

The LCME self-study and on-site survey will address twelve “standards” or areas of concern. As a group, the twelve standards are used to assess the readiness and capacity of the host university to offer a medical education program that will produce graduates who are prepared to succeed in residency programs and medical practice. The twelve standards that go into effect in July 2015 are listed in **Exhibit 4-2**. A number of specific concerns are contained within each of the twelve standards.

EXHIBIT 4-2
LCME STANDARDS EFFECTIVE 2015

Standard Number	Topics of Concern
Standard 1	Mission, Planning, Organization, and Integrity
Standard 2	Leadership and Administration
Standard 3	Academic and Learning Environments
Standard 4	Faculty Preparation, Productivity, Participation, and Policies
Standard 5	Educational Resources and Infrastructure
Standard 6	Competencies, Curricular Objectives, and Curricular Design
Standard 7	Curricular Content
Standard 8	Curricular Management, Evaluation, and Enhancement
Standard 9	Teaching, Supervision, Assessment, and Student and Patient Safety
Standard 10	Medical Student Selection, Assignment, and Progress
Standard 11	Medical Student Academic Support, Career Advising, and Educational Records
Standard 12	Medical Student Health Services, Personal Counseling, and Financial Aid Services

Source: LCME.org.

The *LCME Accreditation Guidelines for New and Developing Medical Schools* make clear that new educational programs do not need to comply immediately with all LCME accreditation standards nor have the resources in place for the entire program. For example, a new program preparing to admit its first class would not yet be expected to have all the faculty in place to teach third and fourth year students. Nevertheless, the LCME does expect some elements of institutional organization, operation, and resources to be in place before it will consider the program for preliminary accreditation.

Due to the strength of its health professions programs and its long affiliation with WWAMI since 1971, WSU is in a position to satisfy a number of the LCME standards for candidacy status, while compliance with other standards can only occur after extensive program planning takes place as part of the self-study process after authorization to begin planning is granted. In particular, WSU is already in a strong position with respect to standards related to:

- ♦ Standard 1: Mission, Planning, Organization, and Integrity
- ♦ Standard 2: Leadership and Administration
- ♦ Standard 4: Faculty Preparation, Productivity, Participation, and Policies
- ♦ Standard 5: Educational Resources and Infrastructure
- ♦ Standard 11: Medical Student Academic Support, Career Advising, and Educational Records
- ♦ Standard 12: Medical Student Health Services, Personal Counseling, and Financial Aid Services

The next section of this chapter summarizes our assessment of the assets that WSU already has in place to begin to demonstrate compliance with these six standards.

4.2 CURRENT WSU ASSETS

We have compiled information about organizational, academic and physical resources at WSU related to its ability to offer a medical education program. Our preliminary analysis of this information is reported below for the six standards related to existing capacity.

Standard 1: Mission, Planning, Organization, and Integrity

LCME Expectations:

The manner in which the medical school is organized, including the responsibilities and privileges of administrative officers, faculty members, standing committees, and students must be established, and the relationship of the medical school to the university should be made clear. To have a reasonable likelihood of complying with relevant standards for preliminary accreditation, a new medical school should have accomplished at least the following with regard to the institutional setting of the educational program:

- ♦ For medical schools operating as part of a university, formal delineation of the relationship between the medical school and the parent university
- ♦ Definition of the governance structure of the medical school, including the composition and terms of membership of any governing board
- ♦ Development of a job description for the dean, with approval of the description from appropriate university authorities
- ♦ Appointment of the founding dean
- ♦ Appointment of the senior leadership within the dean's staff, particularly in the areas of academic affairs, student affairs, hospital relationships, and administration and finance
- ♦ Appointment of administrative leadership (e.g., department chairs or their equivalent) for academic units that will have major responsibilities for medical student education, especially in those disciplines to be taught during the two years of the curriculum
- ♦ Chartering of the major standing committees of the medical school, particularly those dealing with the curriculum, student advancement, admissions, and faculty promotion & tenure (*LCME Accreditation Guidelines for New and Developing Medical Schools*)

WSU Current Status and Next Steps:

WSU has well-defined governance models and administrative policies and procedures that have proven successful over the years across the many programs offered by the university. These governance models are based on the College as the central academic unit responsible for developing programs, delivering curriculum, and facilitating research. In May 2014, the Board of Regents established a new College of Medical Sciences which is to be the administrative home of the planned new medical school. The next steps will include the appointment of a founding dean, the appointment of his/her administrative staff, and the chartering of the standing committees.

Standard 2: Leadership and Administration

LCME Expectations:

The LCME considers the development of a concise job description and the appointment of the founding dean as essential starting points for the creation of a medical education program. The

founding dean serves as the focal point for providing leadership in the implementation of the medical school's missions and goals, and acts as the catalyst for securing the resources needed to assure the accomplishment of the school's aims.

Senior leadership in education, student affairs, hospital relationships, and administration & finance is necessary to begin implementation of programs and services in these areas. Corollary appointment of administrative leadership, especially in those academic units that will have substantial involvement in medical student education, creates an infrastructure that should facilitate effective development of the educational program. An appropriate committee structure rounds out the organizational framework for operations and decision-making that has proven successful in existing accredited programs. Standing committees should be chartered in medical school or university bylaws, and should have a clearly delineated charge or terms of reference that will facilitate their effective functioning. (*LCME Accreditation Guidelines for New and Developing Medical Schools*)

WSU Current Status and Next Steps:

Through its participation in the WWAMI medical education program, WSU and its College of Medical Sciences already have in place key members of a leadership team that are familiar with and experienced in the operation of an accredited medical education program. The College has an acting dean leading this unit in advance of hiring the founding dean, and it has associate deans for student affairs, curriculum, and research. Additionally, the Spokane campus has a strong infrastructure to support research and education programs in the health professions, including animal care facilities, health and safety procedures, and grant administration expertise among others.

As it proceeds through the early stages of the accreditation process, WSU will need to appoint the founding dean of its medical school. At the same time, or shortly thereafter, WSU will need to expand staffing for its student affairs function that is specific to the needs of medical students. This work is already underway with an active office of student affairs in the College of Medical Sciences.

Standard 4: Faculty Preparation, Productivity, Participation, and Policies

LCME Expectations:

The school needs enough faculty to deliver the first year of instruction and to make any necessary decisions about student admissions, curriculum design and management, student evaluation and promotion policies, and any other activities that are fundamental to the school's ability to accomplish its mission and goals. Such faculty should have appropriate content expertise for the material to be learned, and be familiar with the school's educational objectives.

While faculty to teach the second year do not need to have been hired before the charter class is admitted, the school should at least have identified the numbers and types of faculty needed for the second year so that hiring can begin before or early during the first year of the educational program. (*LCME Accreditation Guidelines for New and Developing Medical Schools*)

WSU Current Status and Next Steps:

WSU has a significant number of regular and community faculty actively involved in accredited medical education programs. **Exhibit 4-3** lists the faculty resources (LCME Standard 4) that WSU Spokane can

deploy in starting a new medical education program. The number of potential faculty by medical specialty and partner organization are summarized.

EXHIBIT 4-3
PROFILE OF CURRENTLY AVAILABLE FACULTY

Organization	Number of Faculty		SPECIALTIES																														
	1st Year	2nd Year	Anatomy	Biochemistry	Cardiology	Clinical Medicine	Dermatology	Endocrinology	Epidemiology	Family Medicine	Gastroenterology	Genetics	Histology	Immunology	Internal Medicine	Interprofessional Education	Microbiology	Nephrology	Nervous System	Nutrition	OB/GYN	Oncology	Pathology	Pediatrics	Pharmacology	Physiology	Psychiatry	Psychology	Public Health	Pulmonology	Rheumatology		
WSU	31		3	2		4			1				3	2		2	1		6	1					1	3		2					
Group Health	1	3				1				2														1									
Sacred Heart	4	4				2				1					2		2							1									
Faculty In Waiting	NA	2nd Year																															
WSU		14							1			2				1			1							5	2	1		1			
Arthritis NW		1																														1	
Dermatology Specialists of Spokane		1				1																											
Incyte		10																					10										
Kidney Care Spokane, Deaconess		1															1																
Providence		2			1																										1		
Providence Spokane Cardiology		1			1																												
Rockwood		2						1														1											
Sacred Heart		1													1																		
Spokane Digestive Health Ctr.		1									1																						
Spokane Critical Care Associates		1																													1		
Spokane Family Practice Residency		1								1																							
Valley Ob/Gyn		1																			1												
Other		1																						1									

Source: WSU College of Medical Sciences.

Standard 5: Educational Resources and Infrastructure

LCME Expectations:

The following resource requirements are considered essential prerequisites for a school seeking preliminary accreditation:

- ♦ Budgets and supporting financial resources for the first five years of operation
- ♦ Classroom space and supporting educational infrastructure for the first year of instruction
- ♦ Plans for providing classroom space and any supporting educational infrastructure for the second year of study
- ♦ Library and information technology services appropriate to the needs of the school for education, research, and patient care
- ♦ Identification of clinical teaching sites

New schools should demonstrate that they have sufficient financial resources to accommodate the development of their educational program and to accomplish any other institutional goals. Operating budgets for the first years should be provided to indicate expected revenue sources and expenditures.

Adequate physical resources for the first year of the educational program need to be in place, including classroom, laboratory, and office space, study space for students, and support services (e.g., room scheduling, exam grading, and security). Planning for second-year resources allows for consideration and identification of potential shared facilities such as classrooms, wet labs, physical examination rooms, etc.

The information needs of students and faculty for teaching, research, and any patient care should be addressed by library and information technology systems as appropriate. The inpatient and ambulatory sites that will be used for medical student education across the entire curriculum should be identified. Affiliation agreements must be negotiated and signed for any clinical facilities used for instruction during the first and second years. (*LCME Accreditation Guidelines for New and Developing Medical Schools*)

WSU Current Status and Next Steps:

Chapter 5 of the feasibility report outlines the financial requirements for developing a new, accredited medical education program. Details about operating budget requirements for further planning stages and initial years of operation are summarized. Adequate funds from a combination of state appropriations, student tuition, and private gifts are expected to be available to support the new school, but further details of funding commitments will be needed.

With recent construction on its Spokane campus, WSU has state of the art medical education facilities that should assure compliance with LCME Standard 5 in the early stages of the accreditation process. **Exhibit 4-4** summarizes the square footage of space by type in the new Pharmaceutical and Biomedical Sciences (PBS) Building and other campus space that will be available for medical education.

**EXHIBIT 4-4
WSU FACILITIES**

WSU-Spokane Facilities for Medical Education				
Space Type	Square Footage			Comments
	PBS Building Overall	Medicine in PBS Building	Medicine in Other Buildings	
Office	11,832	5,239	7,510	
Research Lab	20,533	8,646	6,227	
Anatomy Labs	5,901	5,901	2000	Total of 42 tables accomodating up to 168 students
Simulation Labs	0	0	2,900	The 2,900 square foot space is in the Nursing building
Other Teaching Labs	5,711	0	7,715	
Classroom	4 classrooms 6,244 sq ft total	4 classrooms 6,244 sq ft total	4 classrooms 3,976 sq ft total	
Library	0	0	0	11,580 square foot library is housed in the Academic Center
Study Rooms	3,905	0	2,000	The 2,000 square feet space is medical student-only lounge space in SAC and HSB buildings
Lounges	10,079	10,079	0	
Vivarium	6,168		2,500	The 2,500 square foot space is in the IW and HSB buildings
NOTES: Space under the heading of "Medicine in other buildings" encompasses the Speech and Hearing Sciences department in HSB, as well as other teaching labs and classrooms.				
The Medical students library resources are housed in their study rooms, and the main library is open to all students on campus.				
New Clinic will open on campus in 2015, comprising 45,000 square feet.				
	Seats			
	PBS Building Overall	Medicine in PBS Building	Medicine in Other Buildings	
Auditorium	156		261	The auditorium in PBS is shared between Pharmacy and Medical Sciences and the auditoriums in SAC are general use auditoriums.

Source: WSU College of Medical Sciences.

Spokane County is the largest medical center in the Pacific Northwest between Minneapolis and Seattle and has an abundance of clinical teaching sites that could become available to a new WSU medical school. State records indicate that more than 1,600 licensed physicians live in the county, and many have experience in teaching medical students and residents. The Washington Alliance of Teaching Physicians has indicated its strong support for development of a new medical school in Spokane. The county is home to four general hospitals with over 1,200 beds as well as to several specialty hospitals (Shriners, Veterans Administration, Air Force and psychiatric) that provide a rich mixture of patients for medical education. Hospital leaders have expressed their interest in pursuing affiliation with a new WSU medical school if established.

As part of its documentation of educational resources for the self-study, WSU will need to address the current and planned capacity of library resources for medical education. Also, as plans develop for a distributed educational model across multiple locations, WSU will need to demonstrate its capacity to provide appropriate telecommunications and IT support for students and faculty away from the Spokane location.

Standard 11: Medical Student Academic Support, Career Advising, and Educational Records**AND****Standard 12: Medical Student Health Services, Personal Counseling, and Financial Aid Services***LCME Expectations:*

The school will need resources in place to provide basic student services in the areas of academic counseling and tutorial services, financial aid services and counseling, preventive and therapeutic health services, and personal counseling. If the school intends to utilize parent university resources for some of these services, it should assure that mechanisms are developed to address any unique needs of medical students. The school should also decide which immunizations it will require, and develop protocols for addressing student exposure to infectious and environmental hazards.

Criteria for reviewing student performance, and for making decisions about advancement or dismissal, need to be elaborated before the charter class is admitted. Policies relating to student advancement, graduation, dismissal, and disciplinary action should be written and available to entering students.

The school should also develop and publicize to the academic community its system for addressing allegations of student mistreatment. Mechanisms for reporting and acting on incidents of mistreatment should assure that they can be registered and investigated without fear of retaliation. (LCME Accreditation Guidelines for New and Developing Medical Schools)

WSU Current Status and Next Steps:

WSU Spokane is the health professions campus of Washington State University. In addition to being the potential site of the new medical school, the campus is the home of accredited programs in pharmacy, nursing, and speech and hearing. The Spokane campus provides academic and student support services that are tailored to the needs of students in the health professions and have already been found by LCME to comply with expectations for a regional medical campus.

In its self-study, WSU will need to provide more details about how medical students will be able to access health services, including any possible role to be played by the new Spokane Teaching Health Center. Also, plans for addressing the specific requirements for medical student admission, career counseling, and financial aid support will need to be described.

4.3 SUMMARY ASSESSMENT OF READINESS OF WSU TO PROCEED

As compared to most of the new medical schools that have become accredited since 2000, WSU has a higher state of readiness to begin the accreditation process. **Exhibit 4-5** is a checklist of our assessment of the readiness of WSU Spokane to proceed with an application for accreditation of a new medical education program and to begin the process of preparing the plans and documentation for candidacy status within the next 12 months. As seen, WSU already measures favorably on six LCME standards that relate to resources that already exist. Upon receipt of authorization to begin the establishment of a new medical school, WSU has a planning team in place to develop the documentation required for candidate status on the remaining six standards.

EXHIBIT 4-5
CHECK LIST OF WSU STATUS ON LCME STANDARDS

Number	Standard Name	Status	Next Steps
Standard 1	Mission, Planning, Organization, and Integrity	Strong governance and administrative models are in place	College by-laws and policies to be developed
Standard 2	Leadership and Administration	Experienced leadership team and support infrastructure are in place	Appointment of founding dean and student affairs key personnel
Standard 3	Academic and Learning Environments	Not currently applicable	To be developed during self-study
Standard 4	Faculty Preparation, Productivity, Participation, and Policies	Experienced medical educators are in place	Confirmation of employment or contractual status of potential faculty
Standard 5	Educational Resources and Infrastructure	New facilities for medical education have just opened	Confirmation of funding; development of library and IT plans
Standard 6	Competencies, Curricular Objectives, and Curricular Design	Not currently applicable	To be developed during self-study
Standard 7	Curricular Content	Not currently applicable	To be developed during self-study
Standard 8	Curricular Management, Evaluation, and Enhancement	Not currently applicable	To be developed during self-study
Standard 9	Teaching, Supervision, Assessment, and Student and Patient Safety	Not currently applicable	To be developed during self-study
Standard 10	Medical Student Selection, Assignment, and Progress	Not currently applicable	To be developed during self-study
Standard 11	Medical Student Academic Support, Career Advising, and Educational Records	Student academic support programs for health professions students are in place	Specific provisions for medical students to be developed
Standard 12	Medical Student Health Services, Personal Counseling, and Financial Aid Services	Student health and counseling programs for health professions students are in place	Specific provisions for medical students to be developed

Source: MGT of America, Inc., 2014.

5.0 TIME AND RESOURCES REQUIRED TO DEVELOP AND OPERATE A POTENTIAL WSU MEDICAL SCHOOL

WSU cannot admit students to a new medical education program until it receives preliminary accreditation. If planning begins in the near future, preliminary accreditation could be earned in early 2016 with the charter class beginning in fall 2017. The accreditation standards used by the LCME, along with their guidelines for new and developing medical schools, outline the types of resources that medical educators believe to be essential for a program in medical education. A central requirement for new medical schools seeking initial accreditation is submission of a realistic five-year budget plan. Various related accreditation standards discuss expectations for the breadth and depth of faculty resources, administrative staffing, library and technology resources, and student services and each of these components must be appropriately funded. Just as the plan for financial resources is essential to gaining LCME accreditation, budget requirements are also a key consideration for state and institutional leaders in deciding whether to start a new medical school.

While it is premature to develop a detailed budget at this stage of planning, the feasibility study reports a reasonable estimate of how much the state, students, and others will be expected to contribute toward the development and operations of the new medical school. This chapter of the feasibility study projects budget requirements for establishing a new medical school at WSU to be \$1 million in FY2015-16 while planning takes place and to increase gradually up to \$47 million when the school reaches an enrollment of 480 students in 2024-25. Due to the current College of Medical Sciences budget, no additional funding for operations will be needed in FY2015-16 and \$24 million in additional state funding will be needed by 2024-25. No additional capital funding requirement is projected for the foreseeable future.

5.1 POTENTIAL TIME LINE FOR DEVELOPMENT OF A NEW MEDICAL SCHOOL

A considerable amount of time will be required to plan and develop a new medical school. **Exhibit 5-1** shows major milestones and times required for progressing through several stages of planning as well as a possible framework for phased growth of medical school enrollment. As shown, it provides for the first class of 40 students to enter in fall 2017 with an initial growth phase up to 120 students per class and 480 total students by 2024.

EXHIBIT 5-1
TIME LINE FOR DEVELOPMENT OF A NEW MEDICAL SCHOOL
CURRENT UNTIL CHARTER CLASS GRADUATES AND TOTAL ENROLLMENT OF 480 IS ACHIEVED
WASHINGTON STATE UNIVERSITY

Source: MGT of America, Inc., 2014.

Proposals for a state to establish a new medical school usually require significant investments of public funds. Two types of financial support—capital and operations—are typically needed to establish a new medical school.

MGT
OF AMERICA, INC.

Operations funding is needed annually. The funds are used for salaries and benefits of faculty and staff, contractual obligations for preceptors and other partners, purchase of supplies and minor equipment, and travel and other operating expense. Start-up funding is often needed in advance of the arrival of the charter class of students.

5.3 CAPITAL FUNDING REQUIREMENTS FOR NEW MEDICAL SCHOOLS

The funding needed for the capital development of a new medical school is dependent on the amount, types and appropriateness of space the host university already has in place. Due to the specialized requirements for medical education, however, most of the recent new medical schools needed to construct new facilities and/or perform extensive renovations to existing space.

The cost of such new facilities is understandably significant. The wide range of facility budgets for the following new medical schools in Florida are reflective of the different health professions and research programs that can be co-located within a medical school building.

- Florida State University - \$60 million
- University of Central Florida - \$65 million
- Florida International University - \$40 million
- Florida Atlantic University - \$20 million

The new medical education program at Western Michigan University has just taken occupancy of a new \$68 million instructional facility that is a renovation of a research building donated by heirs of the Upjohn pharmaceutical firm.

As noted in the previous chapter on accreditation and available WSU assets, WSU will not need significant capital funding to establish a new medical school. The \$80 million Pharmaceutical and Biomedical Sciences Building has recently been dedicated and was designed to meet the specific needs of a medical education program.

5.4 OPERATIONS FUNDING REQUIREMENTS FOR MEDICAL SCHOOLS

Traditional medical schools are funded through a complex mix of revenue sources including tuition, state appropriations, research grants, faculty practice plans, and private gifts. In situations where a medical school owns and operates a teaching hospital, clinical revenues are frequently included in its budget as well and can create a greatly overstated impression of medical education costs. Even when efforts are made to isolate costs related to instruction and research, however, medical schools are much more expensive than most other university programs.

An initial approach for projecting a reasonable range of state funding needed for a new medical school at WSU is to consider typical funding levels for medical education programs at established public medical schools across the nation. According to AAMC statistics, in 2012 the 75 accredited public medical schools across the U.S. received \$5,023,000,000 in state support for a total enrollment of 47,830 medical students, amounting to \$105,018 per student. By comparison, in 2011 (the last year for which detailed figures were published online by the university) the University of Washington received \$94,598,483 from the state of Washington for its 440 Washington students and \$12,536,568 from the other four WWAMI states for their approximately 300 students. Therefore, the state of Washington

disbursed \$214,997 per Washington student, while the other four states disbursed an average of \$41,650 per student of their state.

With an enrollment of 480 Washington students, Washington State University's budget forecasts would call for state support on the order of \$28,800,000, amounting to \$60,000 per student (Exhibit 5-5).

5.5 CURRENT WSU BUDGET FOR MEDICAL EDUCATION

Due to its participation in medical education over the past four decades, WSU already has an ongoing budget for medical education. In the fiscal year just beginning (FY2014-15), WSU budgeted \$6.4 million for its medical sciences program, of which \$1 million is temporary start-up funding. As seen in Exhibit 5-2, the continuation of current salaries, benefits and related expenses is a major component with 29 percent of the total budget, and slightly more is planned for salaries, benefits, and start-up packages for new faculty members needed to expand the medical sciences program.

EXHIBIT 5-2
FY2015 BUDGET FOR CURRENT WSU MEDICAL SCIENCES PROGRAM

Funding Categories	Amounts
<i>Expected Revenue by Source</i>	
State Appropriations (permanent funding)	\$ 4,087,500
State Appropriations (temporary, start-up funding)	\$ 1,000,000
Student Tuition (40 M1, 20 M2 students)	\$ 1,316,460
Total General Support	\$ 6,403,960
<i>Planned Expenditures by Purpose</i>	
Continuation of Current Expenditures	\$ 1,652,320
Salaries for Newly Hired Faculty	\$ 892,860
Expense Related to New Curriculum	\$ 1,000,000
Expense Related to New Obligations	\$ 1,000,000
Start-Up Packages for Faculty Recruits	\$ 1,157,708
Total Planned Expenditures	\$ 5,702,888

Source: WSU College of Medical Sciences.

5.6 COSTS INCURRED AT NEW MEDICAL SCHOOLS ELSEWHERE

The experience of new, recently accredited medical schools across the nation provides further insight into the likely costs of starting a new medical education program at an established state university such as WSU. Since 2001, four new medical schools have been established at state universities in Florida, three in Michigan, and ten others in ten different states. Many of the new medical schools are private, and financial data are not readily available.

Three of the new medical schools in Florida are still growing toward their full planned enrollment. The only school now at full capacity (FSU) has an annual general fund budget of \$45.6 million. The sum of appropriations and tuition for new schools in Florida ranges from \$94K to \$114K per student with the younger schools having higher costs rates during their developmental phases (see Exhibit 5-3).

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EXHIBIT 5-3
REVENUES FOR NEW MEDICAL SCHOOLS IN FLORIDA

Metrics	Florida State University	University of Central Florida	Florida International University	Florida Atlantic University	Total
State Appropriations	34,069,946	24,251,830	30,117,725	14,535,791	102,975,292
Tuition	11,572,716	10,547,071	12,532,971	6,158,280	40,811,038
Total Core Revenue	45,642,662	34,798,901	42,650,696	20,694,071	143,786,330
Students (AAMC reports)	487	359	373	188	1,407
State \$ per Student	69,959	67,554	80,745	77,318	73,188
Tuition \$ per Student	23,763	29,379	33,600	32,757	29,006
Total Core \$ per Student	93,722	96,933	114,345	110,075	102,194
Year of First Enrollment	2001-02	2009-10	2009-10	2011-12	
Start-Up Funding Prior to Opening	\$8 million	\$15 million	\$17 million	\$0	

Source: Board of Governors, State University System of Florida.

More recently, three medical schools have been developed in Michigan, and each is the result of collaboration between a public university and a local not for profit hospital. The new Michigan schools do not receive designated state appropriations, and currently rely heavily on tuition revenue, partner participation, and major gifts to cover operating costs. None of the new Michigan schools has reached the stage of development where it has students in all four years of the program. One school admitted its first class in 2011, another in 2013, and the other plans its first class for 2015. As such, the financial data for these programs is not yet indicative of expected program costs when the schools achieve full operations. To date, the funding for Oakland-Beaumont program, the most developed of the three new Michigan schools, is approximately \$91 thousand per student as seen in Exhibit 5-4.

EXHIBIT 5-4
REVENUES FOR NEW MEDICAL SCHOOLS IN MICHIGAN

Metrics	Oakland University William Beaumont	Central Michigan University Synergy Alliance	Western Michigan University Stryker
State Appropriations/Parent University	-	14,715,609	Not Applicable
Partner Participation/Gifts	10,000,000	1,265,285	Not Applicable
Tuition	10,400,000	2,347,520	Not Applicable
Total Core Revenue	20,400,000	18,328,414	Not Applicable
Students	224	64	Not Applicable
State/Parent University \$ per Student	-	229,931	Not Applicable
Partner/Gift \$ per Student	44,643	19,770	Not Applicable
Tuition \$ per Student	46,429	36,680	Not Applicable
Total Core Revenue per Student	91,071	286,381	Not Applicable
Year of First Enrollment	2011-12	2013-14	2015-16
Average Annual Start-Up Funding Prior to Opening	Not Available	Not Available	\$4.5 million

Source: Created by MGT.

Start-up costs of recently established medical schools are typically incurred for several years prior to their opening and continue for a few more years until a critical mass of students is reached. Start-up funds are needed for initial staffing and professional services to develop program plans, planning for new or expanded facilities, equipping classrooms and labs, and providing start-up packages for relocated faculty researchers. As also displayed in Exhibits 5-3 and 5-4, start-up funding from state appropriations and tuition in new medical schools in Florida ranged up to \$17 million, while start-up funding for the new medical school at Western Michigan University was \$4.5 million. The significant variance in start-up costs derives in part from the differences in resources the universities already had in place to support medical education before the medical school was established. Florida Atlantic University, for instance, already operated a four-year regional campus of the University of Miami's medical school (similar to the WSU – WWAMI arrangement) and had a significant infrastructure in place that was able to support its new medical school without designated start-up funding.

5.7 PROJECTION OF EXPECTED RANGE OF REQUIRED RESOURCES FOR A NEW WSU MEDICAL SCHOOL

A detailed expenditure plan cannot be prepared until significantly more information is developed by WSU on its curricular approaches, the number and location of clinical sites, the number of students to be enrolled, and the schedule for enrollment growth. However, the WSU medical school can be expected to have a different cost structure than UWSOM since medical schools that utilize the distributed, community-based, and ambulatory instructional model can be more cost-effective than traditional medical schools due to their utilization of community faculty at multiple existing locations for their programs.

The preliminary projection of required funding for capital expansion and operations for a new medical school at WSU has been developed based on the following assumptions:

Enrollment Levels

- ♦ The size of the charter class will be 40 students, the same number that WSU currently trains as part of the WWAMI program.
- ♦ The size of the student body upon completion of the initial growth phase will be 480 students, or four classes of 120 students.
- ♦ The size of entering classes will increase by 40 students each biennium
 - 40 students per entering class for each of the first two years of operation (2017-18 and 2018-19)
 - 80 students per entering class for each of the next two years of operation (2019-20 and 2020-21)
 - 120 students per entering class beginning in the fifth year of operation (2021-22) and thereafter

Funding Levels for Capital Requirements

- ♦ WSU will not need to submit a capital budget request as part of its proposal for a new medical school since the recently occupied PBS building on the Spokane campus has capacity to serve at least 120 students per class during program years one and two.

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- ♦ WSU Spokane is projected to have adequate physical facilities for a medical school through the build-out phase.
- ♦ Provision may need to be made for modest amounts in future capital budgets for community campus administrative and student support facilities if partner hospitals are unable to allocate such space for this purpose. Clinical training during program years three and four will take place in existing community facilities.

Funding Levels for Operations

- ♦ Start-up funding will be identified and requested separately beginning in fiscal year 2015-16 and continue at reduced levels until a sufficient enrollment base exists to support the infrastructure. The need for start-up funds will be partially offset by reallocation of existing permanent funding for the College of Medical Sciences.
- ♦ State appropriations per student will be similar to current support levels for new, recently accredited medical schools at state universities across the nation.
- ♦ Student tuition and fee rates will be competitive with rates charged by the UWSOM and other medical schools in the region.
- ♦ Private giving and in-kind support is assumed to be available to supplement state appropriations and tuition.
- ♦ Sponsored research funding is not specifically projected, but is assumed to be available to provide support for a portion of faculty salaries with the result that overall faculty size will be larger than could be provided from core revenues from appropriations and tuition alone.

Detailed expenditure plans will need to be developed as program plans are further developed during future phases of exploration and planning activity.

Based on the analysis of costs at other medical schools, the projected funding for a new WSU medical school is:

- ♦ \$98 thousand per student for annual operations
 - \$60 thousand per student from state appropriations
 - \$28 thousand per student from student tuition and fees
 - \$10 thousand per student from gifts and miscellaneous sources
- ♦ \$17 million over nine fiscal years for start-up funding from state appropriations to refine plans, develop accreditation materials, and establish an administrative infrastructure
 - \$1 million for FY2015-16
 - \$3.5 million for FY2016-17, with the increment to be needed to establish the student affairs and admissions function and to begin to recruit faculty
 - Additional requirements for faculty recruiting expense prior to increases in the size of the entering classes of 2019 and 2021
 - Lower amounts for start-up expense beginning in FY2017-18 as per-student funding begins to cover overhead costs.

The initial estimate of funding requirements by source by fiscal year start at \$1 million in the initial planning year, increase to \$7 million for the first year of instruction, and to \$47 million per year after the

TIME AND RESOURCES REQUIRED TO DEVELOP AND OPERATE A POTENTIAL WSU MEDICAL SCHOOL

initial growth phase (see Exhibit 5-5). Overall, additional state funding is projected to be \$2.5 million in 2016-17 and to increase to \$24 million by FY2024-25 with incremental funding in any single fiscal year never exceeding \$5 million. By 2025, WSU will be graduating 120 physicians annually but with a total state appropriation of \$29 million – considerably less than what the UWSOM currently receives for the same number of graduates. Subsequent growth will benefit from an even greater economy of scale.

EXHIBIT 5-5 WASHINGTON STATE UNIVERSITY MEDICAL SCHOOL PRELIMINARY PROJECTION OF REQUIRED RESOURCES FOR OPERATIONS BY SOURCE OF FUNDS AND BY YEAR

Budget Element	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Program Development Period											
College Administration	\$ 1,000,000	\$ 1,700,000	\$ 1,558,333	\$ 1,416,667	\$ 1,133,333	\$ 850,000	\$ 566,667	\$ 283,333	\$ 141,667	\$ -	\$ -
Faculty Start-Up		\$ 800,000	\$ 733,333	\$ 666,667	\$ 533,333	\$ 400,000	\$ 266,667	\$ 133,333	\$ 66,667	\$ -	\$ -
Student Services		\$ 1,000,000	\$ 916,667	\$ 833,333	\$ 666,667	\$ 500,000	\$ 333,333	\$ 166,667	\$ 83,333	\$ -	\$ -
Subtotal, Start-Up Funding	\$ 1,000,000	\$ 3,500,000	\$ 3,208,333	\$ 2,916,667	\$ 2,333,333	\$ 1,750,000	\$ 1,166,667	\$ 583,333	\$ 291,667	\$ -	\$ -
Initial Capital Development											
Medical School Building	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Initial Operations Period											
Enrollment Development Schedule											
First Year Class			40	40	80	80	120	120	120	120	120
Second Year Class				40	40	80	80	120	120	120	120
Third Year Class					40	40	80	80	120	120	120
Fourth Year Class						40	40	80	80	120	120
Total Enrollment			40	80	160	240	320	400	440	480	480
Funding Rates per Student											
Tuition			\$ 28,000	\$ 28,000	\$ 28,000	\$ 28,000	\$ 28,000	\$ 28,000	\$ 28,000	\$ 28,000	\$ 28,000
Other Internal Support			10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
State Support			\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Total Core Support			\$ 98,000	\$ 98,000	\$ 98,000	\$ 98,000	\$ 98,000	\$ 98,000	\$ 98,000	\$ 98,000	\$ 98,000
Funding Requirements by Source											
Tuition			\$ 1,120,000	\$ 2,240,000	\$ 4,480,000	\$ 6,720,000	\$ 8,960,000	\$ 11,200,000	\$ 12,320,000	\$ 13,440,000	\$ 13,440,000
Other Internal Support			400,000	800,000	1,600,000	2,400,000	3,200,000	4,000,000	4,400,000	4,800,000	4,800,000
State Support			2,400,000	4,800,000	9,600,000	14,400,000	19,200,000	24,000,000	26,400,000	28,800,000	28,800,000
Total			\$ 3,920,000	\$ 7,840,000	\$ 15,680,000	\$ 23,520,000	\$ 31,360,000	\$ 39,200,000	\$ 43,120,000	\$ 47,040,000	\$ 47,040,000
Existing Funds											
WSU General Resources	\$ 1,000,000	1,000,000	\$ 3,000,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000
Summary of Funding Requirements											
Total Funding Required	\$ 1,000,000	\$ 3,500,000	\$ 7,128,333	\$ 10,756,667	\$ 18,013,333	\$ 25,270,000	\$ 32,526,667	\$ 39,783,333	\$ 43,411,667	\$ 47,040,000	\$ 47,040,000
WSU General Resources	\$ 1,000,000	\$ 1,000,000	\$ 3,000,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000
Internal Funding - Tuition and Gifts	\$ -	\$ -	\$ 1,520,000	\$ 3,040,000	\$ 6,080,000	\$ 9,120,000	\$ 12,160,000	\$ 15,200,000	\$ 16,720,000	\$ 18,240,000	\$ 18,240,000
Additional State Funding	\$ -	\$ 2,500,000	\$ 2,608,333	\$ 3,216,667	\$ 7,433,333	\$ 11,650,000	\$ 15,866,667	\$ 20,083,333	\$ 22,191,667	\$ 24,300,000	\$ 24,300,000
Incremental State Funds by Year	\$ -	\$ 2,500,000	\$ 108,333	\$ 608,333	\$ 4,216,667	\$ 4,216,667	\$ 4,216,667	\$ 4,216,667	\$ 2,108,333	\$ 2,108,333	\$ -
Incremental State Funds by Biennium	\$ -	\$ 2,500,000	\$ 108,333	\$ 716,667	\$ 8,433,333	\$ 8,433,333	\$ 8,433,333	\$ 8,433,333	\$ 4,216,667	\$ 4,216,667	\$ -

Source: MGT of America, Inc., 2014.

6.0 CONCLUSION

During the past five months, the MGT study team has carefully examined a variety of issues related to the feasibility of a new WSU medical education program in Spokane. Our feasibility study has:

- ♦ Confirmed significant unmet needs for health care and for access to medical education in Washington State.
- ♦ Identified an emerging model for medical education that is particularly well-suited to address these unmet needs.
- ♦ Determined that WSU already has significant capacity in place to develop and deliver an accredited medical education program.
- ♦ Developed a multi-year forecast of likely resource requirements that provides a cost-effective approach for WSU to pursue development of a new medical school.

The feasibility study included an assessment of Washington's needs for physicians as well as for training opportunities for students desiring a career as a physician. The analyses of physician workforce supply and demand data document the need for another medical school in the state. Washington is projected to need to replace upwards of 300 retiring physicians per year, and to acquire between 3,000 and 4,000 additional physicians beyond current workforce levels over the next 15 years. Furthermore, the physician shortage is already acute in most counties outside metropolitan Seattle. The opportunity for Washington residents to attend medical school in their home state is among the lowest in the United States. Each year, only 120 Washington students are awarded the opportunity to begin their medical education in their home state. Meanwhile, twice as many highly qualified students are compelled to go out of state for medical training and, as a result, are more likely to end up practicing medicine in other parts of the country.

Evidence from other states demonstrates the benefit of a new model of medical education in Washington that will address a compelling need to train physicians for practice in underserved communities across the state. The concept being considered for a potential WSU medical education program is a community-based, distributed model that would partner with existing community health care resources in various geographic areas of Washington, including underserved and rural areas.

For over 40 years, WSU has trained medical students as a member of Washington's WWAMI medical education program and is well prepared for the development of its own accredited four-year medical training program leading to the M.D. degree. WSU has a high state of readiness in terms of its facilities, faculty, community partners and other necessary resources for delivery of medical training. WSU is well positioned to initiate the accreditation process with the Liaison Committee on Medical Education (LCME), which would lead to membership in the American Association of Medical Colleges.

Our projections of funding requirements indicate that approximately \$47 million in core funding would be needed annually to operate a new WSU medical school once it reaches an enrollment of 480 students in 2024-25. Of this amount, an estimated \$24.3 million might come from additional state appropriations above and beyond current state funding levels in the college of medical sciences. Only

CONCLUSION

\$1-3 million per year in additional state funding would be needed until the 2019-20 fiscal year when enrollment would surpass 40 students. Due to recent construction of an \$80 million pharmaceutical and biomedical sciences building on its Spokane campus, WSU would not be expected to need further capital funding to pursue development of a new medical school.

We believe that WSU leaders should seek approval of the concept for a new medical school from the University's Board of Regents and begin a process of securing support from state leaders and developing plans and documentation to gain LCME accreditation.