

**UNIVERSITY OF SOUTH FLORIDA
COLLEGE OF MEDICINE AND RELATED USF HEALTH FACILITIES**

USF HEALTH

USF Health is the collaborative enterprise of the University's Morsani College of Medicine, College of Nursing, College of Public Health, Taneja College of Pharmacy, School of Physical Therapy and Rehabilitation Sciences, School of Biomedical Sciences and the USF Physician's Group as well as the healthcare provided by University's physicians and nurses. USF Health was founded by the legislature in 1965 as the USF Medical Center (medicine and nursing). It was renamed the USF Health Sciences Center in 1988 to acknowledge the addition of the College of Public Health. Today, USF Health is both an organizational definition and a successful branding outreach initiative, and most importantly, a commitment by faculty leadership to new models of education and care.

USF Health is dedicated to making life better by improving health in the wider environment, in communities and for individuals. It represents several faculty and leadership initiatives to improve the entire continuum of health, including: (i) joint, inter-professional teaching to build health care teams; (ii) collaborative research in difficult areas like obesity, where the health disciplines must work together and funding is team-based; and (iii) reframing health care as wellness, which positions the University in the forefront of teaching in the ambulatory sector. All of these initiatives dovetail with national trends in funding and the University's growth in attracting grants. For example, because these collaborative initiatives address national priorities, federal earmarks have been critical in launching new research centers such as biodefense, cancer detection, disaster management and many others.

The collaborative, integrated approach to healthcare has allowed USF Health to attract increased state funding for capital construction. Between 2001 and 2008, USF Health received state funding for the largest capital construction project at the University. This project, labeled "USF Healthcare and Education Center", integrated inter-professional education and better ambulatory health care. The state funds were used to build: (i) a new building for the College of Nursing; (ii) the Center for Advanced Clinical Skills Learning as a collaboration between nursing and medicine; (iii) one-third of the Children's Medical Services building in collaboration with the Department of Health; and (iv) a portion of the Center for Advanced Healthcare. In April 2012, USF Health received a combined total of \$8.9 million of state and county funding to support the initial design of USF Health Heart Institute which will have a special focus on genomics-based personalized medicine. New approaches in the educational arena have also been developed in USF Health. The Health Informatics program which is 100% on-line was initiated with a Master's of Science program.

USF Health has also continued to seek and obtain private donations. In December of 2011, Carol and Frank Morsani donated a total of \$20 million for the construction of a new medical school building. The College of Medicine was renamed the USF Morsani College of Medicine and the new medical school building is scheduled to open December 2019 in downtown Tampa. In August of 2019, the Taneja Family Foundation donated \$10 million to the College of Pharmacy which became the largest philanthropic gift to a pharmacy school in the state of Florida. The College of Pharmacy was renamed the USF Health Taneja College of Pharmacy and will be collocated with the Morsani College of Medicine in downtown Tampa.

Morsani College of Medicine

The USF Morsani College of Medicine was established by the Florida Legislature in 1965 to educate physicians and bring the best of health care to the Tampa Bay region. The College awards doctorates in Medicine ("MD") and Medical Sciences ("PhD"), and is fully accredited by the Liaison Committee for Medical Education.

Since enrolling its charter class in 1971, the College of Medicine has established partnerships with the region's finest institutions, including All Children's Hospital, the James A. Haley Veterans' Hospital, Moffitt Cancer Center, and Tampa General Hospital. More than 3,000 MD students have graduated from the College; in addition, approximately 700 physicians each year receive their specialty residency training at USF-affiliated hospitals and outpatient facilities, and many remain in Florida to practice, making a significant impact on health care in the state.

Sponsored research funding at the Morsani College of Medicine is currently at \$337.4 million in 2018-2019, leading the University to an all-time high of over \$525.4 million in research awards. Medical faculty work with their colleagues in nursing, pharmacy, and public health on community-based research initiatives in such areas as aging

studies, children's health, patient safety, health promotion and disease prevention, and infectious diseases and biodefense. The Morsani College of Medicine is internationally known for research focusing on age-related neurodegenerative disorders, particularly Alzheimer's and Parkinson's diseases.

The USF Morsani College of Medicine SELECT program (Scholarly Excellence. Leadership Experiences. Collaborative Training.) prepares students to be physician leaders who can accelerate change in health care. The program recruits and develops students with the intellectual perspective, empathy, creativity and passion to change patient care, the health of communities and the medical profession. The founding principle of SELECT is the concept that students with high emotional intelligence are more likely to develop the skills needed to transform health care and improve the health of communities. One of the most distinctive features of SELECT is the opportunity for medical students to shape their educational experiences at both a highly progressive, student-centered medical school, the USF Morsani College of Medicine in Tampa, FL, and at one of the country's top health networks known for its quality, safety, and lean approach to driving efficiency in healthcare, the Lehigh Valley Health Network in Allentown, PA. The first class was admitted in 2011, and up to 56 students are now admitted annually. Students admitted to SELECT spend their first two years taking classes at the USF Morsani College of Medicine in Tampa, and then go to Lehigh Valley Campus for two years of clinical education.

The Morsani College of Medicine started its new physician assistant (PA) education program in May 2017 with an inaugural class of 30 students. The accredited program spans 24 months and, at full capacity, each class will have 50 students. The PA program builds upon the already strong foundations of the medical, pharmacy, physical therapy and nursing programs to provide the most advanced and focused PA education possible. The USF MCOM MPAS Program will prepare its graduates to deliver high-quality, evidence based, and patient-centered health care. This is accomplished through a robust, systems-based curriculum, delivered over 24 continuous months. The program is characterized by innovative educational strategies, inter-professional education, and research activity.

College of Nursing

The College of Nursing at the University of South Florida is preparing 21st-century nurses to promote health and wellness in our community and around the world. Through research and innovation, educational excellence, partnerships and collaborations, the USF College of Nursing is internationally recognized and ranks among the best nursing programs in the nation.

The University of South Florida College of Nursing opened its doors in 1973 to the charter class of 50 baccalaureate nursing students. By 2018, the College of Nursing has grown to more than 2,800 students at the baccalaureate, master's and doctoral levels (both DNP and PhD). In 2013, with grant support from the HRSA, USF created the V-CARE program. This veterans to bachelor's degree pathway enables medics and corpsmen to apply field experiences for college credit, accelerating the time to graduation. To date, 74 students (four cohorts) have graduated.

The USF College of Nursing has a strong tradition of supporting wellness, research, and education within our community and throughout the state, nation and world. Our nurses today are leaders in translational research, creating nursing science innovations for patients and the community. They are changing the face of health care locally and around the globe and have been a major factor in the college's rise in national prominence. The College of Nursing performs more than 200,000 clinical hours in the community each year and has more than 900 clinical partners.

In 2017, ranked #22 in NIH funding among nursing colleges in the U.S., the USF College of Nursing currently has more than \$3 million in grants and contracts that span topics such as pregnancy and women's health, treating diabetes, cancer care and screening, microbiome, grief therapy, and geriatrics.

College of Public Health

Established in 1984, the College of Public Health is one of only three schools of public health in Florida and one of only 66 accredited schools of public health nationwide. The College of Public Health aims to improve the health of Floridians by educating health professionals throughout the state, through its interdisciplinary translational research, and by enhancing the capacity of public health professionals and systems through training and service. The College of Public Health offers the Bachelors of Science in Public Health ("BSPH"), Bachelors of Science in Health Sciences ("BSHS"), Master of Public Health ("MPH"), Master of Science in Public Health ("MSPH"), Master of Health Administration ("MHA"), Doctorate ("PhD") and Doctorate of Public Health ("DrPH") degrees. In addition,

several dual degrees are granted with other colleges on campus as well as over 20 graduate certificates. The College offers six fully-online MPH degree programs as well as a DrPH program that blends online learning with executive-format on-campus sessions. The student body of over 4,700 full-time and part-time students comes from a broad spectrum of backgrounds, including health care, business, education, and social services. Students and faculty in the college tackle real public health needs, from a county level to a global level, through classroom work, field experience, and research projects. These problems and needs relate to such issues as population dynamics, patterns of disease in population groups, the availability of knowledge of health promotion and disease prevention, and the design of health care delivery systems.

With over \$20 million in grants and contracts received in 2018-19, the College of Public Health is contributing the advancement and dissemination of knowledge in Florida and beyond. Its results-oriented, population-based research helps to promote health and prevent disease across the life span in Florida and the global community by targeting a spectrum of groups to influence behavior toward healthy choices. The College of Public Health also performs extensive workforce development in areas ranging from OSHA standards to social marketing, disaster management & humanitarian assistance, and public health leadership.

School of Physical Therapy and Rehabilitation Sciences

The School of Physical Therapy and Rehabilitation Sciences, established in 1998, was the first public institution in the State of Florida to receive authorization to award the Doctor of Physical Therapy degree. The three year professional degree, fully accredited by the Commission on Accreditation for Physical Therapy Education, enrolls 48 incoming first-year students each year. This past year, over 800 students applied to be part of the incoming class. The School boasts an impressive and broadly experienced cadre of faculty who are engaged in teaching, research, clinical practice, and scholarly/creative activities. In 2016, the School's Orthopaedic Physical Therapy Residency was accredited by the American Board of Physical Therapy Residency and Fellowship Education. After four very successful cycles of admitting one resident per year, the program expanded to admit two residents per cycle. As part of USF Health, the School's physical therapy students participate in interprofessional education alongside students from each of the colleges within USF Health (Medicine, Nursing, Public Health, and Pharmacy). Teaching and learning together form the basis for future successful collaborative practice.

The School benefitted from ongoing sponsored research funding of close to \$3.9 million over the last year. Funding sources included federal, state, and private sources. Physical Therapy faculty work with colleagues from USF Health and across campus in investigations of low back pain and disability, prosthetics, movement disorders, balance, autism and motor function in children, and multiple sclerosis in the Human Functional Performance Laboratory.

SPTRS also operates the USF Morsani Physical Therapy Center, a clinical practice that is part of USF Health. With patient service revenues approaching \$1.34 million annually, this outpatient center provides state-of-the-art rehabilitative care.

School of Biomedical Sciences

The School of Biomedical Sciences was established in April 2006 with the mission to create an environment for productive research, education, and training of the College of Medicine's faculty, staff, and students. The School of Biomedical Sciences played a major role in helping the University become one of the top 25 public research universities in the United States, the College of Medicine began the process of transforming its basic and clinical research enterprises in an effort to expand its research capacity and extramural research funding. The merger of the College of Medicine's basic science departments was the first step in this transformation and resulted in the creation of the School of Biomedical Sciences. The School of Biomedical Sciences is currently comprised of the departments of Molecular Medicine, Pathology and Cell Biology, and Molecular Pharmacology and Physiology. The College of Medicine has identified five strategic areas of focus in neuroscience, cardiovascular, diabetes, infectious disease, and drug discovery, which its research and educational missions will revolve around. It is envisioned that the School of Biomedical Sciences will enhance the interdisciplinary aspect of the college by ensuring that the University has a critical mass of faculty in each department who can effectively serve the research and education missions of the University.

Taneja College of Pharmacy

In 2007, the University of South Florida and USF Health recognized the need for a pharmacy program to complete the vision of interprofessional collaboration in the healthcare profession. Under the auspices of USF Health, the Taneja College of Pharmacy became Florida's first public, comprehensive college of pharmacy in a metropolitan area and welcomed its inaugural class of Doctor of Pharmacy (PharmD) students in August 2011. In August 2019, the college officially became the Taneja College of Pharmacy after receiving a generous gift from the Taneja Family Foundation. The USF Health Taneja College of Pharmacy is boldly redefining pharmacy education with a passion to create the next generation of trusted healthcare professionals. The Taneja College of Pharmacy aims to create pharmacists of the future through innovation, groundbreaking research, and interprofessional education and collaboration. The Taneja College of Pharmacy exposes students to the pharmacy profession beyond the confines of the retail counter. The highly enlightened students are encouraged to confidently empower patients to take an active role in their health. The Taneja College of Pharmacy pushes the boundaries of healthcare within the community and challenges the nation to deliver skilled and innovative professionals who will make their indelible mark on the industry. The Taneja College of Pharmacy also offers graduate level education programs in pharmacy producing global pharmacy leaders. The Taneja College of Pharmacy Graduate Programs offers the Master's in Pharmaceutical Nanotechnology which is designed to train students on technological advances in science at the nanoscale level to prime them for research or employment in the pharmaceutical industry.

The mission, vision, and goals of the USF Health Taneja College of Pharmacy were developed to meet the current and future healthcare needs of patients. The Taneja College of Pharmacy has a mission to revolutionize health with the innovation of patient centered healthcare through education, research, and service and through the empowerment of students, professionals, and patients. The vision for graduate education in the Taneja College of Pharmacy includes developing cutting-edge research training and education, creating a diverse learning environment for students and faculty, and creating advanced learning opportunities using emerging technologies. The interprofessional education culture, research prowess, and clinical resources are the prescriptions for success at USF Health.

The USF Health Taneja College of Pharmacy places strong emphasis on faculty to be actively involved in research endeavors to increase opportunities to create entrepreneurial research models. The faculty and staff are diligently submitting proposals and to date, the Taneja College of Pharmacy has been awarded over \$9 million in extramural funding. The Taneja College of Pharmacy will continue to create, collaborate, and promote cutting-edge scientific research, drug discovery, clinical translational research and academic experiences to empower students, professionals, and patients as catalysts for change at all levels of health.

UNIVERSITY MEDICAL SERVICE ASSOCIATION, INC., the USF Direct Support Organization and USF Health Faculty Practice Plan Corporation

The Morsani College of Medicine has been authorized to provide educationally oriented clinical practice settings and opportunities, through which Morsani College of Medicine faculty physicians provide health care and treatment to patients, including patients at independent hospitals and various other institutions and clinical sites as an integral part of their academic activities and their employment as College faculty. The USF Morsani College of Medicine is further authorized to maintain a Faculty Practice Plan for the orderly collection and administration of income generated by faculty practice activities and to provide other services in support of the College's clinical-educational mission. Pursuant to Florida Board of Governors Regulation 9.017 and USF Regulation 9.017, University Medical Service Association, Inc. ("UMSA"), a Direct Support Organization of the University of South Florida under Florida Statutes Section 1004.28, is the corporate entity which functions as the USF Health Faculty Practice Plan with responsibility for the collection, administration and distribution of funds derived from faculty practice activities.

UMSA has a Board of Directors that consists of:

- ◆ The University's Senior Vice President for Health Sciences;
- ◆ The University Board of Trustees Chairperson's appointed representative;
- ◆ The University President representative (who is the University's Sr. Vice President for Health Sciences);

- ◆ The Morsani College of Medicine Dean, if that person is not also the USF Health Senior Vice President;
- ◆ The USF Health Chief Operating Officer;
- ◆ The Morsani College of Medicine Vice Dean for Clinical Affairs;
- ◆ Four (4) Chairpersons of Morsani College of Medicine clinical departments who are elected from Procedural, Surgical, Cognitive and Primary Care groupings of the clinical departments;
- ◆ Up to three (3) additional persons appointed by the USF Health Senior Vice President; and
- ◆ The Chairperson of the Corporation's Audit Committee.

These members have the ultimate responsibility to for the governance of UMSA and to advise the Senior Vice President/Morsani College of Medicine Dean on issues relative to clinical service missions, operations, and related business support functions. They provide oversight through regular quarterly meetings, and special meetings as needed.

The Morsani College of Medicine presently has approximately 687 full-time faculty physicians and other practitioners organized into (i) seventeen academic-clinical departments: Dermatology, Family Medicine, Gerontology, HII, Internal Medicine, Neurology, Neurosurgery, Obstetrics & Gynecology, Ophthalmology, Orthopedics & Sports Medicine, Otolaryngology, Pathology and Cell Biology, Pediatrics, Psychiatry, Radiology, Surgery and Urology; and (ii) two schools: Biomedical Sciences and Physical Therapy and Rehabilitation Sciences. The chief administrative officer of the Morsani College of Medicine is the Senior Vice President for Health Sciences/Morsani College of Medicine Dean. This officer reports to the University President. The seventeen academic-clinical departments are each headed by a Chairperson who reports to the Senior Vice President/Morsani College of Medicine Dean. Most departments are subdivided along medical sub-specialty lines into divisions headed by Chiefs/Directors who report to the Chairperson. Within the departments and divisions, individual faculty physicians are employed by the University to perform duties in support of the education, research, and patient service missions of the Morsani College of Medicine.

In January 2008, the Department of Interdisciplinary Oncology was transferred from the Faculty Practice Plan to Moffitt Cancer Center. This transfer included approximately 120 faculty members and their corresponding clinical volume.

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University Medical Service Association, Inc.

Statements of Operations and Changes in Net Assets⁽¹⁾⁽²⁾⁽³⁾

	Year Ended June 30				
	2015	2016	2017	2018	2019
Unrestricted revenues and other support:					
Net patient service revenue	149,057,623	158,302,216	172,569,959	191,636,171	212,199,290
Grants, contracts and awards revenue	53,398,506	62,551,406	68,335,878	72,453,924	76,144,324
Other operating revenue	<u>22,357,592</u>	<u>21,127,066</u>	<u>22,101,268</u>	<u>21,937,532</u>	<u>13,777,645</u>
Total revenues and other support	<u>224,813,721</u>	<u>241,980,688</u>	<u>263,007,105</u>	<u>286,027,627</u>	<u>302,121,259</u>
Expenses: ⁽²⁾					
Contributions on behalf of the College of Medicine:					
Faculty and staff salary support	141,205,300	168,584,642	178,696,420	192,938,216	193,600,797
Excess FICA refunds	(1,267,479)	(1,384,223)	(1,511,826)	(1,536,273)	(1,745,112)
Malpractice insurance support	2,939,359	3,604,554	4,160,202	4,149,388	4,221,619
Expenses support	34,949,777	--	--	--	--
Rent expense	4,274,742	--	--	--	--
Depreciation, rent, repairs and maint	--	15,631,770	17,261,043	16,565,724	13,289,069
Operating expenses	35,749,571	66,619,402	65,337,261	66,824,491	82,360,557
Amounts allocated from USFFC	--	(1,691,061)	(1,573,645)	(586,627)	--
Contributed software and lic amort	--	1,993,272	2,462,248	2,461,091	--
Software implementation/training	2,681,694	699,438	1,161,451	--	--
Interest	<u>175</u>	<u>2,444,138</u>	<u>1,847,117</u>	<u>1,774,266</u>	<u>1,632,834</u>
Total expenses	<u>220,533,139</u>	<u>256,501,932</u>	<u>267,840,271</u>	<u>282,590,276</u>	<u>293,359,784</u>
Income (loss) from operations	4,280,582	(14,521,244)	(4,833,166)	3,437,351	8,761,475
Nonoperating gains:					
Investment income, net	<u>168,696</u>	<u>143,937</u>	<u>1,428,230</u>	<u>724,633</u>	<u>422,099</u>
Excess of revenues, gains and other support over expenses	4,449,278	(14,377,307)	(3,404,936)	4,161,984	9,183,574
Other changes in unrestricted net assets:					
Transfer of net assets from MSSC	--	67,686	--	--	(240)
Loss from discontinued operations	--	--	--	--	--
Change in net unrealized gains and losses on other-than-trading securities	--	--	--	--	--
Increase (decrease) in unrestricted net assets	4,449,278	(14,309,621)	(3,404,936)	4,161,984	9,183,334
Unrestricted net assets beginning of year ⁽³⁾	<u>71,750,477</u>	<u>76,199,755</u>	<u>61,890,134</u>	<u>58,485,198</u>	<u>57,172,006</u>
Unrestricted net assets at end of year	<u>\$76,199,755</u>	<u>\$61,890,134</u>	<u>\$58,485,198</u>	<u>\$62,647,182</u>	<u>\$66,355,340</u>

(1) Derived from audited financial statements for fiscal years ended June 30, 2015 through 2019.

(2) Audited financial statements for fiscal years 2016 through 2019 for UMSA and MSSC have been combined and reported as UMSA only.

(3) Audited financial statements converted from FASB to GASB in fiscal year 2019. This conversion resulted in an adjustment to Unrestricted net assets at the beginning of fiscal year 2019.

University of South Florida Medical Services Support Corporation

Statements of Operations and Changes in Net Assets⁽¹⁾⁽²⁾

	Year Ended June 30				
	2015	2016	2017	2018	2019
Unrestricted revenues and other support:					
Services revenue	\$ 63,083,049	\$ --	\$ --	\$ --	\$ --
Transfer of Assets from UMSA	--	--	--	--	--
Other revenue	6,900,264	--	--	--	--
Total unrestricted revenues and other support	<u>69,983,313</u>	--	--	--	--
Expenses:					
Salaries and wages	34,136,107	--	--	--	--
Employee benefits	6,405,746	--	--	--	--
Payroll taxes	2,335,474	--	--	--	--
Amounts allocated from USF Financing Corp	(1,950,785)	--	--	--	--
Depreciation, rent, repairs and maintenance	8,278,689	--	--	--	--
Medication and medical supplies	11,764,314	--	--	--	--
Interest	2,568,453	--	--	--	--
Continuing professional education expenses	--	--	--	--	--
Other operating expenses	5,151,898	--	--	--	--
Total expenses	<u>68,709,896</u>	--	--	--	--
Surplus (deficit) of operating revenues over expenses:	<u>1,273,417</u>	--	--	--	--
Other changes in unrestricted net assets:					
Gain/(Loss) on sale of assets	--	--	--	--	--
Transfer of equipment from USF	--	--	--	--	--
Total other changes in unrestricted net assets	--	--	--	--	--
Changes in temporarily restricted net assets:					
Funds received with purpose restrictions	--	--	--	--	--
Net assets released and used to pay operating Expenses	--	--	--	--	--
Net assets refunded to sponsoring organization	--	--	--	--	--
Discontinued operations – Continuing professional education	--	--	--	--	--
(Decrease) increase in net assets	1,273,417	--	--	--	--
Net assets (deficit) at beginning of year	<u>(1,205,731)</u>	--	--	--	--
Net assets (deficit) at end of year	<u>\$ 67,686</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

⁽¹⁾ Derived from audited financial statements for fiscal years ended June 30, 2015 through 2019.

⁽²⁾ Audited financial statements for fiscal years 2016 through 2019 for UMSA and MSSC have been combined and reported as UMSA only.

OPERATIONS

Operations Strategy

The USF Morsani College of Medicine Faculty Practice Plan, known corporately as “UMSA/MSSC”, is a Direct Support Organization of the USF, and is charged with the oversight and centralized management of the Centers for Advanced Health Care, including the Ambulatory Surgery Center and two Outpatient Imaging Centers. As mentioned above, UMSA bills, collects, administers, and disburses funds derived from the clinical practice activity of the College's faculty physicians. UMSA/MSSC is comparable in some respects to a Management Services Organization and provides additional support services such as patient accounts, personnel, managed care contracting, business development, credentialing and recredentialing, patient ambulatory support services, quality management, information services, and finance and accounting.

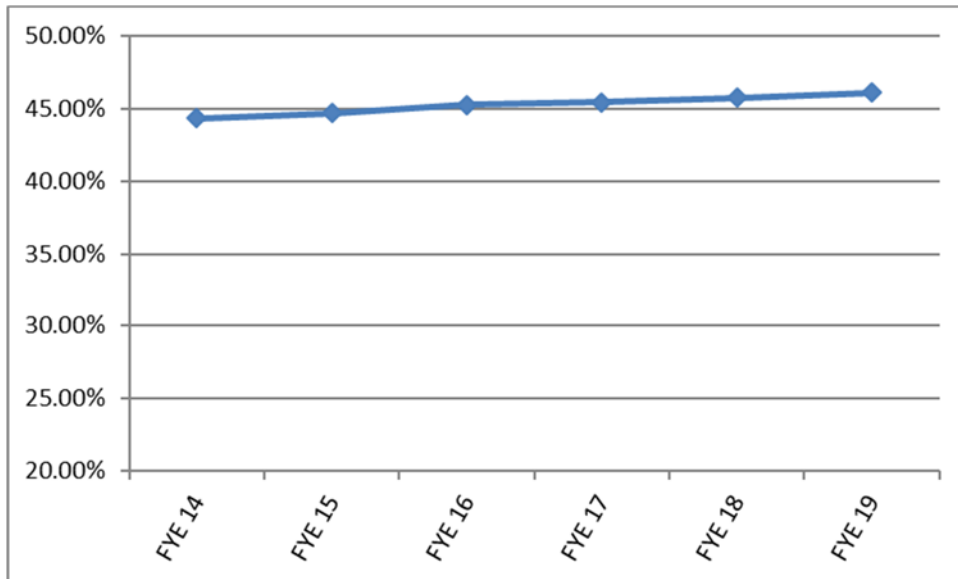
Ongoing Operations

The USF Physicians Group has continued to experience growth over the last five fiscal years. Growth of a business can be measured in a variety of ways; however, in order to fully understand the growth of USF Physicians Group over the last five fiscal years, one must look at a number of specific factors that, in sum, are responsible for our success. These measurements are commonly accepted business tools used by other centralized academic practice plans and physician practices across the country to measure the overall health of the business. They are multifaceted and examine the financial, operational, and contractual areas of the practice.

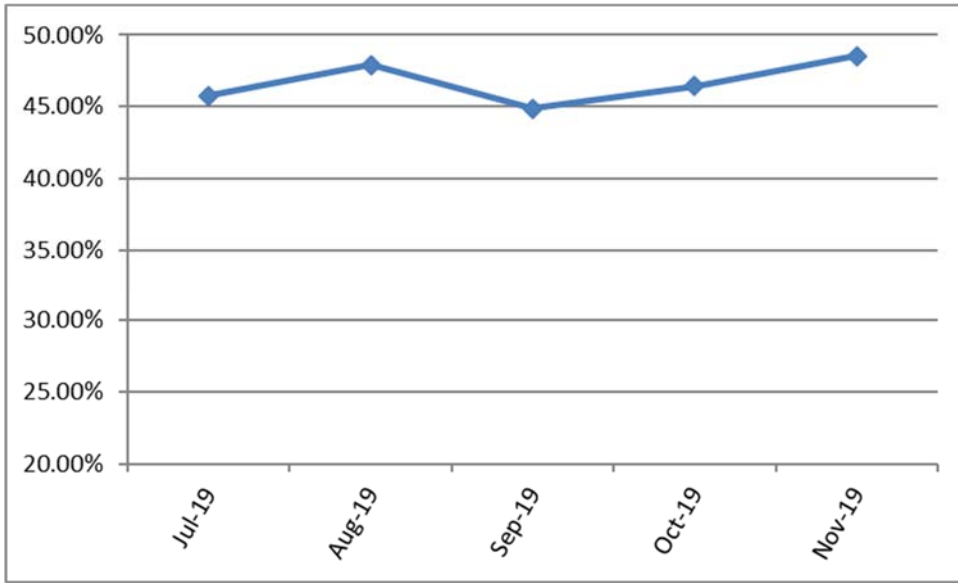
Contractual Relationships with Third Party Payers (Managed Care/Health Plans)

Over the last 20 years, USF Physicians Group has seen its commercial managed care business grow from 40% of total collections to its current level of 46% of total collections. The remaining 54% is comprised of the following: Medicare & Managed Medicare (25%), Medicaid & Managed Medicaid (14%), Self-Pay (11%), Hillsborough County Health Care Plan (1%), Worker's Compensation (.3%), and other (3%).

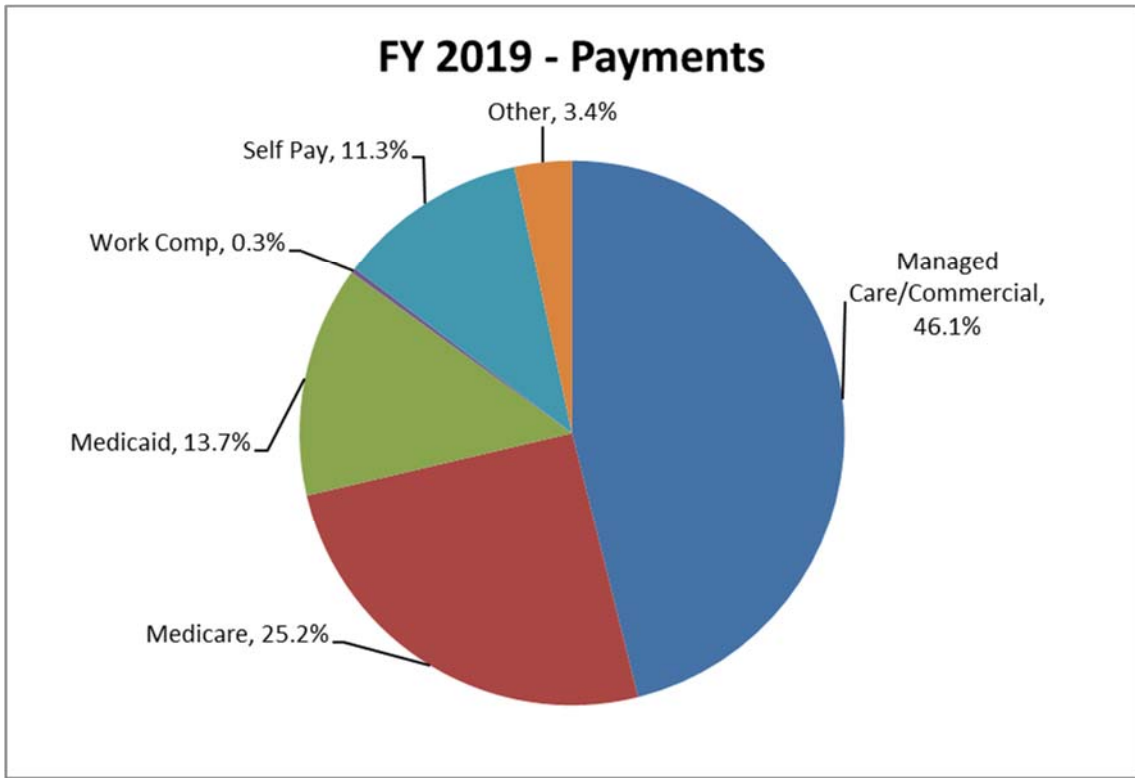
Managed Care Collections as a Percentage of Total Collections



Commercial Managed Care Collections as a Percentage of Total Collections – FY20 Year to Date



Fiscal Year 2019 Payer Mix Based on Collections



This growth in Managed Care Collections can be attributed to the following primary factors:

- Negotiated increases in contracted reimbursement
- Contracting with the majority of Managed Care Organizations with a presence in the Tampa Bay area; and,
- The increase in the overall penetration of managed care in the Tampa Bay area due to employer groups opting to convert their employer-based group health insurance to managed care.

USF Physicians Group and its hospital affiliates are the providers of choice among third party payers, employer groups, and individuals in the greater Tampa Bay area. Most health plans have recognized that USF Physicians Group, along with its hospital affiliates, is a critical component of a viable, marketable network of participating providers. This recognition has worked to the benefit of USFPG. Over the past fiscal year 2018-2019, the Department of Managed Care has successfully negotiated and/or renegotiated the following:

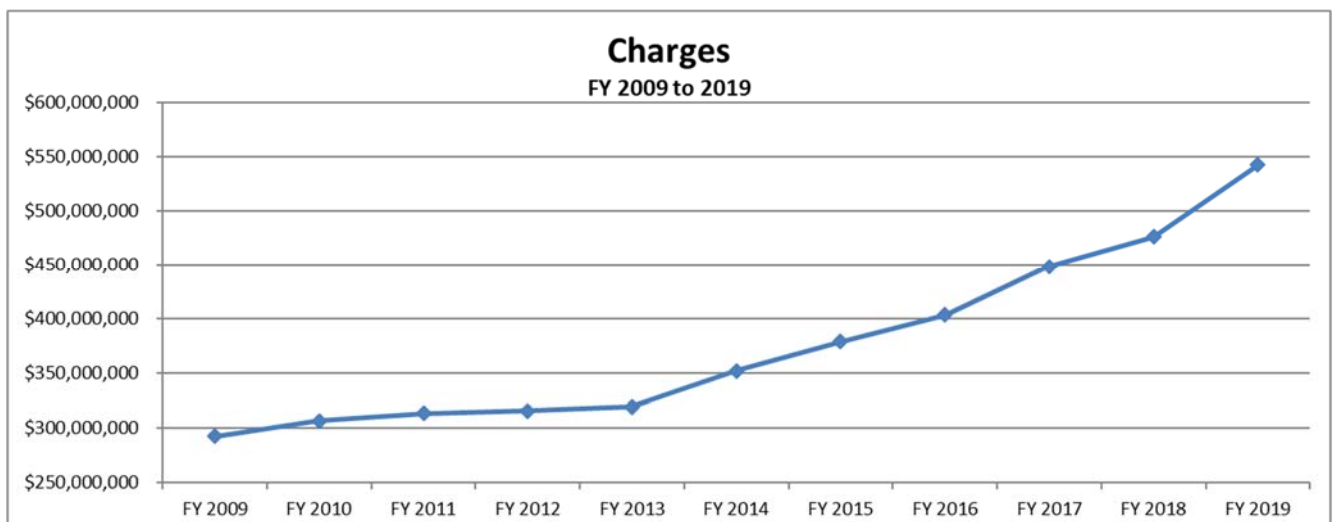
- 1) StayWell's Children's Medical Services Program (Physician) – effective 2/1/19
- 2) Aetna (ASC) – effective 11/1/2018 & Aetna's Better Health (VBS) – effective 1/1/20
- 3) Humana Medicaid – effective 10/1/2018 & 3/1/2019
- 4) Simply Health (Physician) – 4/4/19
- 5) Sunshine Health (Physician) – effective 6/1/19
- 6) Solis Health Plans (Physician & ASC) – effective 1/1/2019
- 7) Devoted Health Plans (Physician & ASC) – effective 1/1/19

Negotiated/Re-negotiated during FY 19 with effective dates post FY19:

- 1) TriWest (Physician) – effective 8/23/19
- 2) Oscar Health (Physician) – effective 1/1/20
- 3) UHC's Optum for the VA's CCN (Physician & ASC) – effective 1/7/20

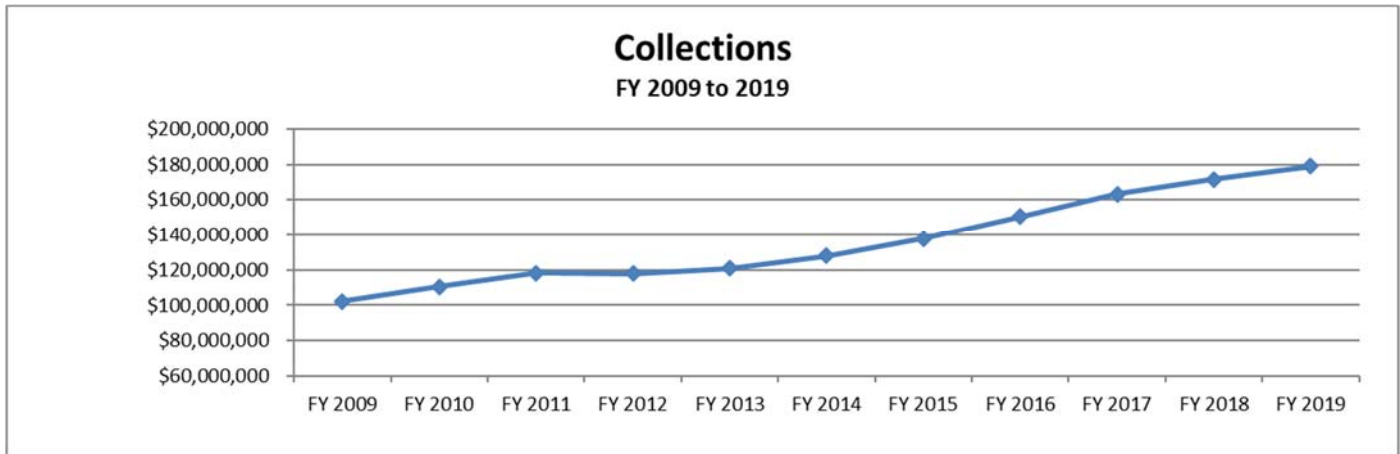
Total Charges – Ten Year Summary

Total charges have increased over the last ten fiscal years by \$249,320,950, an 85% increase.



Total Collections – Ten Year Summary

Total collections have increased over the last ten fiscal years by \$76,768,891, a 75% increase.



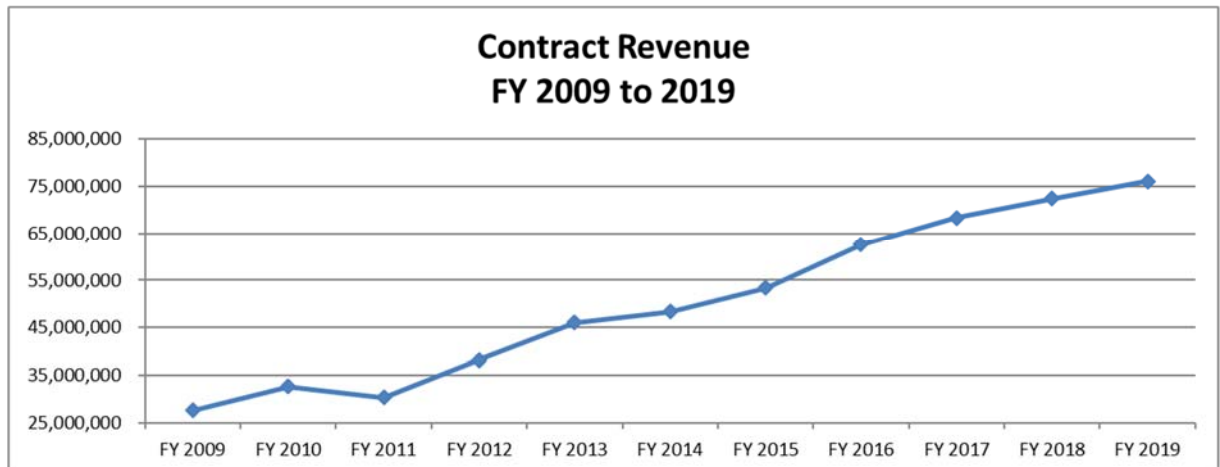
It should be noted that in the healthcare sector, the relationship between a provider's billed charges for services rendered, and the actual payment which is received as payment in full, varies depending upon the methodology upon which the provider bases his or her billed charges, the geographical area of the country, and the average rates of reimbursement in a given market. In 1999, USF Physicians Group opted to move to a practice-wide fee schedule. The methodology is based upon the prevailing Medicare Allowable Rate ("MCA"). Specifically, all evaluation and management procedure codes ("CPT") are billed at twice the prevailing MCA, and all other codes (procedural and non-E&M) are billed at three times the prevailing MCA.

Growth in Contract Revenue

In addition to growth in patient revenue, USF Physicians Group has also significantly increased its contract revenue. USF Physicians Group has contracts with various healthcare facilities to provide medical services, medical directorships, and physician advisory services. The most significant contract is with Tampa General Hospital, and generates approximately forty five million dollars annually. In recent years additional contracts have been executed with HCA and Lakeland Regional Medical Center. Contract revenue growth is illustrated by the graphic below showing, for the last five fiscal years, increases in total contract revenue.

Total Contract Revenue – Ten Year Summary

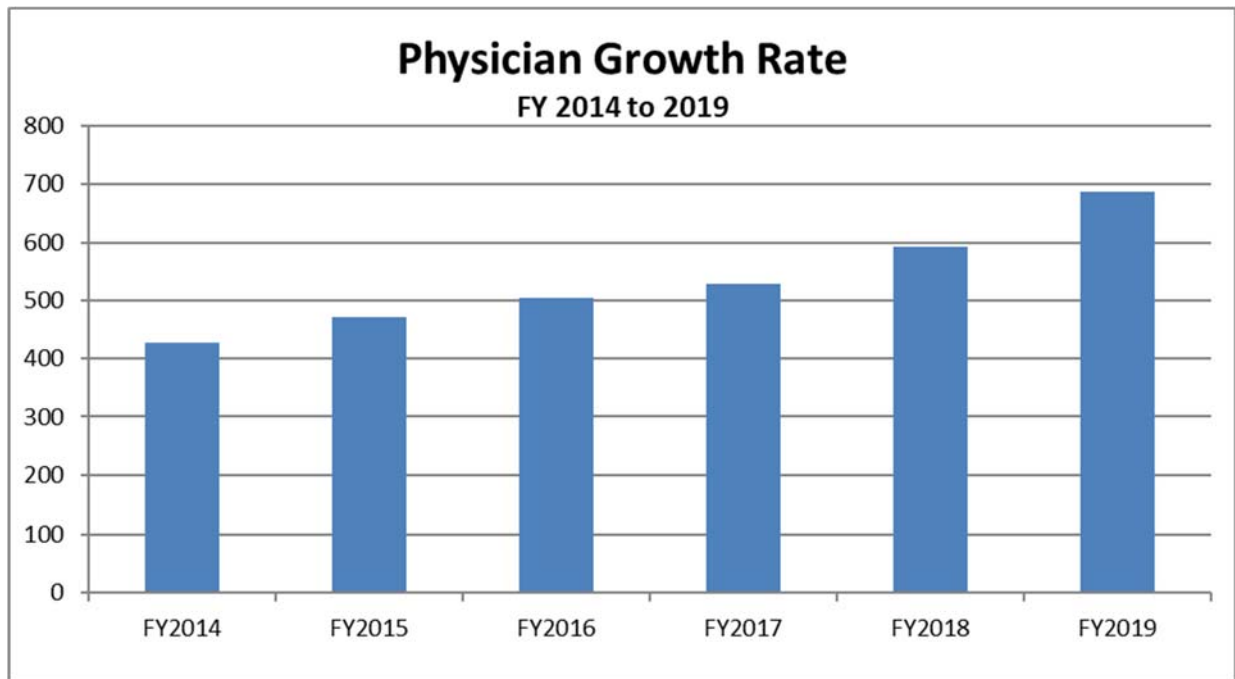
Total contract revenue has increased over the last ten fiscal years by \$48,526,073, a 176% increase.



Faculty Retention/Physician Growth Rate

Academic medical centers typically experience a high degree of faculty turnover on an annual basis. Despite this trend, USF Physicians Group has grown significantly in the number of credentialed physicians over the last five fiscal years. The growth rate for fiscal year ending 2014 through 2019 has been 61%.

USFPG Department	Total Active FY 2019
Dermatology	12
Family Medicine	14
Internal Medicine	175
Neurology	41
Neurosurgery	40
OB/GYN	60
Hill	13
Ophthalmology	16
Orthopaedics and Sports Medicine	6
Otolaryngology	13
Pathology and Cell Biology	3
Pediatrics	167
Physical Therapy	12
Psychiatry	29
Suncoast Gerontology Center	5
Surgery	70
Urology	11
Grand Total	687

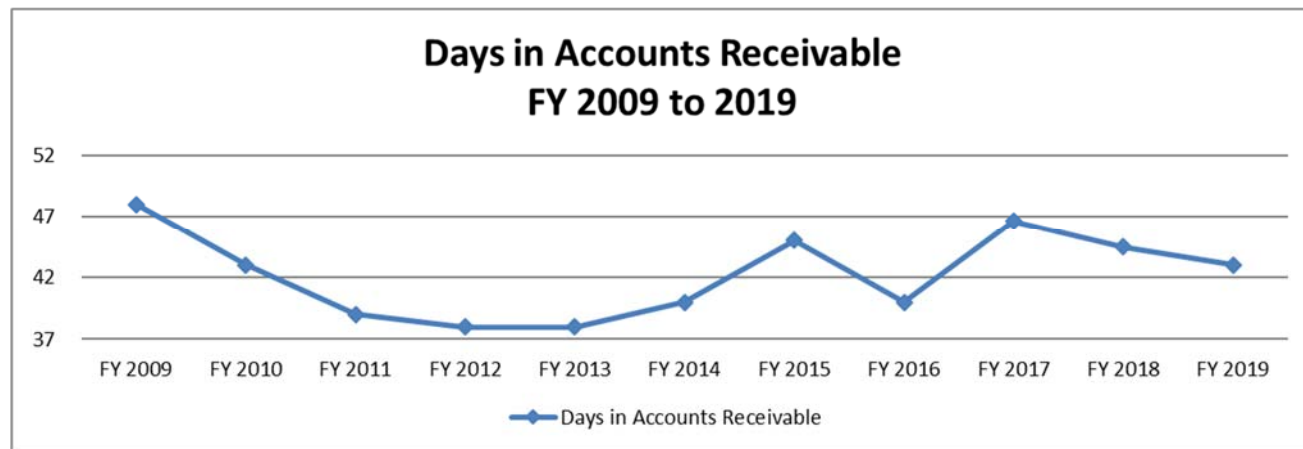


Operational Efficiencies

Investments in technology, human resources, and business improvement processes have yielded extremely favorable results in the operational efficiencies of the USF Physicians Group. These improvements are clearly evident in the following, industry accepted performance metrics for physician group practices.

Days in Accounts Receivable

Days in Accounts Receivable, a benchmark used to determine the efficiency of a business operation, represents the number of days from the time a charge is entered into the system until it has been paid and the account has been cleared. From fiscal year 2009 through fiscal year 2019, Days in Accounts Receivable have decreased from 48 to 43 days, or 10% improvement.



Sovereign Immunity and Malpractice

The University and its employees have a degree of liability protection under the legal doctrine known as "sovereign immunity". In summary, this means that:

- Pursuant to § 768.28, Fla. Stat., state employees (such as USF College of Medicine faculty and residents) may not be held personally liable or named as a party defendant in professional malpractice suits for damage suffered as a result of any negligent act in the scope of their employment, except in a few limited circumstances (e.g. intentional harm or reckless disregard of patient safety); and
- The exclusive remedy for such damage is by action against the employing state agency (i.e. the USF Board of Trustees in the case of College faculty and residents), which may be held liable to pay judgments up to the limits of \$200,000 per claim, \$300,000 per occurrence, and may be held responsible to pay claims or judgments in excess of these limits pursuant to a "claims bill" passed by the Florida legislature. A "claims bill" is a special law enacted by the legislature that assigns responsibility to the employing state agency to make payment of a claim or judgment exceeding the \$200,000/\$300,000 limits.

In recognition of the above-described liability exposure of the USF Board of Trustees, USF maintains the "USF Health Sciences Center Self-Insurance Program" (the "USF SIP"), which provides insurance coverage for claims within the limits of \$200,000 per claim/\$300,000 per occurrence as well as additional coverage for liability related to legislative claims bills. The USF-SIP is administered by a Council consisting of various USF officials and College faculty, and has a Claims Management Committee consisting of College faculty; the Risk Management Committee oversees the investigation and disposition of claims and suits. USF-HSIC, a Vermont domiciled captive insurance company, is managed by a Board of Directors consisting primarily of USF officials.

The administrative and insurance costs of the USF SIP and USF HSIC are not supported by legislative appropriations; rather, such costs are supported by:

- Assessments to the College's clinical departments which are paid with practice-generated funds;
- Assessments to certain affiliated hospitals for coverage of USF residents whose salaries and benefits are funded by the hospitals; and
- Income from investment of the USF SIP funds.

The aggregate amount of funding required to maintain the fiscal integrity of the USF-SIP is determined annually with advice from an independent casualty actuary. The analysis is based on historical loss and exposure data supplied by USF:

- Industry hospital, physician, and surgeon professional liability experience in Florida; and
- Industry and countrywide payment and reporting patterns.

The USF SIP has decided to fund the program at the 90% confidence level. Since 1972, settlements made by USF SIP have been within the funding levels recommended by the actuary and have allowed the program to maintain a surplus in reserves.

Despite the escalation of medical malpractice premiums nationally and in Florida, USF SIP assesses faculty at a rate that is less than 20% of the rate for comparable physicians by specialty as assessed by Doctors Company, a national medical malpractice insurer. This can be attributed not only to "sovereign immunity" but also to aggressive risk management and educational programs for practitioners.

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