USF Board of Trustees Strategic Initiatives Committee

Tuesday, May 14, 2019
Time: 8:45 AM – 9:30 AM
Marshall Student Center, Room 3707

Trustees: Hal Mullis, Chair; Michael Carrere, Vice Chair; Les Muma, Charlie Tokarz, Nancy Watkins
Senior Associate Vice President: Donna Petersen

A G E N D A

I.	Call to Order and Comments	Chair Hal Mullis
II.	Public Comments Subject to USF Procedure	Chair Mullis
III.	New Business – Information Items	
	a. USF Sarasota-Manatee Land Gift	Karen Holbrook/Eddie Beauchamp
	b. USF Health/TGH Partnership Update	Charly Lockwood
V.	Adjournment	Chair Mullis

Agenda Item: III.a.

USF Board of Trustees
June 6, 2019

Issue: USF Sarasota-Manatee Manatee County Land Transaction

Proposed action: Informational

Executive Summary:

The University of South Florida Sarasota-Manatee Campus is committed to enhancing the student experience on campus. On February 26, 2019, the Manatee County Commissioners unanimously approved the USFSM conceptual land plan for the use of the track of land between current USFSM property and the Sarasota Bay. Since this date, meetings have taken place between the Manatee County Staff and the USF Staff to determine the stipulations needed for this transaction.

The intent for this information item today is to provide an update on the status and outcomes of these meetings.

Financial Impact: TBD

Strategic Goal(s) Item Supports: Goal 4: Sound financial management to establish a strong and sustainable economic base in support of continued academic advancement
Workgroup Review Date: May 14, 2019 Strategic Initiatives Committee
Supporting Documentation Online (*please circle*): **Yes** **No**
USF System or Institution specific: USFSM
Prepared by: Eddie Beauchamp, Regional Vice Chancellor for Business and Finance

USF Sarasota-Manatee

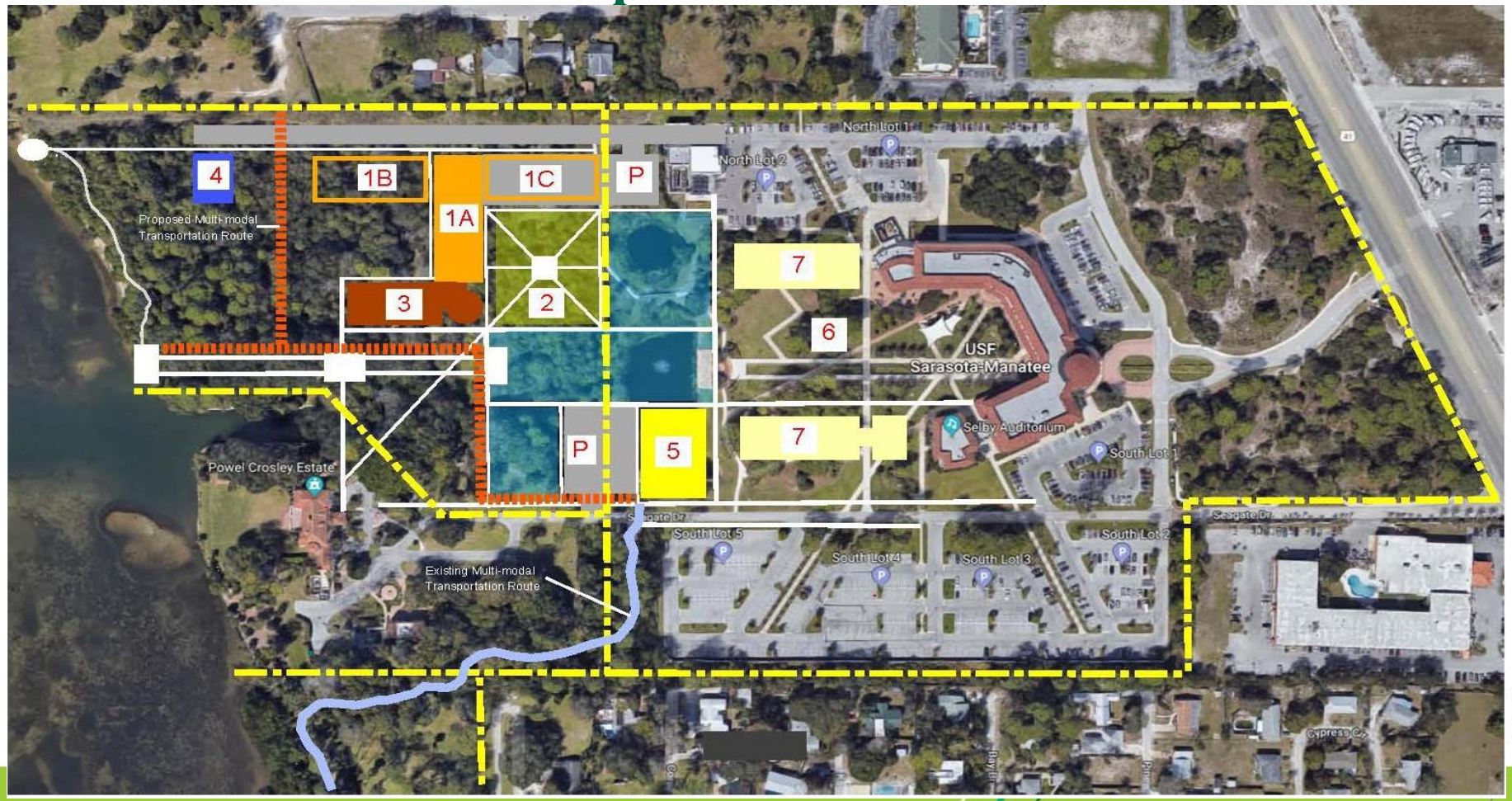
Manatee County Land Transaction

May 14, 2019

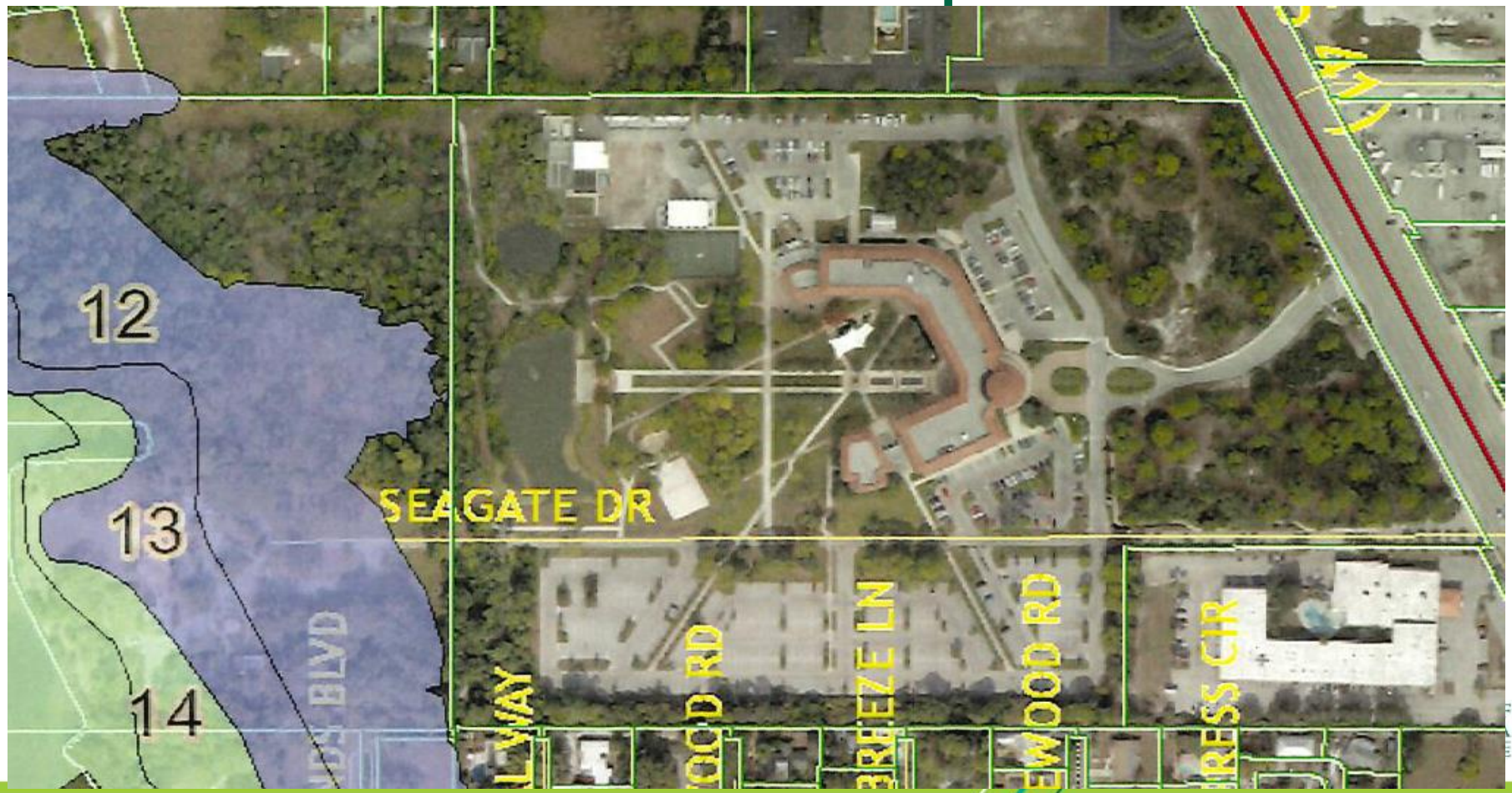
UNIVERSITY OF SOUTH FLORIDA
SARASOTA-MANATEE

1

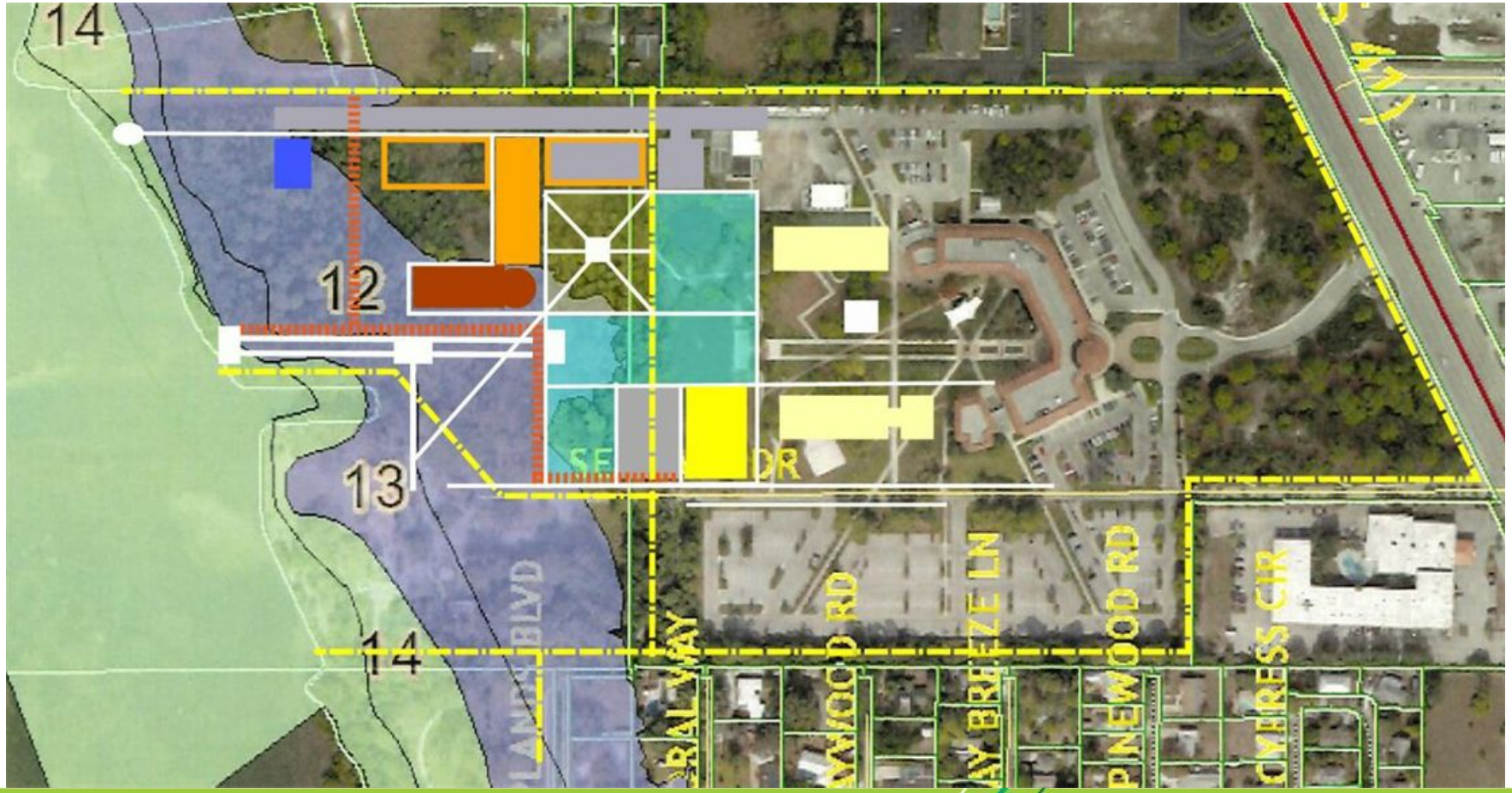
Conceptual Master Plan



FEMA Flood Map



Consolidated Master Plan/FEMA Flood Map



Next Steps/Milestones

In Progress:

1. Metes and Bounds Property Survey performed by County
2. Written Restrictions from County
3. Verbal Restrictions include:
    - Appropriate Setbacks and Natural Buffers from Crosley Estate
    - Maintain Green Space along Bay Front
    - Architectural Consistency with Crosley Estate
    - Multipurpose Pedestrian Pathway
    - Decorative Fencing Along Property Line

UNIVERSITY OF SOUTH FLORIDA SARASOTA-MANATEE

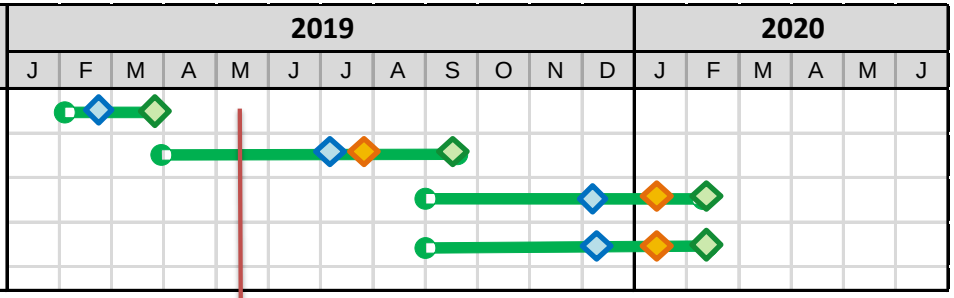
Other Steps/Milestones

We Need:

1. Detailed Property Survey (topography, flood zones, vegetation, easements, restrictions, etc.)
2. Legal Description of Property
3. Environmental Survey (wetlands, wildlife, conservation areas, etc.)
4. Archeological Assessment (historically designated property)
5. Amendment to the Existing 2015 Campus Master Plan
6. Assessment of new development impacts (land use, traffic, transportation, parking, public infrastructure, emergency planning, etc.) by professional consultants
7. Update to Campus Development Agreement with Manatee County
8. BOT/BOG Approvals

UNIVERSITY OF SOUTH FLORIDA SARASOTA-MANATEE

Timeline



APPROVAL DATES	2019												2020					
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
Manatee Board of County Commissioners Meeting		26					23					10						
USF Sarasota-Manatee Campus Board Meeting							22						15					
USF Board of Trustees Meeting			05						10					11				

UNIVERSITY OF SOUTH FLORIDA SARASOTA-MANATEE

USF HEALTH

USF Board Strategic Initiatives Committee

TGH Partnership Update

May 2019

THE CHARTIS GROUP
On the vanguard of healthcare.

National Healthcare Perspective: AMCs

Across all missions, Academic Medical Centers are facing new market pressures.

Clinical Mission

- Increased competition from community hospitals with high end capabilities threaten to carve AMCs from narrow networks
- Significant pressure from payors to demonstrate value – outcomes that justify higher costs
- Challenging payor mix (Medicaid and uninsured) and state efforts to reduce Medicaid reimbursement

Research Mission

- NIH success rates continue to erode
- Research shifting from individual investigator to multi-center focus
- Rising costs to support research infrastructure, including technology, space, and incremental staff
- Pockets of commercial grant growth, but less lucrative indirect coverage

Educational Mission

- Internal and external pressure to increase residents and fellow positions
- No new GME funding to support new positions
- Teaching model shifting to outpatient, affecting rotations and AMC resident "service" model
- Increased focus on student debt, constraining increases in tuition growth

© 2019 The Chartis Group, LLC. All Rights Reserved.

Integration Matters Among the Top Schools & Hospitals

Among the top ranked US News & World Report Medical Schools and Hospitals, the majority have pursued an integrated model bolstering academics and clinical care.

Top 10 Medical Schools (Research)	Rank	Top 10 Hospitals
Harvard Medical School	1	Mayo Clinic
Johns Hopkins School of Medicine	2	Cleveland Clinic
Stanford Medicine	3	Johns Hopkins Medicine
Perelman School of Medicine, University of Pennsylvania	4	Massachusetts General Hospital
UCSF School of Medicine	5	University of Michigan Hospital, Michigan Medicine
Columbia, Vagelos College of Physicians and Surgeons	6	UCSF Medical Center
David Geffen School of Medicine	7	UCLA Health, Ronald Reagan UCLA Medical Center
Washington University in St. Louis School of Medicine	8	Cedars-Sinai Medical Center
Weill Cornell Medicine	9	Stanford Hospital & Clinics
Mayo Clinic College of Medicine and Science	10	NewYork-Presbyterian

Source: USNWR Best Medical Schools for Research, 2020; Best Hospitals, 2018-2019

© 2019 The Chartis Group, LLC. All Rights Reserved.

Advantages to USF – Why We're Doing This

There are specific benefits to the partnership that will provide stability to the University and enhance the operations of USF Health in the future.

Supports greater investment in academics

- Academic funding is linked to the growth of entire academic medical center, including hospital assets
- Provides incremental funding opportunities as performance of the academic medical center improves

Enhances ability to recruit

- Aligns hospital and physician interests in recruiting, preventing the need to negotiate individual support agreements for new hires

De-risks USF's clinical enterprise

- Reduces impact to USF of declines in state funding for Medicaid
- Guards USF against managed care headwinds

© 2019 The Chartis Group, LLC. All Rights Reserved.

Shared Vision and Guiding Principles

This past summer, leaders from USFH & TGH collaborated to establish a shared vision and guiding principles for an enhanced partnership.

Shared Vision:

For USFH and TGH to build upon their longstanding affiliation and become Florida's leading AMC through a sustainable, collaborative and comprehensive partnership that mutually benefits each organization, across all missions including clinical, teaching, research and advocacy.

Guiding Principles:

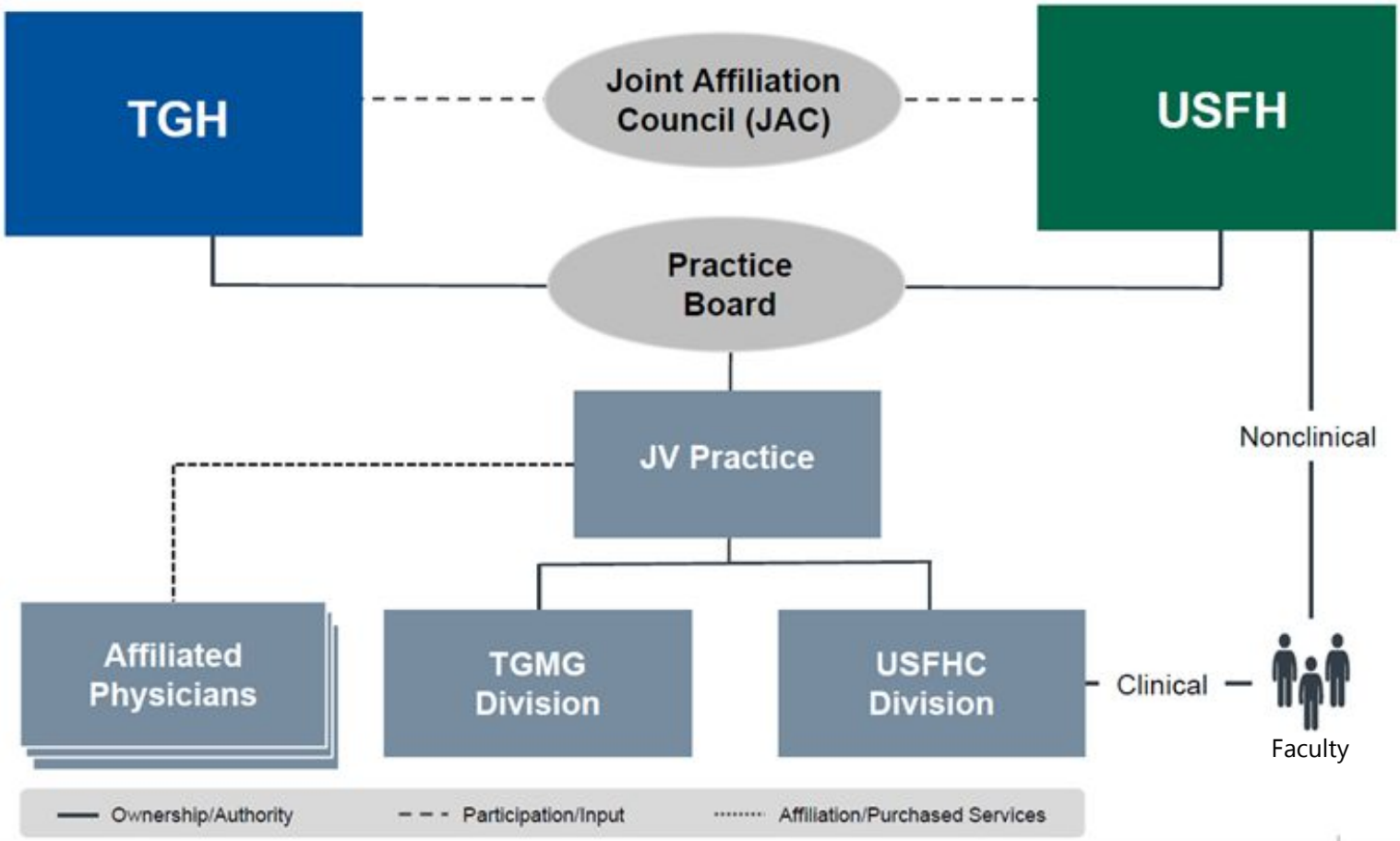
1. Function as Single AMC
2. Joint Affiliation Committee *(shared governance)*
3. Embrace Best Practices
4. Cross-Representation on Boards
5. Integrated Physician Organization
6. Mutual Exclusivity
7. Physician Leadership
8. Co-Investments
9. Consolidate Infrastructure
10. Performance-Based Arrangements
11. Mission Support

© 2019 The Chartis Group, LLC. All Rights Reserved.

Affiliation Overview

The affiliation will include a Joint Venture Medical Group governed by TGH and USF representatives along with 50/50 split JAC to guide overall strategy.

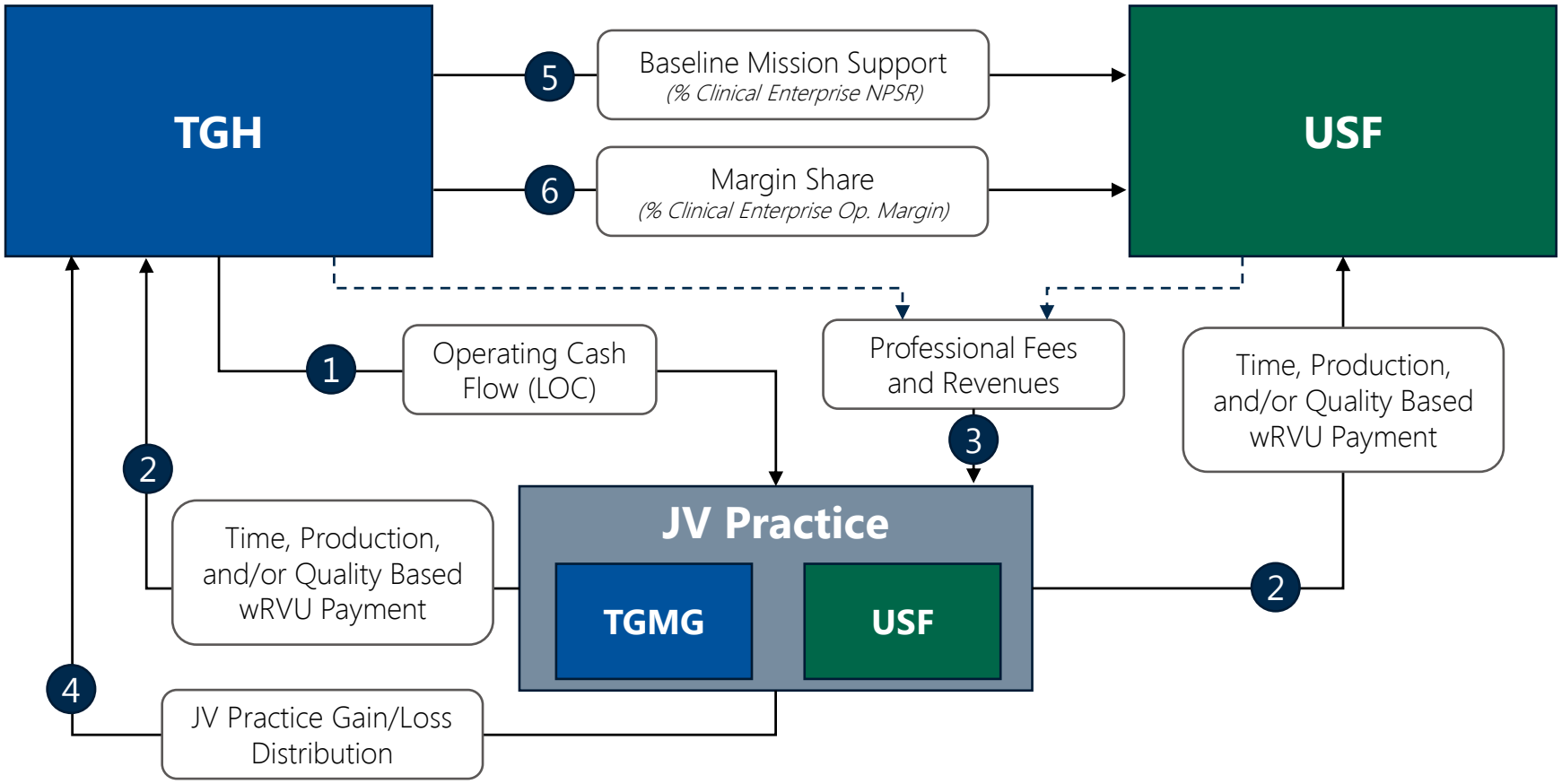
Affiliation Overview



© 2019 The Chartis Group, LLC. All Rights Reserved.

Partnership Economic Model

The economic model preserves the Dean's Tax and historical practice plan margin by tying it to the clinical enterprise's NPSR and operating margin.



© 2019 The Chartis Group, LLC. All Rights Reserved.

Protecting USF in the Path Forward

The partnership discussions to date have had a thoughtful approach to ensuring that USF's interests are protected.

Key USF Protections Considered in Partnership

1) Sovereign immunity remains

- Proposed structure will protect sovereign immunity of USF physicians in their clinical practice

2) Bond payments secured

- UMSA's revenue will pay off any necessary bond obligations before transfer to NewCo

3) State assets not impaired

- Assets will continue to be owned by the University with the management overseen by the partnership

4) Faculty remain employed by the University

- Academics continue to be employed by USF, protecting the research mission of the University

© 2019 The Chartis Group, LLC. All Rights Reserved.

Questions

© 2019 The Chartis Group, LLC. All Rights Reserved.