

AHP in the News  
Fundraising Drives Mayo Research, Growth  
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JACKSONVILLE -- Mayo Clinic Jacksonville added another hospital to the Northeast Florida market in April when it opened a 214-bed hospital at its San Pablo campus.

With an opulent entrance, extra-wide hallways, private rooms and potential to expand to 16 floors, the hospital carried a hefty \$254 million price tag. Not so well known is that 33 percent -- or \$85 million -- of that cost was paid for by private donations to Mayo Clinic.

With more than \$373 million raised by Mayo Clinic last year, the organization is one of the top fundraisers among academic medical institutions in the nation.

Behind that achievement is a department dedicated to wrangling every dollar possible from potential donors willing to benefit Mayo's mission.

With 216 employees, Mayo Clinic's department of development is the brains behind the dedicated operation. It raises more than \$300 million annually, which does not include money received from grants and federal funding opportunities that are handled by a separate entity at Mayo. The department is split among Mayo's three clinic sites, with 175 people in Rochester, Minn.; 20 in Flagstaff, Ariz.; and 21 in Jacksonville.

All funds collected at any of the locations are shared among the entire system.

"We're one clinic," said Dr. George Bartley, CEO of Mayo Clinic Jacksonville. "We raise money at each site for all of Mayo. So any gift from the three sites benefits all of us."

The department is set up in a hierarchical structure, with certain sections targeting specific corporations, foundations and other benefactors, to reach an overall target goal.

"What you find with a group [as sophisticated as Mayo] is they have such a variety of options and appeals that their philanthropy is much higher in what they're able to raise," said Bill McGinly, president and CEO of the Association for Healthcare Philanthropy, an international health care development organization.

Individual contributions represented a majority of all health care giving in the United States at 60 percent in 2006, when health care contributions reached \$7.9 billion nationally, according to the AHP's 2006 Report on Giving.

In order to understand how much it needed to raise per year to reach a five-year, \$1.25 billion goal, the development department established a plan called a macro. The planned

goal for 2008 is \$280 million, while in 2009 it increases to \$290 million, and will continue to grow each year, said Jim Lyddy, chair of the department of development.

Mayo will spend \$350 million on research this year. Instead of relying on Mayo's historical ability to raise the amount needed for research, Mayo officials decided to lay out a strategic five-year fundraising plan that would give researchers a sense of stability.

#### Looking forward

"Five years ago we knew we needed to be looking forward a little better and we had to make sure we had those dollars," Bartley said. "When researchers lose grant money, the lab technicians are out of a job, and that doesn't happen in our world."

Unless a special project is under way, the funds raised are given to research and education. But there are exceptions, such as Mayo Jacksonville's new hospital.

Part of Mayo's revenue philosophy is the need for the clinical practice to support itself, which it does through patient billing.

With those expenses covered, Mayo is able to put the necessary funding behind its research initiatives, which Lyddy said is necessary for Mayo to fulfill its mission of advancing and transforming how medicine is practiced.

"If we want to invent, teach and practice the medicine of tomorrow, it takes resources beyond what patients pay for care," he said. "We transformed medicine 100 years ago, and we're looking to do that again."

Donors are given the opportunity to choose where in the system they want their dollars to go. Often that demand comes from patients of Mayo who have a specific area of interest they feel passionate about, Bartley said.

#### Million-dollar donation

"About a year ago, one patient here gave a million dollars and wanted it for a particular type of research we weren't doing here," he said. "Rochester was conducting research in that area, so we put the donation in an envelope and sent it up north."

Good relationships with patients, therefore, are an important part of fundraising, Bartley said. Mayo does not solicit donations from patients. Instead patients seek out ways to donate.

Of the \$373 million raised in 2007, 80 percent -- about \$300 million -- came from patients, Lyddy said. Though it's a small portion of Mayo's \$6.89 billion revenue in 2007, more than 100,000 benefactors -- 96 percent of whom gave less than \$1,000 -- donated during a record year of fundraising for Mayo.

