

OHIO BOARD OF REGENTS

Agenda Item 3.14 Renewal of Contract with the Case Western Reserve University School of Medicine

RESOLUTION

WHEREAS, in order to provide better for the public health and necessary enhancement of instruction in medicine and dentistry in the state, and to encourage the means of such instruction with the least economic cost to the people of the state, the Ohio Board of Regents is authorized by §3333.10 of the Ohio Revised Code to enter into agreements with qualified institutions of higher education providing for their continued operation by the institution of eligible programs; and

WHEREAS, such agreements are to be conditioned upon continued payments by the state to such institutions for the purposes of such eligible programs in amounts determined in the manner provided for by the state subsidy from time to time afforded to state universities on the basis of comparable programs; and

WHEREAS, Case Western Reserve University has been determined by the Ohio Board of Regents to be a qualified institution as defined in §3333.10 of the Ohio Revised Code; and

WHEREAS, Case Western Reserve University's School of Medicine has been determined by the Ohio Board of Regents to operate an eligible program that contributes to the objectives stated in §3333.10 of the Ohio Revised Code and the objectives of the master plan of higher education; and

WHEREAS, Amended Substitute House Bill 95 enacted by the 125th General Assembly §89.09 and line item GRF 235-515 provides for subsidy support to be distributed to Case Western Reserve University School of Medicine in accordance with such an agreement; and

NOW THEREFORE BE IT RESOLVED: upon recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the attached agreement with the Case Western Reserve University School of Medicine be executed by the Chancellor of the Ohio Board of Regents.

BACKGROUND

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In 1969, when the Regents were concerned about a possible future shortage of physicians in Ohio, the Board entered into a contract with Case. In return for an agreement that at least 60% of its entering medical school class be from Ohio, the state paid the university a sum which is \$3.3 million in FY2004 and \$3.2 million in FY2005. The agreement is renewed every year.

Case has now requested that the contract be changed for the upcoming year (FY '05). Instead of stipulating that a percentage of each entering class be from Ohio, the agreement would replace it with a curricular initiative that will address Ohio's critical health and medical needs by integrating public health and medical education and to help encourage students to remain in the state following completion of their medical education.

The staff supports the requested change in the contract for two reasons:

- 1) The physician shortage issue has changed. There continues to be some disagreement as to whether there is a shortage now, and more important whether there will be when next year's class begins to practice (a time that coincides with the retirement of the first wave of the baby boomers).

That issue aside, securing an adequate number of physicians for Ohio can be thought of less as an issue of production than as one of retention and attraction. Physicians are highly mobile on graduation, much less so after that. Case's logic is good. Building connections to clinical services in the region is likely to lead to graduates taking residencies there. And studies suggest that physicians completing a residency in an area are more likely to practice there than those who complete their residency elsewhere.

- 2) Ohio's investment in medical education has evolved from its original purpose of trying to increase the number of in-state graduates. As noted a decade ago in the context of the *Managing for the Future* study, Ohio now has a regional system of medical education, with each of the seven institutions assuming responsibility for clinical outreach in a portion of the state. Case is very much a part of this system, and its increased emphasis on clinical outreach will be of great benefit to a region very much in need.

The number of Ohio residents in Case's M.D. program will surely change over time, but a very significant proportion of Ohio students will still enroll. The University will shift from reviewing applications with an eye toward residency toward one based entirely on quality. An exact percentage for next year will not be known until August 2004, but, based on admits so far, Case projects the proportion of Ohio residents to be in the range of 35-40 percent.

Attached are the proposed contract and a document describing the activities that will be supported under the agreement.