

September 2007

*Report on the Financial
and Programmatic Feasibility
of Establishing a Satellite Clinic
of the VCU School of Dentistry in Wise County*



State Council of Higher Education for Virginia

Advancing Virginia through Higher Education

Report on the Financial and Programmatic Feasibility of Establishing a Satellite Clinic of the VCU School of Dentistry in Wise County

**State Council of Higher Education for Virginia, in cooperation with the Virginia
Commonwealth University School of Dentistry**

September 7, 2007

The 2006 Appropriations Act, Item 145J, charged the State Council of Higher Education as follows:

The State Council of Higher Education (SCHEV) shall examine the financial and programmatic feasibility of establishing a satellite campus of the Virginia Commonwealth University School of Dentistry on the campus of the University of Virginia at Wise County. SCHEV shall provide a report of its findings to the Chairman of House Appropriations and Senate Finance Committees by October 1, 2007.

This *Report* constitutes fulfillment of the legislative charge expressed by Item 145J.

Background and Process

In July 2006, community leaders from Wise County visited the VCU School of Dentistry to discuss the feasibility of a dental education program that could be located in Wise County to provide improved access to dental care in the community. A free-standing four-year dental program was judged likely not feasible, due to limitations in the patient pool, concerns about faculty recruitment, and the very high costs that would be entailed by imitating a full four year branch of the VCU program at an off-campus site in Wise County . At that time, discussion and planning shifted to the concept of a smaller satellite *clinic* of the VCU dental school. Dean Ron Hunt described the educational benefits that could be derived for students, and explained that the envisioned community purpose of providing dental health care to a radically underserved population could be successfully addressed.

At an August 2006 meeting in Wise County attended by Dean Hunt, Delegate Bud Phillips, Delegate Terry Kilgore, Senator Philip Puckett, area higher education leaders, county administrators, and community dentists, the concept of a satellite dental clinic in Wise County received uniform support.

In April 2007 Executive Director Dan LaVista and staff from SCHEV commenced a series of meetings with Dean Hunt and staff from the VCU dental school. Four meetings in Richmond focused on developing a detailed plan for the satellite clinic with prospective budget, and on consultation with legislative staff and the Virginia Dental Association. Following these meetings, staff from SCHEV and VCU traveled to Wise County for meetings in July and early September with community leaders in government, education, and health care, including area dentists. The meetings in Wise County accomplished the following purposes:

- The community was briefed on details of the scope and effect of the planned clinic: support for the clinic was strong and unanimous.
- Community leaders, coordinated by the Wise County Industrial Development Authority, agreed to provide substantial support to the start-up of the clinic, specifically:
 - to provide a location on land owned by Wise County for construction of the clinic; and
 - to secure private funds to cover start-up costs of approximately \$2.6M.
- The regional legislative delegation agreed to seek gubernatorial and legislative support for the Commonwealth to provide approximately \$1M per year to subvent the clinic's ongoing operational expenses.

The remainder of this *Report* describes the need for the proposed clinic, its inherent feasibility, and the fiscal resources that will be required for its inception and ongoing operation.

Need for Dental Care

Dental health is vitally important to a person's overall health, well-being, and productivity. Dental disease is usually chronic, leading to pain that causes work loss and absence from school. Sometimes oral problems turn acute and can become fatal, as has occurred in a number of recent publicized cases. The Wise County region is significantly dentally underserved, and is designated a dental health professional shortage area (Dental HPSA), with a dentist to population ratio under 1:4,000, compared to a Virginia average of over 1:2,000. Area residents' dental needs have also been made dramatically clear by the impact of the Virginia Dental Association's annual Mission of Mercy (MOM), which serves over 1,400 people each summer on a single July weekend. It is projected that the proposed clinic would provide discounted dental services for over 1,500 needy Virginians per year, and thereby dramatically reduce need for the MOM initiative as it relates to dental care.

Location Feasibility

The originally proposed UVA-Wise campus location is not the best within the community. A health professions clinic such as dentistry is not compatible with the mission of UVA-Wise in terms of either discipline or degree level. Moreover, community economic development leaders have proposed a parcel of land belonging to the county that is conveniently located adjacent to the town's commercial district. At this location customized construction can be done to ensure that the clinic has the accoutrements of a state of the art dental care facility as well as the capacity to expand if and as necessary.

Wise County itself is a good location for a dental clinic in terms of regional patient access. However, there are concerns about the relatively low incomes of area residents, and their ability to purchase dental care services even at the discounted rates typically charged at student clinics. These concerns suggest the clinic should be kept to a modest initial size, and that the clinical operation will require a substantial subsidy.

Educational Feasibility

The VCU School of Dentistry strives to provide a rich clinical education for its dental (DDS) and dental hygiene (BS) students through a combination of experiences within the school's clinics on the MCV Campus in Richmond and fourth-year, off-campus rotations to locally managed public health clinics throughout Virginia. Although a satellite clinic operated by VCU in Wise County would be unique in structure, it would be fully consistent with the school's current educational objectives and methods.

Planning for the equipping and operation of the clinic will follow parameters that have been well established by VCU's management of its own clinics in Richmond.

The clinic in Wise County would be built initially to accommodate five dental students, two dental hygiene students, and two full-time faculty members. They would be supported by part-time practitioners from the community and clinical staff to include a coordinator, a clerk, and three dental assistants. The full-time faculty members will lead seminars, oversee clinical care by students, perform administrative tasks, and participate in their own faculty practices. As the program matures, it could grow to accommodate some additional students.

The 2006 General Assembly also provided significant funding for a third building for the VCU School of Dentistry, with one of the key purposes to be expansion of the DDS class from 90 to 100, with those 10 new students coming from Southside and Southwest Virginia. It would be possible for some of these students or others interested in practicing in Southwest Virginia to complete their entire fourth year at the Wise County clinic. Alternatively, students from Richmond could work in the Wise County clinic on a rotational basis from the MCV Campus.

Political Feasibility

The proposed dental clinic is widely and strongly supported by Wise County community leaders, local dentists, area legislators, VCU and the Virginia Dental Association, which has passed unanimously a formal resolution endorsing the project. Nonetheless, all the parties need to be fully engaged as planning proceeds.

Facility Requirements:

To start, the clinic needs 12 treatment rooms, clinic support areas, a waiting room area, a seminar room, and faculty offices. Twelve treatment rooms would provide a room for each of the seven students and one faculty member, and provide four additional rooms in which to overlap appointments for greater efficiency. Such a clinic would require up to 6,000 square feet of space. The capacity to expand readily by an additional 4,000 square feet should be included in the initial implementation. Up to 3,000 square feet also needs to be developed for overnight accommodations for students who are there on rotations.

Costs

Start-up costs of \$2,643,400 have been calculated. These include construction of the facilities and a parking lot, installation of the dental equipment and office furniture, and construction and furnishing of overnight accommodations. See attached budget for details.

Ongoing operational costs of \$1,041,650 have been calculated. These include: personnel costs for two full-time faculty members, five staff members, and several part-time faculty members from the community; and ongoing operational costs for supplies, maintenance, housekeeping, utilities, and travel expenses for students. It is estimated that the clinic will generate revenue of approximately \$150,000 per year. Thus, in order to break even, the clinic will require a minimal subsidy from the state of \$900,000 annually. See attached budget for details.

Conclusion

The placement of a VCU satellite dental clinic in Wise County is feasible, provided that necessary fiscal support is secured from both public and private sources. This will include approximately \$2.6M in startup costs to be raised by local supporters of the venture, and a minimum \$900,000 annually from the state. It should be noted that

community leaders feel confident that the \$2.6M can be raised from regional resources such as, but not necessarily limited to, the Tobacco Commission and the Virginia Coalfield Economic Development Authority. Area legislators, moreover, are strongly committed to securing a sufficient annual state subsidy.

Budget Detail

I. Start-up Costs	
Construction of Dental Facility	\$1,436,000
Construction of Section II Facility	\$537,200
Large Equipment	\$500,400
Supplies, Instruments & Small	\$105,600
Office Equipment	\$64,200
Start-Up Costs Total	\$2,643,400
II. Annual Operating Expenses	
A. Personnel	
Salaries	\$522,500
Fringe Benefits	\$177,650
Personnel Total	\$700,150
B. Clinical Expenses	
Supplies	\$18,000
Office Supplies	\$4,200
Equipment Maintenance	\$24,000
Housekeeping	\$8,000
Utilities	\$18,000
Rent/Mortgage	\$27,600
Staff Training	\$1,000
Lab fees	\$25,000
Laundry	\$3,000
Communications	\$5,000
Total Clinical Expenses	\$102,300
C. Utilities	\$18,000
D. Rent/Mortgage	\$27,600
Total Annual Operating Expenses	\$848,050
III. Student Expenses	\$33,600
IV. Practice Incentives	\$160,000
V. Total Annual Expenses	\$1,041,650