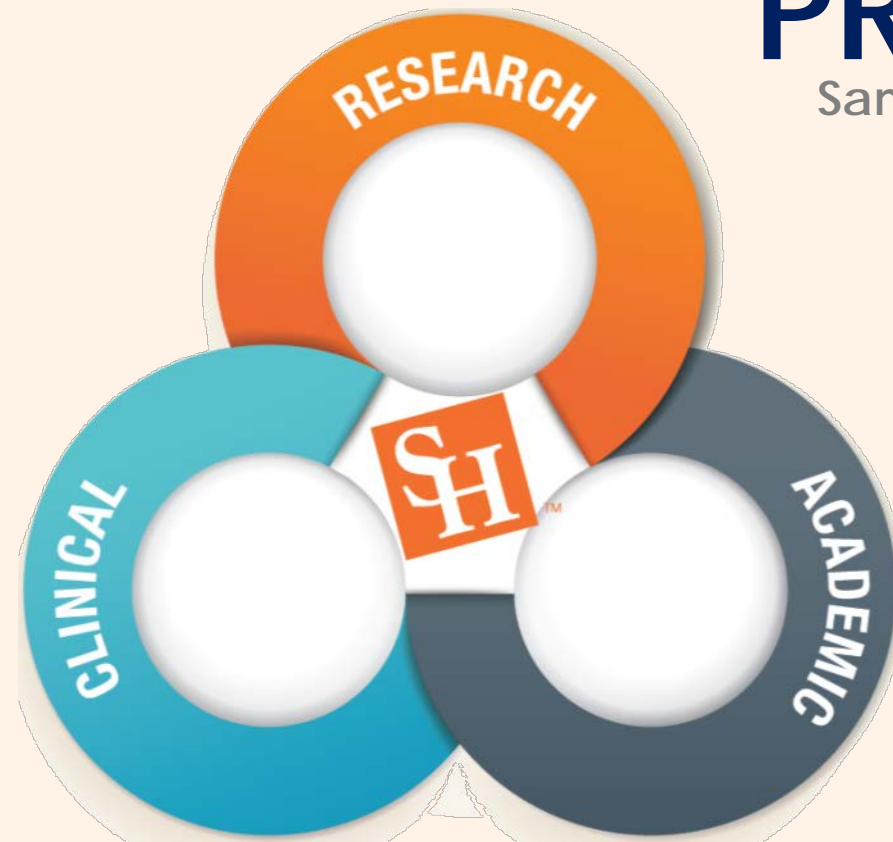


# DOCTOR OF OSTEOPATHIC MEDICINE PROGRAM

Sam Houston State University



# Key Facts

Most DO graduates practice in underserved areas: primary care, inner city and rural areas.

Our approach to healthcare education incorporates fresh and original ideas.

Support for a Doctor of Osteopathic Medicine Program is strong with endorsements from notable business, civic and community leadership.

No taxpayer support will be used to build the program—it will be 100% self-funded and generate revenues to cover operations.





# Osteopathic Doctors Practice in Underserved Areas

Texas has about 43,000 physicians engaged in patient care for a population of approximately 23 million.

5,400 undergraduate students and 6,000 resident physicians among the eight Texas medical schools has stayed relatively unchanged for over 25 years.

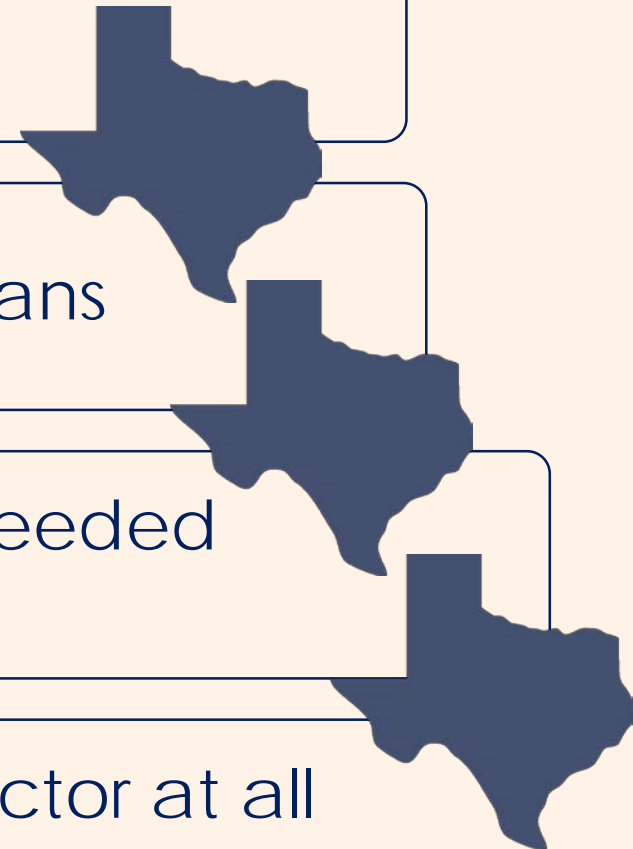
# Osteopathic Doctors Practice in Underserved Areas

Texas: **41<sup>st</sup>** in active patient care physicians.

Texas: **47<sup>th</sup>** primary care physicians

12,819 additional doctors needed to meet national average.

30 counties have no doctor at all & 80 have 5 or fewer.





## Osteopathic Doctors Practice in Underserved Areas

- ▶ About 20% of medical students are training to be osteopathic physicians, of those, 60% choose to specialize in primary health care.
- ▶ Osteopathic doctors are 2.5 times more likely to practice in rural areas.

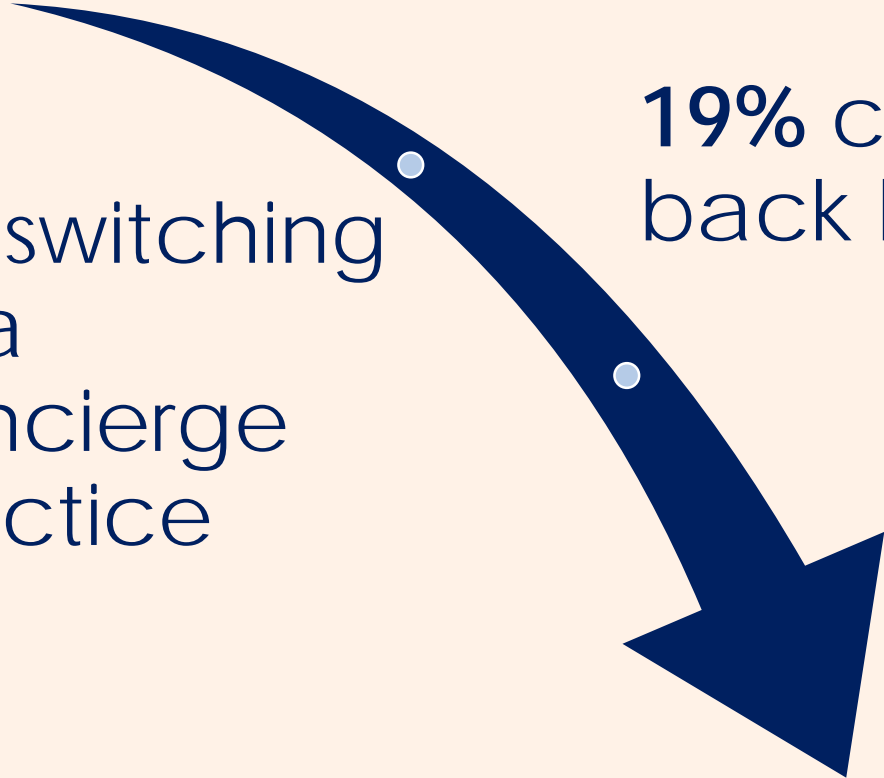
# Eroding Access to Physician Care in Texas

45% of doctors accelerating retirement plans

9% switching to a concierge practice

19% cutting back hours

Over 6% planning to work part-time



# A Fresh & Original Approach to Healthcare Education

21.5% of all first-year and 26.8% of all primary care residencies in the state are occupied by foreign medical graduates.

With over 20 hospitals located within a 20-mile radius, SHSU plans to partner with new teaching hospitals to support the clinical training of 150 students.

CMS funds are available to support new teaching hospital.



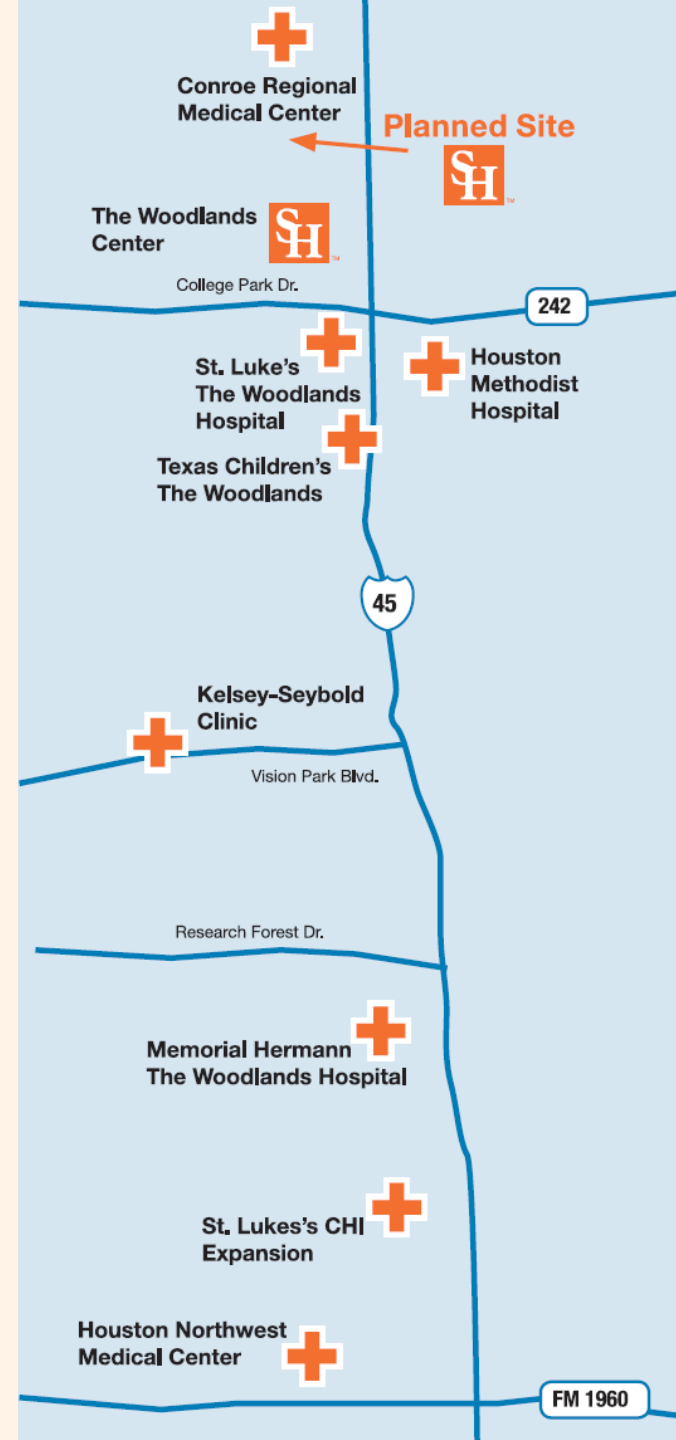
# A Fresh & Original Approach to Healthcare Education

- ▶ Infrastructure and support services will remain centralized, minimizing administrative costs.
- ▶ Maintain and nurture university's teacher-scholar philosophy.
- ▶ Explore integrated academic models.





# North Harris/ Montgomery County Health Care Expansion



# 100% Self-Funded

Funding for the program relies on private support and revenues generated by tuition and fees. While Texans benefit from the program, taxpayer dollars will not be used.

Revenues (tuition and fees) cover operational and overhead expenses.



# 100% Self-Funded

- ▶ Start-up investment covered by private funds or internal financing repaid through cash flow.
- ▶ Land and building secured through donated assets or self-funded debt.
- ▶ Johnson Development Corporation has offered land for a building site in its master-planned community located in Montgomery County.

# Self-Funded Model

	Fall 15		Fall 16		Fall 17		Fall 18		Fall 19		Fall 20	
	FY 16		FY 17		FY 18		FY 19		FY 20		FY 21	
<b>Tuition and Fees Revenues</b>	\$	-	\$	-	\$	-	\$	-	\$	-	\$	8,250,000
<b>Expenses</b>												
Direct Expenses	\$	427,800	\$	1,064,400	\$	1,751,228	\$	2,573,386	\$	7,203,850	\$	14,232,647
Overhead	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,823,647
<b>\$ Operating Margin/(Loss)</b>	<b>\$</b>	<b>(427,800)</b>	<b>\$</b>	<b>(1,064,400)</b>	<b>\$</b>	<b>(1,751,228)</b>	<b>\$</b>	<b>(2,573,386)</b>	<b>\$</b>	<b>(7,203,850)</b>	<b>\$</b>	<b>(7,806,294)</b>
<b>Net Margin Allocation</b>												
Repayment of Start-up Costs	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Academic Infrastructure Investment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
DO Reinvestment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
GME Support	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other Program Growth	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

## Notes:

1. Fundraising will be utilized to cover start-up costs (i.e., operating losses in early years) until program achieves positive operating margin. If fundraising does not fully cover all start-up costs, 80% of net margin will be used to repay start-up costs until fully recovered. The remaining 20% will be used for academic infrastructure investment (10%) and DO reinvestment (10%). After start-up costs are fully repaid, net margin will be allocated as follows: academic infrastructure investment (30%), DO reinvestment (30%), GME support (30%), and other program growth (10%).

# Self-Funded Model

	Fall 21	Fall 22	Fall 23	Fall 24	Fall 25	Fall 26	Fall 26
	FY 22	FY 23	FY 24	FY 25	FY 26	FY 26	FY 27
<b>Tuition and Fees Revenues</b>	\$ 17,160,000	\$ 25,740,000	\$ 35,692,800	\$ 35,692,800	\$ 37,120,512	\$ 37,120,512	\$ 37,120,512
<b>Expenses</b>							
Direct Expenses	\$ 16,676,209	\$ 19,317,092	\$ 19,977,611	\$ 20,645,484	\$ 21,346,210	\$ 22,081,673	\$ 22,081,673
Overhead	\$ 2,160,181	\$ 2,507,255	\$ 2,606,333	\$ 2,706,514	\$ 2,811,623	\$ 2,921,942	\$ 2,921,942
<b>\$ Operating Margin/(Loss)</b>	<b>\$ (1,676,390)</b>	<b>\$ 3,915,653</b>	<b>\$ 13,108,856</b>	<b>\$ 12,340,802</b>	<b>\$ 12,962,679</b>	<b>\$ 12,962,679</b>	<b>\$ 12,116,897</b>
<b>Net Margin Allocation</b>							
Repayment of Start-up Costs	\$ -	\$ 3,132,522	\$ 10,487,084	\$ 8,883,742	\$ -	\$ -	\$ -
Academic Infrastructure Investment	\$ -	\$ 391,565	\$ 1,310,886	\$ 1,728,530	\$ 3,888,804	\$ 3,635,069	\$ 3,635,069
DO Reinvestment	\$ -	\$ 391,565	\$ 1,310,886	\$ 1,728,530	\$ 3,888,804	\$ 3,635,069	\$ 3,635,069
GME Support	\$ -	\$ -	\$ -	\$ -	\$ 3,888,804	\$ 3,635,069	\$ 3,635,069
Other Program Growth	\$ -	\$ -	\$ -	\$ -	\$ 1,296,267	\$ 1,211,689	\$ 1,211,689

**Notes:**

1. Fundraising will be utilized to cover start-up costs (i.e., operating losses in early years) until program achieves positive operating margin. If fundraising does not fully cover all start-up costs, 80% of net margin will be used to repay start-up costs until fully recovered. The remaining 20% will be used for academic infrastructure investment (10%) and DO reinvestment (10%). After start-up costs are fully repaid, net margin will be allocated as follows: academic infrastructure investment (30%), DO reinvestment (30%), GME support (30%), and other program growth (10%).

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