

ADDITIONAL INQUIRIES

To Seller:

8. You indicate that \$4,250,000 will be used for a Skaggs Building expansion in order to expand existing clinical care infrastructure and supporting labs, conference areas, and offices.
- a. How many citizens who reside within CMC's service area currently benefit from the existing clinical care infrastructure?

Response to Seller Question No. 8a: Attached as Schedule 8A is the data from the University of Montana's ("UM" or "University") New Directions Wellness Center, Student Run Pro Bono Clinic, and the UM PT Clinic. Although some come from other areas, nearly all the patients reside in the CMC service area due to physical and transportation constraints.

- b. How many citizens who do not reside within CMC's service area currently benefit from the existing clinical care infrastructure?

Response to Seller Question No. 8b: See A. This would be very limited and only episodic, since most patients live in the area due to physical and transportation constraints.

- c. What types of healthcare services are currently being provided at the existing facility?

Response to Seller Question No. 8c: Primary services are physical therapy, health and wellness supervision of disabled patients, patient education, pharmacy education.

- d. Do you plan to increase the range of healthcare services after the expansion? If so, what additional services will be offered? What studies did the Board consider concerning the need to increase the range of healthcare services?

Response to Seller Question No. 8d: Yes. UM would expect to be adding communication and speech services, clinical psychology, disability services, social work, and additional medical oversight as provided by a new training program (physician assistant). The Board relied on the need for services as outlined in the Montana Healthcare Workforce Statewide Strategic Plan (2011), a copy of which has been delivered to the AG (the "Healthcare Workforce Plan"). The Board also relied on information from UM relative to patient care on campus – i.e. the services provided to patients on campus are congruent with UM's on-campus health professionals education program; with the new clinic complex UM would expect to expand services by having adequate training space and integrated educational opportunities.

- e. Do you plan to increase the number of citizens who will benefit from healthcare

services after the expansion? If so, how many of them do you anticipate will reside within CMC's service area? What studies did the Board consider concerning the need to offer these healthcare services to a larger number of citizens?

Response to Seller Question No. 8e: UM anticipates an increase in the number of clients who access the University's service as the educational programs grow and expand between anticipated new programs and closer approximation to Missoula College's programs both through their physical relocation and by way of the TAACCCT IV grant. The vast majority of these clients will be physically disabled individuals unable or uncomfortable to access care in the community, are faculty staff or students from UM, and particularly through our new veteran's projects for veteran's with traumatic brain injury or other physical disability. Nearly all would reside in the CMC service area due to transportation constraints. The Board relied on the Healthcare Workforce Plan and input from UM about the need for expanded services.

- f. Did the University of Montana make any commitments as to the future duration of these clinical care services to people within CMC's service area? If not, will CMC negotiate such a commitment?

Response to Seller Question No. 8f: The University's commitment to providing services is intended to be perpetual so long as there is an educational and service mission within the University and College.

- g. Has this expansion been authorized by appropriate University officials? Does this expansion require approval by the Board of Regents or the Legislature? If approval by the Board of Regents or legislature is required, has it been obtained?

Response to Seller Question No. 8g: In projects such as these, approval by the Regents is sought once funding commitments are in place. Funding for programming from OCHE has been previously received (\$85,000 over two years) for programs that would take place in the proposed facility. UM believes the Regents will overwhelmingly endorse this project.

- h. What studies did the Board consider to determine the need for an expanded facility?

Response to Seller Question No. 8h: The Board relied heavily on the Healthcare Workforce Plan; and the Board relied on the University's assessment of the existing infrastructure and the site map of the College which underscores the need for the additional footprint and 14,000 SF facilities. In fact, the facility has been under planning for several years, in advance of the CMC proposal.

- i. Did the Board ascertain whether existing facilities within the service area (inside or outside the University System) that could be used for this purpose?

Response to Seller Question No. 8i: The intent of the Board’s proposal is such that the very nature of the educational enterprise at UM mandates an integrated (on-campus) facility, which program could not be conducted in an existing off-campus site.

- j. What services will the UM Foundation provide in exchange for the 2% (\$85,000) fee?

Response to Seller Question No. 8j: The UM Foundation (“UMF”) ensures that all gifts made to UMF to support the University are dispersed according to the donors’ wishes. UMF maintains a database of all gift agreements and ensures that both UMF and the University adhere to donor intent. UMF’s role is to make sure that the CMC Legacy Fund will support the programs determined in the gift agreement. UMF also performs an account management role. Similar to a bank, UMF holds and manages donated funds, distributing them in accordance with gift agreements and according to University need. This includes check processing and electronic fund transfers. UMF also provides fund balance statements to University departments and fund transaction reports, including year-end account reconciliation reports.

Along with these finance and administrative functions, UMF will also work to leverage and grow donor interest and participation in the ongoing growth of the CMC Legacy programs through private fundraising, both from individuals and from corporations and foundations. UMF will provide communications and marketing services for these programs in order to further the public’s understanding and awareness of the University’s mission to improve the healthcare quality, affordability, access, and services in Western Montana.

- 9. You indicate that \$3,500,000 will be used to support new program initiatives and to provide technology and facilities to support continuing medical education requirements for rural training.
 - a. What specific new program initiatives will be funded?

Response to Seller Question No. 9a: At present, a Physician Assistant program is proposed. While the Healthcare Workforce Plan provides insight to other programs that could be considered at some subsequent juncture, UM believes a mid-level practitioner program focused on primary care is most appropriate and meets the needs in the CMC service area most effectively in the near term.

- b. Have these *new program initiatives* been authorized by appropriate University officials and the Board of Regents?

Response to Seller Question No. 9b: In educational program projects such as these, approval by the Regents is sought once capital funding commitments are in place. Once in place, comprehensive course curricula must be developed in tandem with a Level II proposal for the Board and approved by the UM governance system in advance of the BOR submission. UM believes the Regents will overwhelmingly endorse this

educational program project.

- c. For the purposes of these initiatives, will they only benefit students from CMC's service area? If not, how will the \$3,500,000 be accounted for to benefit only students from CMC's service area?

Response to Seller Question No. 9c: The investment in a new educational program implies students from any locale might benefit from the program. Because of the nature of the proposed program, UM would expect to emphasize and successfully recruit classes that are predominately from the CMC service area, but certainly Montana. It is not possible to project with absolute certainty or accuracy what percentage of each class would be from the CMC/Montana service area, but it is in UM's best interests to match students from the CMC service area.

- d. What studies did the Board consider concerning the need for these initiatives within CMC's service area? To what extent did the Board consider data indicating that this need is not being satisfied by other educational institutions?

Response to Seller Question No. 9d: The Healthcare Workforce Plan and other demographic data on the distribution of Physician Assistants reveal a shortage of primary care Physician Assistants all across Montana and in the CMC service area compared to the national averages. While there are specialist PAs in Missoula, (e.g. supporting orthopedic surgeons) there is a shortage of primary care practitioners, especially in rural areas, the focus of this proposal.

- e. What data did the Board consider concerning whether students who successfully undertake these initiatives will stay within CMC's service area and provide healthcare services?

Response to Seller Question No. 9e: The Board relied on the history of the Residency Program in Billings, the Healthcare Workforce Plan, and information from UM concluding that a high percentage of local graduates will remain in the service area. It is inevitable that some will relocate, often to higher-paying markets until their loan obligations are met, then a number will return. Importantly, having a quality program in the region – and educational entity – serves as an attractive location opportunity for clinicians trained elsewhere, so there is a secondary benefit that helps offset the loss of graduates. Moreover, it is the intent of this program to develop additional incentives (e.g. loan forgiveness programs) for graduates to remain in the service area.

- f. What studies did the Board consider concerning the need to provide technology and facilities to support continuing medical education requirements within CMC's service area? Did the Board determine whether existing facilities (inside or outside the University System) could be used for this purpose?

Response to Seller Question No. 9f: Centralizing CME opportunities for health care providers at UM and leveraging the efficiencies associated with consolidation of

CME/CE in one location has been a UM objective for the past year and continues to be a focal point of discussion. The Board relied on UM's work and studies in this area. Between the health care training programs in existence, expanded clinical care and existing basic research in neuroscience and environmental health sciences, UM believes centralizing medical education on the campus will benefit clinicians, students, patients, and families.

- g. Have the *facilities and technology* been authorized by appropriate University officials? Do the facilities and technology require approval by the Board of Regents or the Legislature? If approval by the Board of Regents or Legislature is required, has it been obtained?

Response to Seller Question No. 9g: The facilities and technology proposed do not require Board of Regents approval. This is a College-level initiative.

- h. What services will the UM Foundation provide in exchange for the 2% (\$70,000) fee?

Response to Seller Question No. 9h: The UMF ensures that all gifts made to UMF to support the University are dispersed according to the donors' wishes. UMF maintains a database of all gift agreements and ensures that both UMF and the University adhere to donor intent. UMF's role is to make sure that the CMC Legacy Fund will support the programs determined in the gift agreement. UMF also performs an account management role. Similar to a bank, UMF holds and manages donated funds, distributing them in accordance with gift agreements and according to University need. This includes check processing and electronic fund transfers. UMF also provides fund balance statements to University departments and fund transaction reports, including year-end account reconciliation reports.

Along with these finance and administrative functions, UMF will also work to leverage and grow donor interest and participation in the ongoing growth of the CMC Legacy programs through private fundraising, both from individuals and from corporations and foundations. UMF will provide communications and marketing services for these programs in order to further the public's understanding and awareness of the University's mission to improve the healthcare quality, affordability, access, and services in Western Montana.

- 10. You indicate that \$2,250,000 will be used to endow a scholarship program at the University of Montana College of Health Professions and Biomedical Services to recruit and retain the best and brightest graduates to work in the CMC service area.
 - a. What specific healthcare services will be provided by the graduates who benefit from this scholarship program?

Response to Seller Question No. 10a: This pilot loan forgiveness program is expected to be offered to qualified graduates in the new physician assistant program, but also

physical therapy, pharmacy, social work and public health, especially if it can be expanded in subsequent years through a growing endowment.

- b. What data did the Board consider indicating that the need for these healthcare services is not currently being satisfied by graduates of the University of Montana or other educational institutions?

Response to Seller Question No. 10b: With the exception of the proposed program for physician assistants (where the only other program offered in Montana is at Rocky Mountain College, a private institution in Billings), the healthcare services noted in 10A have been in place for a number of years/decades. They are the only such accredited programs in Montana and thus provide the vast majority of these services in the service area.

- c. What data did the Board consider relating to the service by these graduates within CMC's service area and service by these graduates outside CMC's service area?

Response to Seller Question No. 10c: See 10b. The health professional programs currently accredited and offered at UM (see 10A) are provided in the CMC service area and as such represent the vast majority of providers in the region.

- d. What fee will be paid to the UM Foundation to administer this scholarship program? Will the fee be levied one time? If the fee will be levied more than once, how often will it be levied?

Response to Seller Question No. 10d: UMF does not charge an upfront fee on gifts to scholarship funds, but does charge a 2% annual fee assessed against the scholarship endowment fund market balance, administered on a quarterly basis. This fee is tied to investment management and consulting services costs that are incurred by the foundation in the management of its endowment, and also helps offset expenses as described in responses to questions 8J and 9h.

SCHEDULE 8A

New Directions Wellness Center

- 138 different individuals have utilized the gym's services in the past two years
- 2014 data
 - Average of individual clients using the gym/month: 50
 - Average visits/month: 206
 - Total visits for 2014: 2470
- Age range: 18-99 years old
- Diagnoses:
 - Adults with Cerebral Palsy, muscular dystrophy,
 - Cerebral vascular accidents, traumatic and acquired brain injuries
 - Spinal cord injury, amputations, chronic pain, cardiac conditions and illness,
 - Multiple Sclerosis, Transverse Myelitis, Guillain Barre' Syndrome, other Autoimmune Disorders,
 - Cancer, fall/balance issues, arthritis, chronic pain,
 - Mental illness and psychiatric conditions,
 - Diabetes Mellitus, circulation disorders

Student Run ProBono Clinic

- Started fall 2008, operates each semester with UMPT graduate level students and one PT
- Serves individuals that do not have health care coverage for physical therapy services
- \$5 fee per visit, waived if unable to pay
- Summarized data from Sept 2008 through Dec 2014
 - 691 treatment sessions
 - 127 total number of clinics held
 - 280 individuals received services

UMPT Clinic

- 1504 different individuals received traditional physical therapy services from May 2011 through December 2014
- Average of 4080 physical therapy sessions per year over past 2 years
- Geographic information:
 - Rural Montana: Ranging from Eureka, Polson, Thompson Falls, Bozeman, Helena, Darby, Hamilton, Stevensville, Florence, Lolo, Missoula area
 - Consultations and PT Evaluations have also been completed for individuals driving from outside of the state of Montana, including from both Washington and Idaho
- Part-time employment and volunteer opportunities, average of 15-20 UM students/semester
- Internship site for Department of Health and Human Performance Internships every semester (including over the summer); offer Social Work Internship for a Master's level student; provide Pharmacy internship opportunities
- Undergraduate students (non-physical therapy) participating in research projects/independent study