

October 2, 1964

MEMORANDUM:

To: Drs. Woodhall and Anlyan
From: James C. Mau
Subject: Physician's Assistant Program Budget

Attached is a copy, for your files, of a preliminary budget submitted to Operation Breakthrough for possible funding of the Physician's Assistant Program through the Economics Opportunity Act. This is in response to the committee's request for budgets generally outlining the costs of the programs they are going to present to a committee in Washington on Monday.

If the people in Washington indicate to the committee that this project might receive support, then a more detailed and refined budget will be compiled and submitted through proper channels.

The budget sheet was prepared in accordance with the format of the official budget sheet. Column 1 represents the total cost. Column 2 represents the University's portion. Column 3 represents the funds requested from the government.

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PROGRAM PROPOSAL

The Duke University Medical Center is establishing a program to create a new member for the health team. This individual will be called a physician's assistant. The program is designed to bring career oriented males into the health field to fill the gap between the physician and the nurse.

The training program will span a two-year period. Trainee will spend a major portion of the first year in the clinical laboratories with a high doctor-patient ratio. He will work closely with the physician and the patients, becoming responsible for any specialized care needed by these patients during their hospitalization. The laboratories capable of performing the training functions outlined are the Cardiovascular Laboratory, Renal Laboratory, Allergy Laboratory, Clinical Research Unit, Intensive Care Unit, Hyperbaric Laboratory, and the Cancer Chemotherapy Laboratory. The second year will be spent as an assistant to a group of physicians practicing medicine.

At the end of two years, the physician's assistant will have developed such skills as intravenous therapy, cardiac resuscitation, respiratory care, bladder catheterisation, lumbar punctures, gastric and intestinal intubation, immobilization of broken bones, and the administering of medications. He will be able to identify cardiac failure, shock, and acute blood loss. He will be prepared to carry out peritoneal dialysis, record EKGs, and do emergency tracheotomy. In summary, he will be a highly skilled individual, capable of extending the arms and brains of the physician so that he can see more patients.

The described program will create new jobs. It will fill an essential need in the area of health services. It will not conflict with any existing profession. It will provide a stable framework within which the less career oriented individuals can be better utilized. Finally, it will increase the ability of our medical community to meet the health needs in a time of local or national disaster.

PRELIMINARY BUDGET

FIRST YEAR

Section 1.	1	2	3
A. Enrollee Expenses:			
Wages 12 trainees @\$2,400 per yr.	\$28,800	00	\$28,800
B. Fringe Benefits	2,880	00	2,880
C. Expenses	500	00	500
Subtotal	\$32,122	00	\$32,122
 Section 2.			
A. Project Administrator	4,000	00	4,000
B. Supervisor of Enrollees	2,000	2,000	
C. Secretary	1,800	00	1,800
D. Training (Faculty)	25,000	5,000	20,000
E. Fringe Benefits (9.5%)	3,214	686	2,530
F. Equipment:			
Office:	240	240	
Project:	2,000	2,000	
G. Rent	\$13,657	3,657	10,000
Sect. Total	\$84,033	\$13,583	\$70,452
 F. Overhead	6,722	1,086	5,636
 Total	\$90,755	\$14,669	\$76,088

PRELIMINARY BUDGET

SECOND YEAR

Section 1.	1.	2.	3.
A. Enrollee Expenses:			
Wages:			
12 Trainees @2,400 per yr.	\$28,800	0	28,800
12 " 2nd yr. 3,000 " "	36,000	0	36,000
B. Fringe Benefits	6,350	0	6,350
C. Expenses	500	0	500
Section Total	\$71,650	0	\$71,650
Section 2.			
A. Project Administrator	4,000	0	4,000
B. Supervisor of Enrollees	2,000	2,000	0
C. Secretary	3,600	0	3,600
D. Training (Faculty)	31,000	6,000	25,000
E. Fringe Benefits	3,978	784	3,193
F. Equipment			
Office	240	240	0
Project	2,000	2,000	0
G. Rent	\$13,657	3,657	\$10,000
Sect. Subtotal	\$132,125	\$14,681	\$117,443
H. Overhead:	10,570	1,174	9,395
Grand Total	\$142,695	\$15,855	\$126,840

BUDGET JUSTIFICATION

Section 1.

- B. Duke University has computed the average cost to the University for the fringe benefits provided employees to be 9.8% of the employees salary. This percentage has met with the approval of the Federal Government on previous requests for funds.
- C. The trainees will need laboratory and classroom supplies totalling approximately \$40.00 per individual. During the second year many of the tools purchased the previous year can be used, thus the cost per individual will be reduced. The total cost remains approximately the same.

Section 2.

A. Project Adm.	\$8,000	per annum	50%	\$4,000
B. Supr. Enrolls	8,000	" "	25%	2,000
C. Secretary 1st yr.	3,600	" "	50%	1,800
2nd yr.	3,600	" "	100%	3,600
D. 6 Drs. 1st yr.	15,000	" "	20%	3,000
8 " 2nd yr.	15,000	" "	20%	3,000
4 Tech.	4,000	" "	25%	1,000
3 Nurses	5,000	" "	20%	11,000

F. Equipment:

Office - Cost of equipment \$1600 -
 $\$1600 \times 15\% = \240 . Rental fee 15%

Project: The trainees will be using equipment costing in excess of \$200,000. We have no way of calculating a rental charge so the \$2,000 represents what is considered to be a reasonable rental fee.

G. Rent: Space that will be utilized for the project will be:

Conference Room	32 x 24	=	768
Laboratory	48 x 25	=	1200
Office Space	10 x 20	=	200
			Total (Net) 2168
			40% (Corridors & Ut. Aps) 867
			Total Gross --- 3035

Cost of construction per sq.ft. \$30.00 Rental Fee 15%
 $\$30 \times 15\% \times 3035 \text{ ft.} = \$13,657$

- H. The overhead cost, as set by the University, is 8% of the entire budget for training projects.

This is a proposed budget. The figures and percentages are subject to approval by the proper university authorities. Further refinement will obviously be necessary.