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Development of an Integrated Finance and Business Structure in an Academic Medical Centre

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Introduction

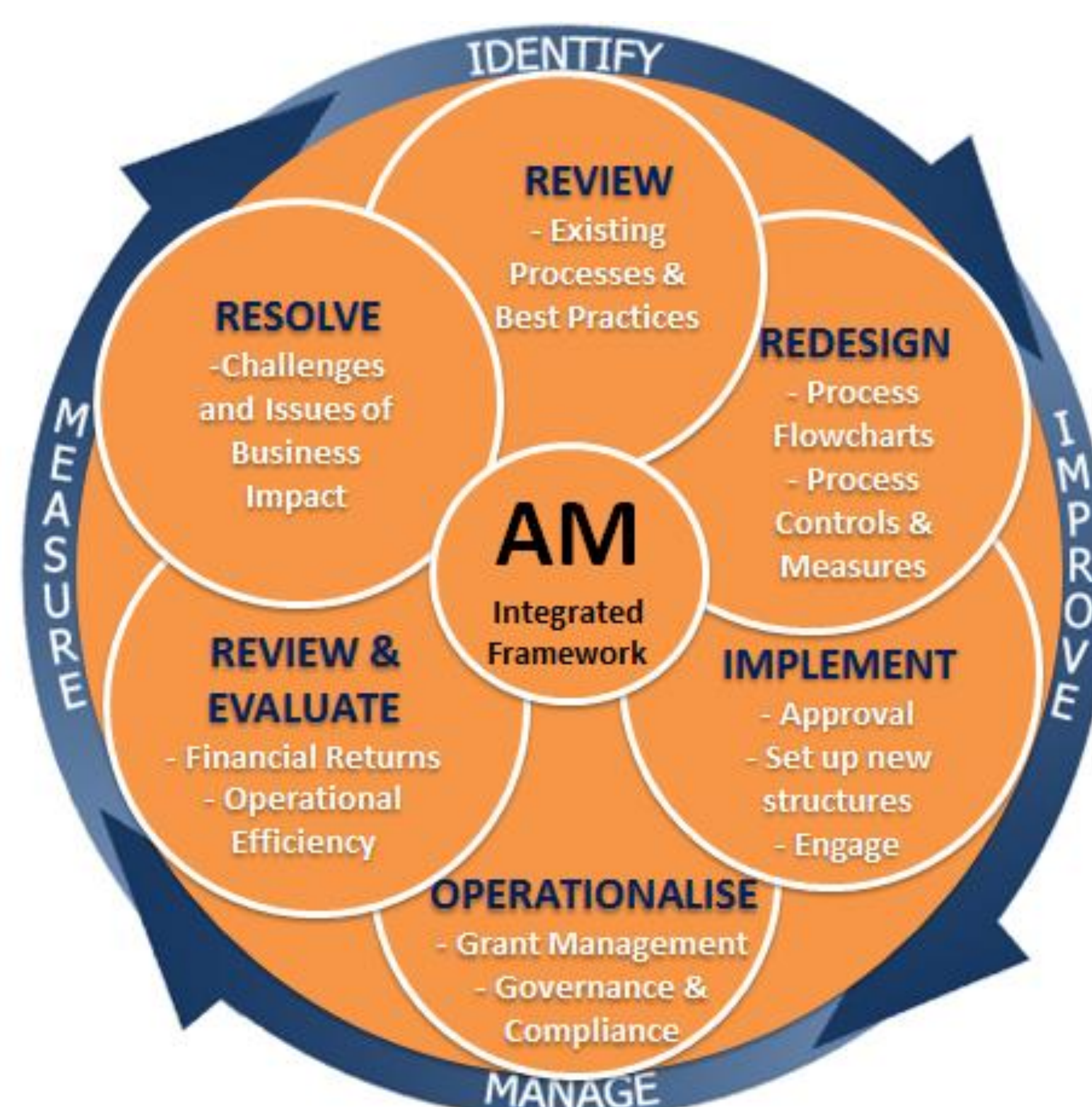
The advancement of Academic Medicine (AM) and joint Academic Clinical Programmes (ACP) spurred the need to develop joint processes across SingHealth and Duke-NUS to support financial sustainability and operational efficiency. Prior to 2014, ACP funding and accounting rely solely on systems within SingHealth institutions with ACP Grants reimbursed from SingHealth Foundation (SHF). There is no clear process for monitoring ACP claims, making it arduous to ensure financial accountability and budget marksmanship. Donations for the AM cause at SHF and Duke-NUS are also not put to the most effective use.

Aim

To establish an integrated Finance and AM partnership business framework **streamlining funds flow, including donations, across the Health System and School** in the SingHealth Duke-NUS Academic Medical Centre (AMC), while **ensuring strong governance of AM Philanthropic Funds** that meets all financial audit requirements, and **seamless finance and procurement processes to support operations of the ACPs in their twin homes**.

Methodology

The Joint Office of Academic Medicine (JOAM) adopted the following **4-step approach to Process Improvement** to redesign process flow for better integration and outcomes.



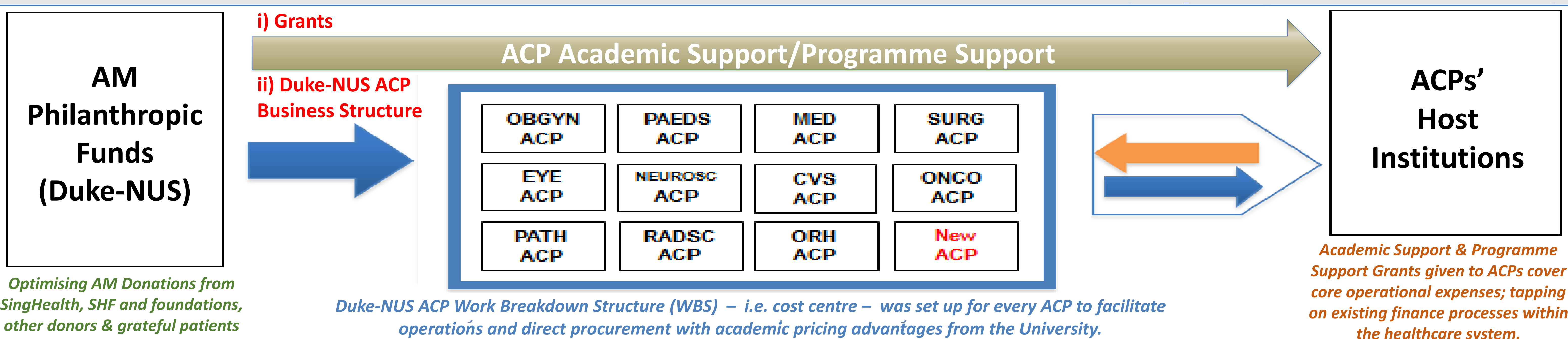
- 1. Identify & Review:** Identified challenges and issues of significant business impact to be addressed and improved. Reviewed current processes and best practices of leading AMCs such as Duke Medicine and Partners Healthcare.
E.g.: Grant management, AMC finance processes, etc.
- 2. Improve & Redesign:** Refined processes and defined key structures that will be required to support sustainable ACP growth. Established Process Controls and Measures to ensure compliance with all financial policies and governance of AM Philanthropic Funds.
- 3. Implement & Manage:** Led AM Funding Transition Workgroup comprising Finance and Development teams from SingHealth and Duke-NUS, steered change management journey and sought approvals from senior management and Governing Board to implement new framework. Actively engaged ACPs and stakeholders.
- 4. Measure & Evaluate:** Tracked progress/outcomes in improvements on financial and operational priorities. Ongoing review/fine-tuning of processes.

Operational & Funding Framework for ACPs

① **Funding Source: Philanthropy**

② **ACPs at Duke-NUS (Duke-NUS as Academic Home)**

③ **ACPs at sites of Education, Research & Clinical Innovation (SingHealth as Clinical Home)**



Results

Real-time tracking of AM Philanthropic Funds, Increased AM Funds Pool, Increased Operational Efficiency, Closer AM Collaborations



Establishment of AM Philanthropic Funds Framework

- New framework at Duke-NUS facilitated transition of ACP funding to tap on donations attracting 1-to-1 matching from the Government.
- Set up of new Grantmaking and Grant Management processes direct optimal use of resources in a timely, effective way to advance AM.



Establishment of ACP Business Structure at Duke-NUS

- Integrated finance and operational structure allow ACPs to hold activities/procure seamlessly at their Duke-NUS Academic Home.
- An ACP Business Team was set up to support ACP procurement at academic pricing. (e.g. up to 50% savings in Journal subscriptions.)



Development & Alignment of ACP Grant Processes

- Enable rigorous Grant Review & Approval Process Flow: Establishing AM EXCO as Award Committee and Duke-NUS Academic & Research Committee/Governing Board as funding approvers.
- Seamless integration of ACP funding proposals with Workplan & Budget cycle to streamline ACP Grant Progress/Financial Reporting.



Strong Governance of AM Philanthropic Funds

- Four biannual cycles of ACP funding have taken place with Financial Statements and Final Reports of ACP grants being audited and cleared by NUS internal auditors, Duke-NUS and SingHealth external auditors with no issues raised.



Increased AM Philanthropy & Investment Income, Better ACP Budget Marksmanship

- To date, close to 100 grants have been awarded to ACPs with a total disbursement of S\$45 million. AM Philanthropic Funds in Duke-NUS grew from S\$16.8 million in FY2012 to S\$69.5 million today.
- Stringent ACP Grant Terms & Conditions with clear Project duration and deliverables enable JOAM to monitor ACPs' funds utilisation and progress closely; thereby enhancing budget marksmanship with timely ACP grant reporting in each financial year now.
- AM Donations to Duke-NUS have garnered investment income with an annualised rate of return at 8%; thus growing our pool of AM funds for long-term financial sustainability.



Conclusion

The development of an Integrated Finance and Business Structure in SingHealth Duke-NUS AMC has been a concerted effort in change management, finance process and business model redesign. With an effective strategy, this integrated structure can be robust, efficient in process, facilitate cost savings; and bring considerable advantages to the AMC including increasing collaborations and productivity, expanding philanthropy and government matching of funds for continued sustainability.

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