integration of basic and clinical sciences throughout all segments of the curriculum. A balance is sought to produce physicians interested in medical subspecialties as well as the primary care disciplines of general internal medicine, family medicine, pediatrics, and obstetrics/gynecology.

**Historical Perspective**

Mayo Medical School has graduated 1,327 physicians since 1976 and of those, 471 (35%) currently practice medicine in Minnesota. Of the 702 graduates who were originally from Minnesota (and received capitation grants), 326 (46%) have stayed to practice in Minnesota. Since 1972, the legislature has provided grants to Minnesota residents. These capitation grants are used to offset tuition paid by Minnesota students. All state monies are provided directly to Minnesota students to reduce their tuition payment. Tuition for 2008-2009 is \$29,200. The FY 2008 state appropriation provided capitation grants of \$18,088 for 34 students.

**Key Program Goals**

- ◆ Mayo Medical School will produce highly qualified physicians who practice primary care medicine in rural areas. (Minnesota Milestone Goals 16-20, and 43)
- ◆ Mayo Medical School Graduate will graduate with less educational debt than the national average.

**Key Program Measures**

- ◆ As of July 2008, 647 (55%) of the total enrollment to Mayo Medical School were Minnesota residents.
- ◆ 38% is the five-year average for Mayo Medical School graduates entering primary care residency programs.
- ◆ As of July 2008, 471 (35%) total graduates of Mayo Medical School are practicing medicine in Minnesota.
- ◆ Mayo Medical School graduates leave school with less educational debt than the national average.

## Number of Mayo Medical School Graduates Choosing Primary Care Residency Training Programs

MMS Class of 2002	MMS Class of 2003	MMS Class of 2004	MMS Class of 2005	MMS Class of 2006	MMS Class of 2007	MMS Class of 2008
14 for 36%	19 for 44%	14 for 35%	18 for 47%	14 for 38%	19 for 43%	10 for 29%

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**MAYO CLINIC**

Program: MAYO MEDICAL SCHOOL

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor Recomm.</b>		<b>Biennium</b>
	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>2010-11</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	591	615	615	615	1,230
<b>Technical Adjustments</b>					
Current Law Base Change			25	50	75
Subtotal - Forecast Base	591	615	640	665	1,305
<b>Governor's Recommendations</b>					
Base Reduction		0	(63)	(63)	(126)
<b>Total</b>	<b>591</b>	<b>615</b>	<b>577</b>	<b>602</b>	<b>1,179</b>
 <b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	591	615	577	602	1,179
<b>Total</b>	<b>591</b>	<b>615</b>	<b>577</b>	<b>602</b>	<b>1,179</b>
 <b><u>Expenditures by Category</u></b>					
Local Assistance	591	615	577	602	1,179
<b>Total</b>	<b>591</b>	<b>615</b>	<b>577</b>	<b>602</b>	<b>1,179</b>
 <b><u>Expenditures by Activity</u></b>					
Mayo Medical School	591	615	577	602	1,179
<b>Total</b>	<b>591</b>	<b>615</b>	<b>577</b>	<b>602</b>	<b>1,179</b>

**Program Description**

The Mayo School of Graduate Medical Education Family Medicine Residency Program educates and inspires medical school graduates to pursue careers as family physicians. The program emphasizes training in rural primary care augmented by subspecialty training.

**Population Served**

In the last 30 years, the program has provided the state of Minnesota with 92 family physicians, with 41% of these practicing in rural communities. The program is located at the Mayo Family Clinic – Kasson, a rural community in Dodge County, serving a population area of close to 18,000.

**Services Provided**

The residency training program prepares the prospective family physician for primary care medicine in all settings, with special emphasis on rural or smaller communities. The residents-in-training spend a major portion of their training providing ambulatory, primary, and continuity care to patients. The residents participate fully in the department's population management initiatives to improve the quality, and decrease the cost, of employee/dependent healthcare.

**Historical Perspective**

The three-year training program was established in 1978, beginning with four residents. It has included a maximum of 25 resident trainees. Over time it has grown in size and success, with all training positions being filled for the past 30 years. The program has graduated 186 family physicians. The Minnesota capitation appropriation has supported residents' training stipends since 1978-79.

**Key Program Goals**

- ◆ Mayo School of Graduate Medical Education will train Family Medicine Physicians who are committed to improve the health of Minnesotans (Minnesota Milestone Goals 16-20)
- ◆ Mayo School of Graduate Medical Education will train Family Medicine Physicians who choose careers in rural underserved areas of Minnesota. (Minnesota Milestone Goals 16 – 20)

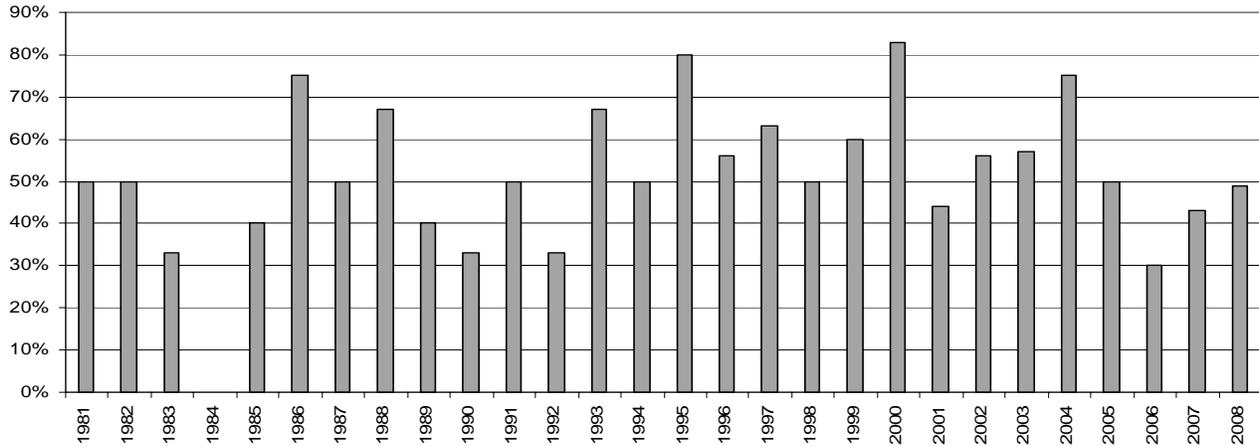
**Key Program Measures**

- ◆ 49% of Family Medicine graduates practice in Minnesota
- ◆ 92 graduates have practiced in Family Medicine since the program's inception

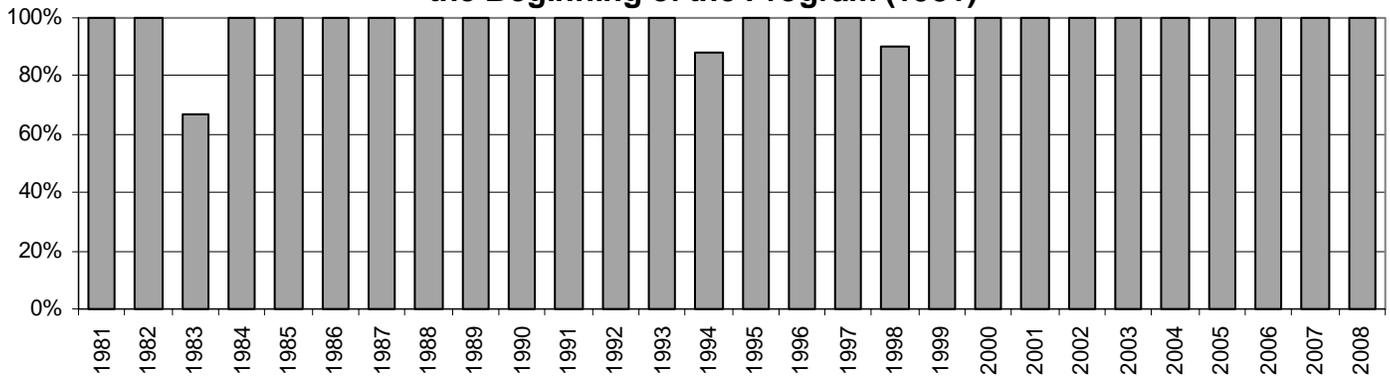
**Program at a Glance**

- ◆ Trains family medicine physicians.
- ◆ 49% of program graduates are practicing in Minnesota.
- ◆ 41% practice in rural areas in Minnesota.
- ◆ Graduating residents consistently score above average on board exams. The pass rate on the first attempt is 96%.

**Family Medicine Graduates Practicing in Minnesota**



**Graduates Practicing in Family Medicine Since the Beginning of the Program (1981)**



**Program Funding**

The program's calendar year 2007 operating expenses were \$2.7 million. That year the Mayo Clinic supported 77% of the program and the state capitation appropriation of \$636,000 supported 23% of the program cost. The appropriation for the 2007-08 biennium was \$611,000 in 2007 and \$635,000 in 2008. State funding supported \$26,500 of the stipend for each of the 24 residents in 2008.

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**MAYO CLINIC**

Program: MAYO FAMILY & RESIDENCY

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor Recomm.</b>		<b>Biennium</b>
	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>2010-11</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	611	635	635	635	1,270
<b>Technical Adjustments</b>					
Current Law Base Change			25	51	76
Subtotal - Forecast Base	611	635	660	686	1,346
<b>Governor's Recommendations</b>					
Base Reduction		0	(62)	(62)	(124)
<b>Total</b>	<b>611</b>	<b>635</b>	<b>598</b>	<b>624</b>	<b>1,222</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	611	635	598	624	1,222
<b>Total</b>	<b>611</b>	<b>635</b>	<b>598</b>	<b>624</b>	<b>1,222</b>
<b><u>Expenditures by Category</u></b>					
Local Assistance	611	635	598	624	1,222
<b>Total</b>	<b>611</b>	<b>635</b>	<b>598</b>	<b>624</b>	<b>1,222</b>
<b><u>Expenditures by Activity</u></b>					
Mayo Family & Residency	611	635	598	624	1,222
<b>Total</b>	<b>611</b>	<b>635</b>	<b>598</b>	<b>624</b>	<b>1,222</b>