

SUPPLEMENTAL BRIEFING PAPER MATERIAL – AGENDA ITEM 24

**Affiliation Agreement Between University of Nevada, Reno School of Medicine
and Renown Health**

Re: Reasons for a 50 Year Term in the Affiliation Agreement between the University of Nevada, Reno School of Medicine and Renown Health

Fr: University of Nevada, Reno School of Medicine

Dt: June 2, 2021

- 1) **The longer the term, the more financial support to UNR Med** - Each year of the Affiliation Agreement provides approximately \$20 million/year in unrestricted and program support from Renown to UNR Med in addition to indirect support and investment.
 - a. Unrestricted Financial/Scholarship Support in the Agreement - Each additional year of the agreement will provide at least an additional \$1,850,000 in academic support payments and scholarship support from Renown.
 - b. Program Support in the Agreement – The Agreement calls for continued financial support from Renown for Graduate Medical Education Programs and the clinical portions of faculty salaries. Currently, this is approximately \$17,500,000/ year, with approximately \$8,200,000/year in new support for faculty salaries from Renown.
- 2) **Integration is supported by a longer term** - The operations of UNR Med and Renown will integrate over time. For example, clinical space at Renown will be the clinical teaching space for UNR Med and the number of faculty with employment relationships with both Renown and UNR Med will increase. The longer the term of the Agreement, the more the parties can commit to integration of operations.
- 3) **Return on investments** - Both UNR Med and Renown will invest greatly in the affiliation through time, effort and finances. Renown will invest in health care technologies (e.g. electronic medical records), facilities, equipment, recruitment, population health initiatives and other areas that will be critical in the evolution of health care. Both UNR Med and Renown need security that these investments are long term and that the investments will continue to benefit both parties.
- 4) **UNR Med needs to be affiliated with an integrated health system for the long term** – Smaller medical school practice plans that operate outside of an integrated health system are struggling to survive today and are very unlikely to survive in the future. The Association of American Medical Colleges (“AAMC”) recognizes that the future of academic medicine is participation of medical schools in a larger integrated health system. *Advancing the Academic Health System of the Future*, AAMC (2014). The longer the agreement, the longer UNR Med has a clinical home to educate, innovate and serve the community.

- 5) **Successful recruitment requires a long-term, stable relationship** - Renown and UNR Med will recruit new physicians, researchers and other faculty, which will include leadership positions. Successful recruitment requires security that the affiliation is long term and will continue to provide a platform for new faculty to work.
- 6) **A long term allows for formation of new residency programs** - The affiliation intends to start new residency programs in areas that will benefit both organizations and the community (e.g. pediatrics and surgery). Residency programs take many years to plan, obtain accreditation, recruit faculty and implement. Without a long-term agreement, it would not make sense to put the time, effort and money to start such programs jointly.
- 7) **An increase in class size is dependent on the agreement being in place** - One of the features of the Agreement is increasing the class size of the medical school and physician assistant classes. Termination of the agreement, which would cut off access to Renown clinical space and employed faculty, would require an immediate reduction of the class size because the clinical teaching capacity to support the increased class would no longer exist.
- 8) **Donors need to see continuity, stability and demonstrated mutual commitment** - The affiliation should be able to attract significant support from donors, foundations, the business community and other groups. In order to do so, the community must have confidence that agreement will be long term.
- 9) **The community benefits from as long of an agreement as possible** - The goal of the Affiliation Agreement is an integrated clinical, educational and research relationship with a shared vision, aligned governance, and unified leadership, through combined efforts, working towards the unified vision of “A Healthy Nevada.” The longer the term of the Agreement the longer that the citizens of Nevada can be assured of a vibrant academic/medical partnership that will serve the community.
- 10) **Focus on mutual commitment rather than the next negotiation** – The potential end to an affiliation of this size and scope, even with the opportunity for renewal, acts as a sword over the parties’ heads. A shorter term leaves the prospect that one party or the other may seek to exit the agreement. This will put a focus on the next negotiation rather than on a mutual commitment to the relationship. For this reason, the Affiliation Agreement term puts the focus of the parties on mutual commitment, not the terms of the next agreement.