

# Not Separate, Not Equal:

## *Yale University and Yale-New Haven Hospital*

Yale University and Yale-New Haven Hospital are deeply integrated. The hospital earns enormous revenue and prestige by virtue of its relationship with Yale. The University finds a patient base for medical research at the hospital, and earns millions of dollars in revenue through the provision of physician services to hospital patients.

### **Shared Governance:**

- The by-laws of the Hospital and its parent corporation (Yale New Haven Health Services Corporation) guarantee the University seats on both Boards of Trustees. **The University directly controls roughly a third of the board of the hospital through officers and faculty.** It's a one-way street, though -- the Hospital has no representation on the Yale Corporation, the governing board of the University.
- Most Yale Medical School Department heads hold joint appointments as chiefs of corresponding services in the hospital.

### **Financial Integration:**

- The University is the direct grantee for all federal grant money that flows to the hospital. Yale University received \$275 million in research grants from the federal government in fiscal 2000, 77% from the National Institutes of Health for medical research. The Hospital received no direct NIH grants at all. Yet, more than ten percent of the hospital's revenue stream (over \$52 million or 11.4% in FY99) is from "Recovery of expenses from grants and other institutions."
- The third largest source of income for the University is medical services (\$201 million in Fiscal Year 2000). A significant portion of that is from physician services provided to patients seen while they are admitted to the hospital.
- The University signed a sweeping new agreement with the Hospital system parent corporation in 1999. The hospital will manage relationships with payers for the Medical School doctors' Yale Faculty Practice.

### **Joint Operations:**

- University Medical School employees work side by side with Hospital employees in many departments, doing the same work, supervised and directed by employees of both entities.
- **The University told the Connecticut Supreme Court that it is a joint employer with the Hospital** of interns and residents. The Court granted Yale a new trial in a case in which an intern suing the University had received a multi-million dollar damage award.
- The University has a strong voice in the operations of Hospital Departments. Yale New Haven Psychiatric Hospital, the hospital's psychiatric wing, is jointly managed by a leadership "team" consisting of a Managing Director employed by the hospital's corporate entity, and a Clinical Director employed by the University. They share responsibility for planning, budgeting, staffing and operating the service.

### **University Dominance:**

- Yale University has guaranteed representation on the Yale-New Haven corporate boards of trustees. **University President Richard Levin, Secretary Linda Lorimer, Vice President Bob Culver and Yale School of Medicine Dean David Kessler all serve on the hospital board.** The Hospital does not have representation on the University's governing body, the Yale Corporation.
- The University has nearly ten times the hospital's wealth.