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Resolving Budget Conflicts in University Radiology

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How to Create a Win-Win Situation

Changing Existing Structures

The previous organisational structure of the radiology department at our university hospital, was based on the traditional hierarchical model, i.e., one Chairman responsible for each of the three pillars of the department; clinical radiology, radiological research and education, the latter including both student teaching and specialisation of junior members of the team.

In more than 50-70% of the university hospitals I have visited over the last twenty years, financial management of the radiological department was the job of the hospital administration, and the radiologist only acted as a sort of consultant. This situation changed dramatically when a new type of hospital administrator was introduced on the scene, compounded by extreme financial restrictions due to a more or less bankrupt healthcare system and the end of governmental funding for the needs of the university hospital. In the nineties, radiologists in leading positions in most German university hospitals became responsible for financial planning and especially for the planning of their large-scale investments e.g., CT, MRI, PACS, etc., while faced with more competitive demands of third party fund-raising activities and a shrinking pool of available money, especially for high-tech research, due to the fact that most governmental funding agencies demanded private-public partnerships in research areas such as CT and MRI.

A Solution to the Crisis

In my experience, there are three commonly held but different viewpoints when dealing with budgetary crises and they are as follows:

1. The well-known 'laissez-faire' attitude which translates as 'I'm a radiologist, I'm responsible for patient care, if I slash research and teaching budgets I can still do an adequate job, leaving financial concerns to the hospital administration'. Unfortunately, this is an attitude I saw in a surprising number of university hospitals, and clearly this is not a strategy to develop a modern, well-balanced budget.
2. The second option sees the responsibilities of the Chief Radiologist and the Managing Director of a university hospital divided in two separate roles, one only responsible for clinical radiology, and one being the financial manager. The drawbacks of this are that if each entity has the same power, provided they have the same goals and strategy, they can perform equally well for clinical radiology and the department as a whole. Unfortunately, conflict will inevitably arise when both demand to use the same limited resources equally in both areas. Who will make the final decision?
3. Continuing life-long learning offers a third, in my opinion optimal, solution. In this scenario, you have two people, one a university radiologist doing clinical radiology, clinical research with interesting basic research, the other a specialist in basic research having strong connections to clinical radiology but no direct clinical responsibility. Both should have an interest in their respective management, which is management of the clinical department and research management including third party fund raising for both. Both should be in the position of being Chairman, one clinical, one research. But they should be tightly linked together so that cooperation in both fields is mandatory for the success of the department.

Two Chairs, One Department: How to Unify Them?

The question therefore remains: how can tight links between two Chairs be established in order to secure a unified approach to budgetary conflicts? These two persons have to act together, to represent the department as a whole, ergo both should be responsible for scientific, financial and teaching benchmarks for the whole department. If at the university hospital or in the country a system of financial support by the government is established which is closely linked to scientific output, the volume of third party funding and, to the financial well-being of the department, this can act as an external framework which will set up the necessary tight links. If one Chair failed to cooperate, both would run into problems. But is this system feasible in real life?

Putting it Into Practice

In Freiburg, we have established this system, meaning that at present, we have two Chairmen in the Department of Radiology, one for clinical radiology, department management and clinical research, and the other for research and research management. We both share responsibility for scientific output, for third party funding income, and for the financial well being of the department of radiodiagnostics.

We started this cooperation nearly ten years ago, voluntarily but without splitting the Chairmanship, officially cementing the partnership four years ago. The results of this mean that the department has enjoyed a minimum annual financial profit of 1,000,000 Euro over the last ten years from clinical radiology, the amount of thirdparty funding more than doubled, the scientific output in clinical and basic research papers is high enough to get extra money from the faculty and the government, and to be ranked equal to basic research units. Finally, we increased the number of radiologists working in clinical radiology and in clinical research from over 20 to nearly 30. We have created forty basic research positions for scientists with a non-medical background and for medical doctors only working in research, whereas originally we only offered four.

Conclusion: Creating a Win-Win Situation

Clearly, the traditional hierarchical idea of good Chairmanship has to be relegated to history, in order to create a win-win outcome for the financial situation, for research, for teaching, and for clinical radiology. A good Chair should be able to give away some power, for the good of the department. In order to achieve this, someone in a position of leadership has the tricky task of integrating clinical radiology and research with sound business administration, at the same high level they devote to their clinical work. Devolving power and responsibility to two closely-knit leaders gives departments a greater chance of solidifying and augmenting financial resources for the future.

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