MINIMAL RISK, MAXIMUM LEARNING:

A Study on Funding Policy for Academic Programming

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INTRODUCTION

The Houston Methodist Academic Institute (HMAI) raises over **$90 million** in extramural funding, with a substantial piece coming from various industry vendors in the medical field who are willing to invest in Houston Methodist academic programming. Although this arrangement is vital to the budget of academic medical centers in financing their educational endeavors, there arises a certain business risk associated with the vendor relationship. If left unchecked, these opportunities for funding can lead to an actual or perceived ***quid pro quo*** understanding, where a manufacturer illegally implies that in exchange for their current financial support, the recipients at a medical center will reciprocate by purchasing/prescribing their medical devices, drugs, or other goods and services. If Medicare or Medicaid funds are exchanged, this action can constitute a felony under the **False Claims Act.**

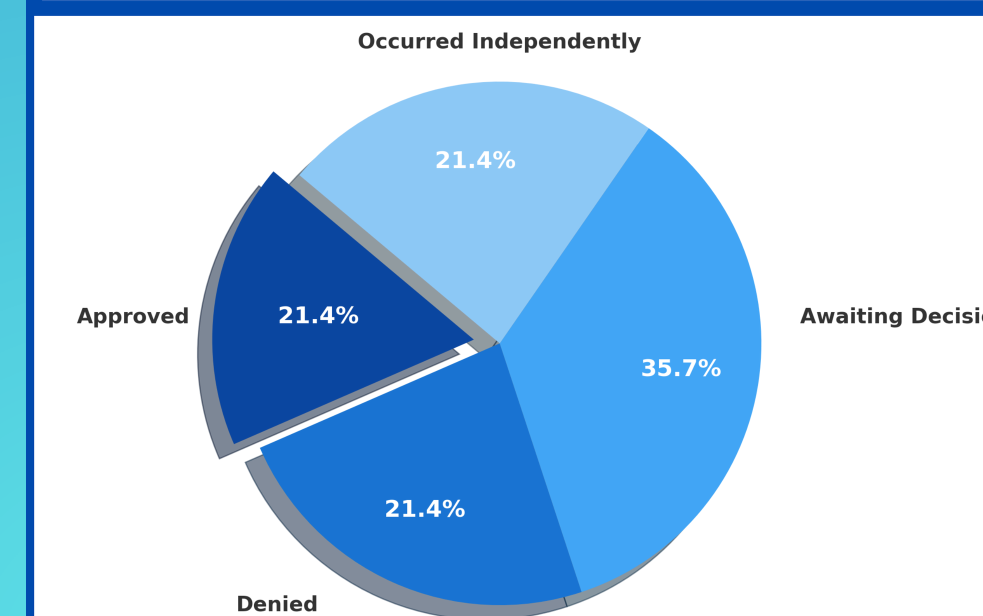
This study aims to demonstrate the implications of applying the HMAI's most recent Funding Policy, which limits industry vendor contributions that are vital to maintaining the rigorous academic schedule of the institute. The following research seeks to answer the question: **"Can the Houston Methodist Academic Institute continue offering rich academic programming within the constraints of the revised Funding Policy?"**

METHODOLOGY

The HMAI identified 3 types of industry grant support when developing guidelines for managing risk in the Funding Policy: ***monetary grants, in-kind grants of clinical supplies,*** and ***grants of costly equipment.*** The Funding Policy sets varied limits on these 3 industry grants based off analysis of company history, balancing funding goals with potential risk. The dependent variable, **opportunity cost** that arises from applying the updated Funding Policy, will be measured through a case study on one of the 3 industry grant support kinds: ***costly equipment.*** The capacity of academic programming pre and post policy implementation will be measured quantitatively to objectively analyze any changes in educational opportunities.

DATA & RESULTS

Program Status: Requesting Additional Systems

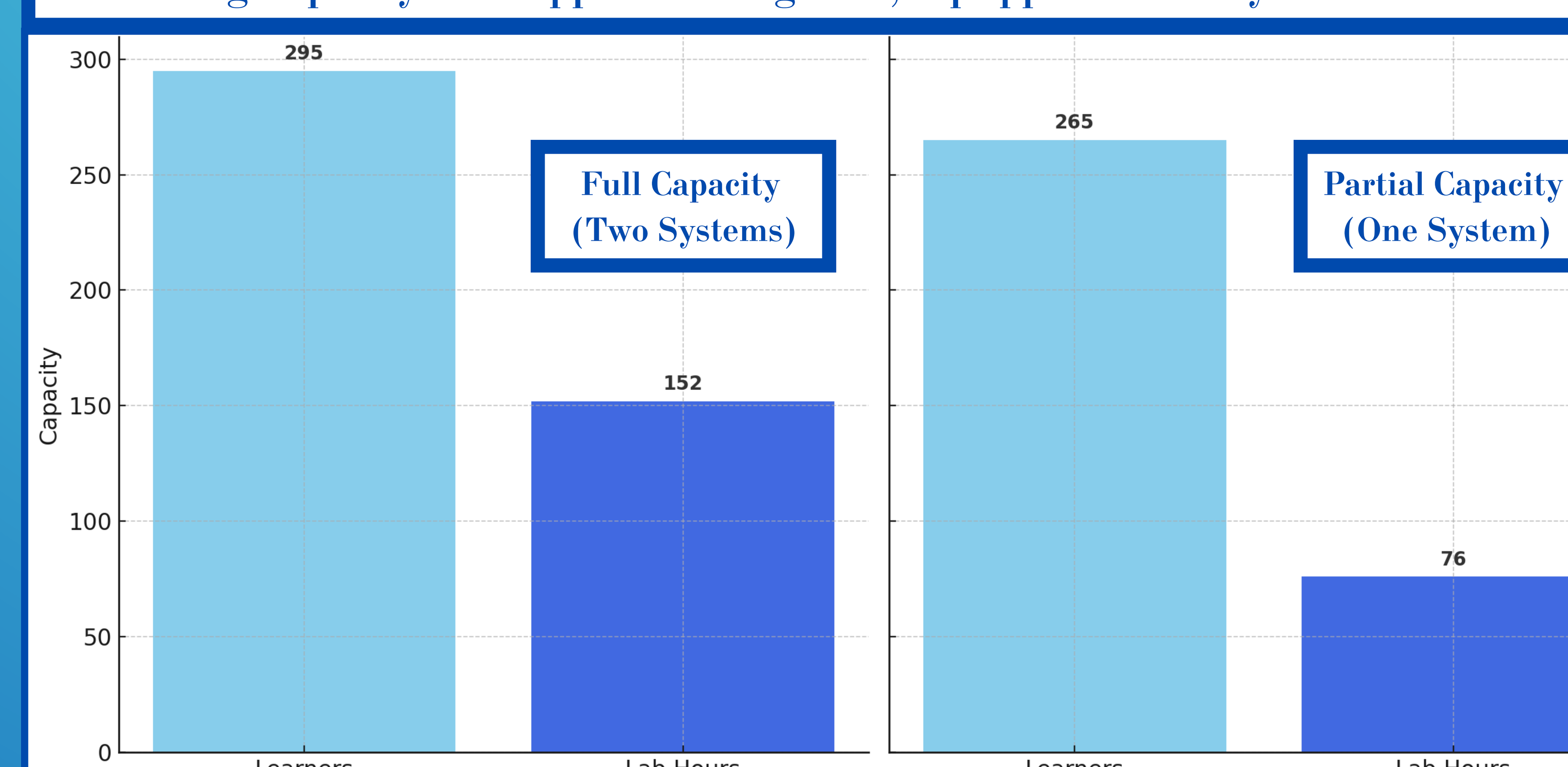


Opportunity Cost in Learning Minutes by Program

Unapproved Programs	Lost Individual Learner Time
Program 1	8-10
Program 2	24-48
Program 3	19-24
Program 4	48-64
Program 5	48-64
Program 6	12-14
Program 7	24-48
Program 8	16-19
Program 9	48-64
Program 10	24-32
Program 11	16-19
TOTAL:	**287-406**

On average, 26-37 min. of learning lost per person in 11 UNAPPROVED programs utilizing costly equipment.

Learning Capacity of Unapproved Programs, Equipped with 2 Systems Versus 1



FINDINGS

Of the 14 programs that requested additional systems of costly equipment, only **21.4%** were approved. The programs in the remaining categories are classified as "unapproved", and subsequent data analysis on opportunity cost was done under the pretense that their need for an additional system of costly equipment was not fulfilled. The bar graphs below show hypotheticals where these programs are fully supported with two versus one system. The table to the left quantifies the learning gap from limiting the costly equipment utilized by 11 programs under the revised Funding Policy. Although the exact range varies, there is a **consistent regrettable loss** in **individual learning time** throughout every program. In this case study, the cumulative individual learning minutes lost reached triple digits, with data coming from programs scheduled for the year 2025 alone. Learning time is a proxy for learning quality, and the opportunity cost in minutes is crucial to evaluating the effects of the Funding Policy.

DISCUSSION

This research is a pilot of the analytic approach that could be used to evaluate any number of other inputs and outputs from educational programs. The results of the study proved that the current HMAI funding policy, adjusted in response to the implications of kickbacks, is indeed having unintended effects on training programming, learner volume and quality/duration of learning opportunities. This data exists as a resource for academic medical centers seeking to optimize educational programming while managing the risk of breaching federal laws on vendor relationships. The next steps in this field of research lie in evaluating ***funding alternatives to industry grants*** to resolve learning gaps from reduced program capacity. For costly equipment specifically, this could be achieved by payment of a **fair-market-value rental fee** for access to technology or through the involvement of **third party donors**, such as academic associations and philanthropists. Ultimately, the goal of Houston Methodist Academic Institute is to continue providing quality instruction, uncompromised by financial incentives of industry, and the Funding Policy will be periodically re-evaluated to achieve that objective.