



Special Committee on Academic Health

September 2023

September 8, 2023

8:00 a.m.

West Committee Room, McNamara Alumni Center

CAH - SEP 2023

1. Review of Special Committee Charge and Priorities for the Year

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2. Overview of the University's Health Sciences

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BOARD OF REGENTS DOCKET ITEM SUMMARY

Special Committee on Academic Health

September 7, 2023

AGENDA ITEM: Review of Special Committee Charge and Priorities for the Year

Review **Review + Action** **Action** **Discussion**

This is a report required by Board policy.

PRESENTERS: Regent Penny A. Wheeler
Jakub Tolar, Dean of the Medical School and Vice President for Clinical Affairs

PURPOSE & KEY POINTS

The purpose of this item is for committee members to review the committee’s charge and to discuss potential priorities and areas for consideration for future agenda items this academic year.

The charge established by Board Chair Mayeron is as follows:

The Special Committee on Academic Health will oversee the University’s academic medical enterprise and clinical partnerships. The special committee will build the Board’s understanding and capacity in this area and make recommendations to the Board related to the [MPact Health Care Innovation proposal](#) and clinical partnership arrangements. The committee will advise the administration on academic medical strategy and help propel health sciences toward a clinical partnership plan that will champion medical education, improve clinical care, and more fully serve the people of Minnesota.

The special committee is anticipated to meet 4-5 times in the coming year.

Based on this discussion, committee leadership and the senior leader liaison will develop a work plan to guide the special committee’s work and will be shared at the October meeting.



BOARD OF REGENTS DOCKET ITEM SUMMARY

Special Committee on Academic Health

September 7, 2023

AGENDA ITEM: Overview of the University’s Health Sciences

Review **Review + Action** **Action** **Discussion**

This is a report required by Board policy.

PRESENTERS: Jakub Tolar, Dean of the Medical School and Vice President for Clinical Affairs

PURPOSE & KEY POINTS

The purpose of this item is to provide the committee with a high-level overview of the University’s six health sciences schools: the School of Dentistry, the Medical School, the School of Nursing, the College of Pharmacy, the School of Public Health, and the College of Veterinary Medicine. Each of these plays a pivotal role in care delivery in Minnesota, through training, research, and clinical service.

BACKGROUND INFORMATION

The Board previously discussed this topic at the following meetings:

- May 2022: *Health Sciences Strategy: Clinical Care*, Board of Regents
- February 2022: *Health Sciences Strategy: Education*, Board of Regents
- October 2021: *Health Sciences Strategy: Clinical Research*, Board of Regents

Health Sciences Overview

Jakub Tolar, MD, PhD
Vice President for Clinical Affairs

Board of Regents
Sept. 7, 2023



UNIVERSITY OF MINNESOTA

Driven to Discover®

Delivering On Our Promise to Minnesota

Minnesotans benefit from UMN's breadth and depth of expertise across our health sciences schools and programs.



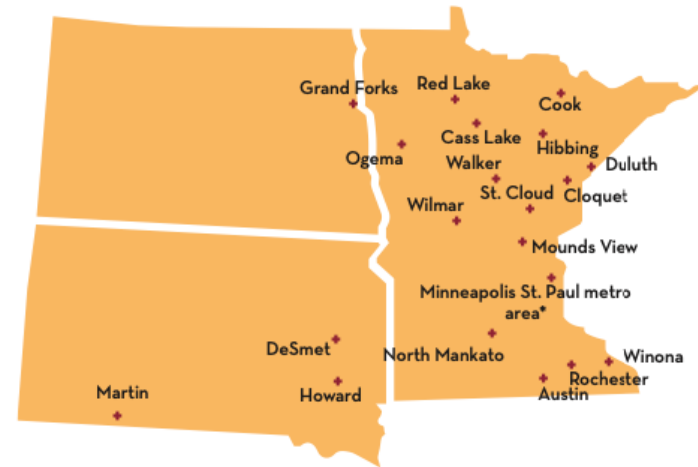
Together, we:

- discover new and better treatments and cures
- deliver a robust educational experience for future health care professionals
- provide state-of-the-art patient care



School of Dentistry: Externally Facing Mission

- The School of Dentistry affiliates with 16 clinical sites within MN.
- The Mobile Dental Clinic serves patients at 14 unique sites across the state.
- In 2022 our Outreach program served 16,040 patients
- Dental, Dental Hygiene, and Dental Therapy students rotate to these clinics for a minimum of 6-8 weeks

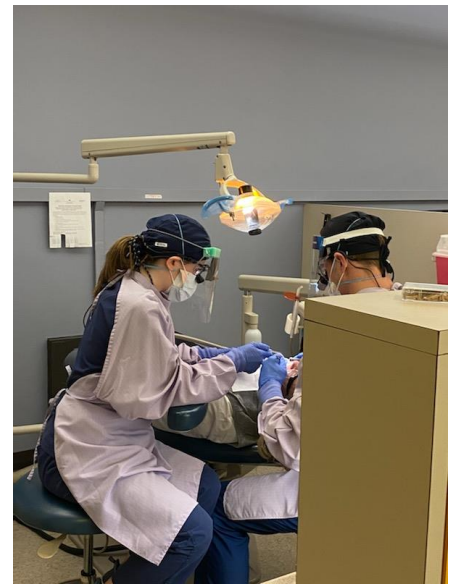


**Apple Valley, Blaine, Eden Prairie, Forest Lake, North Minneapolis, Roseville, South Minneapolis, West St. Paul*

DIVERSITY | PURSUIT OF KNOWLEDGE | EXCELLENCE | INTEGRITY | LEADERSHIP | RESPECT | SERVICE TO ALL COMMUNITIES



- Each year we enroll approximately 600 learners
- We are the dental school in the northern tier of states between Wisconsin and the Pacific Northwest
- We graduates include dentists, dental hygienists, dental therapists, PASS students, residents from 8 Advanced Education Programs, Masters in Dental Hygiene students, and Oral Biology graduate program students
- 73% of practicing dentists in Minnesota are School of Dentistry alumni

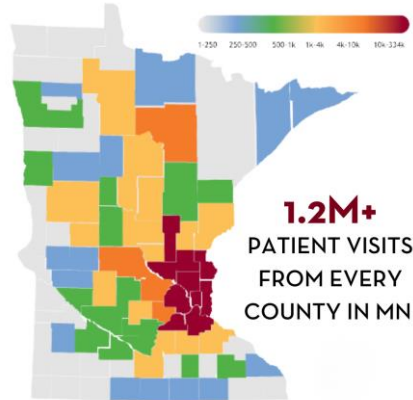


-
- We hire approximately 800 Minnesotans at the TC Campus.
 - We Provide approximately 90,000 patient visits annually.
 - We maintain a five-year average \$8,309,996 in sponsored awards.



Medical School

PATIENT CARE



M PHYSICIANS PRACTICE AT



LOCATIONS ACROSS THE STATE



1:5 of MINNESOTA'S TOP
DOCTORS ARE M PHYSICIANS

RESEARCH

\$357M 
SPONSORED RESEARCH IN 2022

2,830
PUBLICATIONS IN 2022



#8

NIH FUNDED
PUBLIC
MEDICAL
SCHOOLS

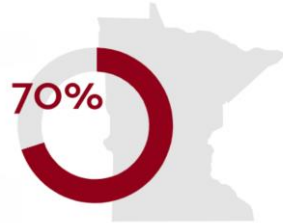
#21

NIH FUNDED
MEDICAL
SCHOOLS

Medical School

EDUCATION

ONE SCHOOL.
TWO CAMPUSES.



MN PHYSICIANS TRAINED AT UMN



TRAINING PRIMARY CARE PHYSICIANS

MATCH *Day!* 2023

47.9% (almost 50%)
of our students matched in primary care,



strengthening the pipeline of primary care
providers we train for the state of MN

**44.8% MATCHED
IN MN**



Almost HALF of This Year's Class
Matched in Minnesota

**TOP 5
MN SPECIALTIES**

- 1 Internal Medicine
- 2 Family Medicine
- 3 Pediatrics
- 4 Emergency Medicine
- 5 Psychiatry



School of Nursing

Vision: Optimal health and wellbeing for all people and the planet

- 1st School of Nursing in the US founded in a university - 115th anniversary 2024
 - Located in TC and in Rochester (partnership with UM – Rochester); articulation MOUs with Morris, Crookston, and Duluth
 - Health Professions Higher Education Excellence in Diversity Award – 7 consecutive years
- **Research:** NIH research ranking #14
 - Foci: Health promotion, Prevention & management of chronic health conditions, Symptom management, Informatics and systems innovation; vulnerable populations and rural emphases
- **Education:** >1000 students
 - **Prelicensure:** Bachelors of Science in Nursing – US #15 , Masters of Science for second degree applicants
 - **Doctoral (produce research/scholarship/faculty):**
 - Doctor of Nursing Practice (practitioners, nurse anesthesia, midwifery etc); US #6; #2 largest fulltime program in US; largest Native American cohort in nation
 - PhD in Nursing program in MN

School of Nursing

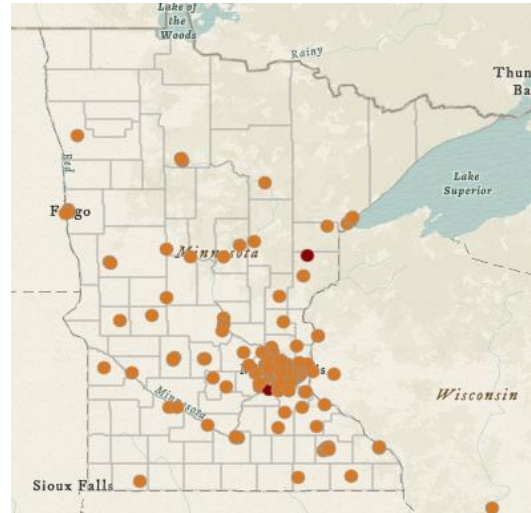
M Engage | m-engage.umn.edu



**PUBLIC ENGAGEMENT
FOOTPRINT**

University Impact >

Interact with a database and map that details the breadth and scope of the University's service, outreach, and community engagement across the state of Minnesota and beyond.



**2nd largest
UMN unit
for outreach
in state**

School of Nursing

Academic Health Impact Academic-Practice Partnerships - 3 legs of Mission (Collaboratories)

- **2015** - First School of Nursing Collaboratory M Health Fairview
 - 2017 Academic-Practice Partnership Award from AACN - AOLN
- **Current Collaboratories:**
 - MHealth/Fairview
 - Children's Minnesota
 - Essentia Health
 - Faith Community Nurse Network
 - Minneapolis Veterans Affairs Health Care System
 - PrairieCare
 - Minnesota Hospital Association
 - Mayo Clinic
 - Allina Health

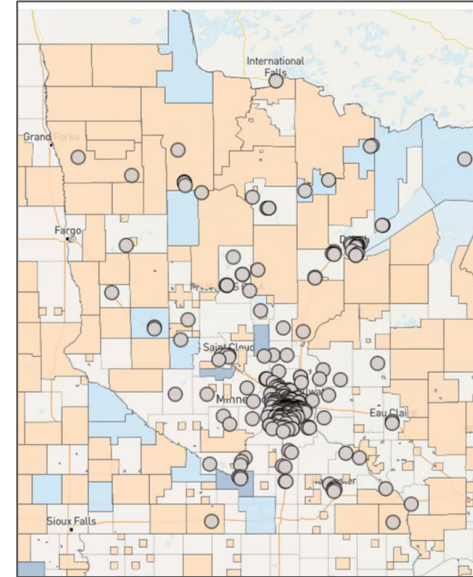


College of Pharmacy

Partnerships Throughout the State

Medical Laboratory Sciences, Occupational Therapy and Pharmacy programs have robust partnerships throughout the state:

- clinical
- community
- research



>350 clinical sites/partners

~600 students

66 community partnerships

Diversity of College of Pharmacy Partnerships

- Working together to:
 - Improve access to and quality of care
 - Address health disparities
 - Address workforce needs by educating the next generation of practitioners
 - Engage in research that spans patient access and experience, to improve systems of care, understand workforce trends and advance public health
- Examples of partnerships:
 - Pharmacy faculty provide clinical services at seven different clinics, health systems and practice sites across state
 - Federally Qualified Health Center Urban Health Network (FUHN)
 - Wilderness Health
 - Center for Alcohol and Drug Treatment
 - >350 clinical sites (health systems, clinics and community pharmacies)



School of Public Health: MN Clinical Impact

The School of Public Health (SPH) is a critical component of Minnesota's healthcare environment through:

**Training MN's
healthcare
leaders**

**Embedding
equity in clinical
settings**

**Advancing
"upstream"
discoveries &
innovation**

**Engaging
communities &
policymakers**

Training

#2 Master of Healthcare Administration (MHA) program in the U.S.

34% MHA alumni work in MN (35% of Executive MHA students are physicians)

200+ MN healthcare orgs employ MHA alumni

Equity

Example: The SPH Center for Antiracism Research for Health Equity and partners developed and launched new clinician training on bias-free and equitable perinatal care to meet the requirements of the Dignity in Pregnancy and Childbirth Act (MN § 144.1461).

Innovation

\$1.1M Avg. funding level per faculty. Much of the school's research is focused on healthcare delivery and improving patient outcomes.

Major themes:

- Rural healthcare access
- Healthcare organization, management, and finances
- Long-term care
- Maternal and child health

SPH experts partner closely with MN healthcare orgs and are continuously tapped for their expertise by the media and state and federal policymakers.



Top MHA alumni employers in MN:

1. MHealth Fairview
2. HealthPartners
3. Allina Health
4. Mayo Clinic
5. United HealthGroup
6. Hennepin Healthcare
7. CentraCare
8. Essentia Health
9. Medtronic
10. North Memorial Health
11. Veterans Administration
12. Children's Minnesota



Jennifer Myster, MHA, MBA
President, Methodist Hospital



Megan Remark, MHA, MBA
President, Regions Hospital
Sr. Vice President, Health Partners



Deepi Goyal, MD, MHA
Mayo Physician, Director of American Board of Emergency Medicine



Sabeen Aksari, MD, MHA
President of Medical Staff, Fairview

College of Veterinary Medicine



- Operates 3 hospitals
- 34,000 patient visits last year
- One of the largest academic veterinary medicine programs in the country
- College is ranked #3 in the U.S. for research, #7 for overall program
- Graduating ~100 DVMs annually, Expanding to 120 in 2025.



- Pet ownership provides health benefits
 - Blood pressure, cholesterol, anxiety, PTSD
- Comparative medicine is vital to a One Health approach to medicine
 - Oncology, Cardiology, Prion diseases
- University of Minnesota has a unique opportunity to lead





UNIVERSITY OF MINNESOTA

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Crookston Duluth Morris Rochester Twin Cities

The University of Minnesota is an equal opportunity educator and employer.



BOARD OF REGENTS DOCKET ITEM SUMMARY

Special Committee on Academic Health

September 7, 2023

AGENDA ITEM: Update on Governor’s Task Force to Ensure Nation-Leading Health Professions Education

Review **Review + Action** **Action** **Discussion**

This is a report required by Board policy.

PRESENTERS: Jakub Tolar, Dean of the Medical School and Vice President for Clinical Affairs

PURPOSE & KEY POINTS

The purpose of this item is to provide the committee with an update on Governor Walz’s Task Force to Ensure Nation-Leading Health Professions Education.

The Task Force will be chaired by former MDH Commissioner Jan Malcolm and supported by the Minnesota Department of Health, the Governor’s Office, and the Minnesota Management and Budget.

The Task Force will be charged with developing recommendations to support world-class academic health professions education, research, and care delivery by the University’s health sciences schools and programs, in preparation for the 2024 legislative session. This will include a review of models in other states for the funding of academic health, as well as governance and oversight of any publicly funded health professional training programs.

BACKGROUND INFORMATION

During the 2023 legislative session, the legislature passed HF 402, which puts into statute that the clinical facilities on the Twin Cities campus are a charitable asset and protects the three hospitals from out-of-state or for-profit ownership unless approved by the Minnesota Attorney General.

STATE OF MINNESOTA

Executive Department



Governor Tim Walz

Executive Order 23-09

Creating a Task Force to Ensure Nation-Leading Health Professions Education

I, Tim Walz, Governor of the State of Minnesota, by the authority vested in me by the Constitution and applicable statutes, issue the following Executive Order:

Minnesota is a national leader in delivering quality health care; providing patient-centered, community-based primary care; and ensuring health care access, equity, and affordability. Maintaining these high standards depends on Minnesota's ability to train the next generation of health care professionals.

The University of Minnesota's Health Sciences Programs ("Health Sciences Programs") provide essential education and clinical training for the majority of the health professionals who serve Minnesotans. The Health Sciences Programs consist of the six schools of graduate education in medicine, nursing, public health, dentistry, pharmacy, and veterinary medicine. Upon completion of that education and training, these health professionals practice in health care settings across Minnesota, serving individuals with a wide variety of health care needs.

The ability of the Health Sciences Programs and, in particular, the University of Minnesota Medical School, to advance the goals of the State related to primary care, rural care, and health equity requires a financially sustainable model for support and clinical partnerships. Recent trends in the health care market have driven a need to reexamine the funding and governance structures for the delivery of academic health by the University of Minnesota.

For these reasons, I order as follows:

1. The Governor's Task Force on Academic Health at the University of Minnesota ("Task Force") is established.
2. The Task Force will develop recommendations to support world-class academic health professions education, research, and care delivery by the Health Sciences Programs that advance equity, center primary care, and ensure that Minnesotans can continue to receive the highest-quality care in a financially sustainable way. In meeting that charge, the Task Force will:


- a. Review examples from other states to identify options for potential public funding of academic health and for partnerships (financial and clinical) with non-academic health systems.
 - b. Consider collaborative financial support and partnership models for academic health that recognize both the costs of, and benefits to, health professions education for Minnesota patients, health care systems, and residents.
 - c. Examine potential options for governance and oversight of any publicly funded health professions education at the Health Sciences Programs.
 - d. Discuss short-, medium-, and long-term funding needs to support the vision for academic health and the role of the State of Minnesota and various clinical partners in meeting these funding needs.
 - e. Develop goals and expectations for academic health performance related to equity, workforce diversity, geographic accessibility, and primary care and prevention that align with One Minnesota goals for Minnesota health care.
3. By January 15, 2024, provide recommendations to the Governor for state policy and legislative changes.
4. The members of the Task Force are:
- a. The Governor’s designee, who will act as Chair of the Task Force
 - b. One member of the Minnesota House of Representatives, appointed by the Speaker of the House
 - c. One member of the Minnesota Senate, appointed by the Majority Leader of the Senate
 - d. One representative from the following agencies:
 - i. Department of Health
 - ii. Office of Higher Education
 - e. Up to 10 additional members appointed by the Governor:
 - i. Two members representing the University of Minnesota, including one representing the University of Minnesota Medical School
 - ii. Two members with expertise in health professions education or health care workforce issues
 - iii. Two members with expertise in delivering primary care or care in rural areas

- iv. Two members with expertise in hospital or health system finances, state/federal health care reimbursement issues, health care spending, or health economics
 - v. Two members with expertise in health disparities or health equity, particularly as they relate to health professions education and access to health care
- 5. The Minnesota Department of Health will provide staff and administrative support for the Task Force. Other state agencies, including but not limited to the Department of Human Services, the Department of Commerce, Minnesota Management and Budget, and the Office of Higher Education, will provide subject matter expertise to the Task Force as needed.
- 6. The duties of the Task Force are as follows:
 - a. Meet at least twice per month and more often as necessary.
 - b. Identify and engage leaders, experts, health care practitioners and clinicians, health professions educators, and consumers to inform discussion of strategies and plans necessary to achieve the Task Force’s objectives.
 - c. Provide regular updates to the Governor, at frequencies determined by the Chair, on progress toward achieving the Task Force’s objectives.
 - d. By January 15, 2024, submit a written summary of recommendations to the Governor.

This Executive Order is effective fifteen days after publication in the State Register and filing with the Secretary of State. It will remain in effect until rescinded by proper authority or through June 1, 2024, whichever occurs first.

A determination that any provision of this Executive Order is invalid will not affect the enforceability of any other provision of this Executive Order. Rather, the invalid provision will be modified to the extent necessary so that it is enforceable.

Signed on August 10, 2023.



Tim Walz
Governor

Filed According to Law:



Steve Simon
Secretary of State

Filed on August 10, 2023
Office of the Minnesota
Secretary of State,
Steve Simon



BOARD OF REGENTS DOCKET ITEM SUMMARY

Special Committee on Academic Health

September 7, 2023

AGENDA ITEM: Academic Affiliation Agreement with CentraCare

Review **Review + Action** **Action** **Discussion**

This is a report required by Board policy.

PRESENTERS: Jakub Tolar, Dean of the Medical School and Vice President for Clinical Affairs
Ken Holmen, President and CEO, CentraCare

PURPOSE & KEY POINTS

The purpose of this item is for the committee to review the proposed academic affiliation between the University of Minnesota Medical School and CentraCare. The affiliation will create a regional campus of the Medical School based at CentraCare to improve access to high-quality care in rural Minnesota.

After a non-binding Statement of Interest was approved by the Board in February 2023, both organizations began building out the specific steps necessary for faculty and the Liaison Committee on Medical Education (LCME) approval of a regional campus for the Medical School, the approvals for new residency slots, and work to gain community and philanthropic support for the affiliation. CentraCare and the University received legislative funding to support this initiative in 2023—\$5 million for the facility and \$10 million for programmatic support.

CentraCare has also conducted a third-party assessment of their philanthropic opportunities, and pending Board approval of this affiliation, together with the University of Minnesota Foundation, plan to begin a \$50 million campaign to support this effort which is aimed at making rural lives healthier.

The Definitive Agreement will bring together the core capabilities of the Medical School and CentraCare to advance:

- a regional campus of the Medical School based at CentraCare (proposed 24 students per year);
- expanded residency programming in rural physician-shortage areas (for example in mental health, pediatrics, and general surgery);
- a new footprint in clinical research focused on rural health; and
- exploration of new collaborations between CentraCare and University of Minnesota Physicians.

BACKGROUND INFORMATION

The Medical School and CentraCare have existing relationships with a family medicine residency, clinical care in Orthopedics, and a new rural training track grant.

CentraCare is one of the largest health systems in Minnesota. It includes 8 hospitals (including St. Cloud Hospital) and 30 clinic locations, home care, urgent care, outpatient surgery centers, pharmacy, and senior services across a large geographic area in central Minnesota.

INTERIM PRESIDENT'S RECOMMENDATION

The Interim President recommends approval of the Academic Affiliation Agreement with CentraCare.

MASTER RURAL HEALTH ACADEMIC AFFILIATION AGREEMENT

This Master Rural Health Academic Affiliation Agreement (“Agreement”) is made and entered into by and between the Regents of the University of Minnesota (the “University”) and CentraCare Health (“CentraCare”) as of _____, 2023. The University and CentraCare may each be referred to herein individually as a “Party” and collectively the “Parties.”

RECITALS

A. The University of Minnesota Medical School (“UMMS”), being one of the largest medical schools in the country and a leader in medical education and research, currently has two campuses, one based in the Twin Cities and one based in Duluth, Minnesota. As the land grant institution in the state of Minnesota, the University is committed to serving the needs and interests of rural Minnesota, and by this Agreement desires to add an additional medical school campus and otherwise enhance the availability of its health-related education and research missions in rural Minnesota.

B. CentraCare Health System is a full spectrum health care system with roots going back to 1886 when St. Cloud Hospital was built to serve the health care needs of people living in Central Minnesota. In 1995, CentraCare was formed, which today includes nine hospitals in St. Cloud, Benson, Long Prairie, Melrose, Monticello, Paynesville, Redwood Falls, Sauk Centre and Willmar and more than 30 clinics.

C. The Parties desire to bring together their strengths and capabilities to expand medical education, and improve access to clinical and medical research and high-quality healthcare in rural Minnesota, with a specific focus on St Cloud and other parts of the west and southwest central Minnesota area, by jointly developing, overseeing, and operating a comprehensive rural health program that seamlessly combines the core capabilities of CentraCare and UMMS to advance rural healthcare focused academic, research, and clinical activities (the “Affiliation”).

D. This Agreement is intended to govern the Parties’ relationship for the Affiliation, generally. The Parties expect that their relationship around a rural health collaboration will evolve and grow over time, and the particulars of each arrangement for the relationship will be set forth on one or more agreements which may reference this Agreement (“Related Agreement”), with each particular Related Agreement being entered into consistent with applicable policies and procedures of each Party.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties hereby agree as follows:

ARTICLE 1
UMMS ST. CLOUD CAMPUS; COMMITMENT OF SUPPORT

- 1.1 **University Program Expansion.** The University, through UMMS, in collaboration with CentraCare, and in reliance on the commitments being made by CentraCare in this Agreement and in Related Agreements, is committed to:
- 1.1.1 Establishing a regional medical school campus in St. Cloud, Minnesota (the “UMMS St. Cloud Campus”) for undergraduate medical education (“UME”);
 - 1.1.2 Upon agreement with CentraCare, expanding the number of graduate medical education residency and fellowship programs sponsored by the University and connected to CentraCare hospitals (current and future medical residencies and fellowships referred to in this Agreement as the “CentraCare Based Residencies and Fellowships”), as well as other health-sciences school training opportunities; and
 - 1.1.3 Advancing medical research with the purpose of bettering the health of rural residents, through a jointly-directed Rural Health Research Institute or otherwise, and expanding patient access to clinical trials throughout CentraCare.
- 1.2 **Facilities.** CentraCare will repurpose existing facilities and/or will construct new facilities on a regional campus in St. Cloud, Minnesota, with the purpose of creating a facility with sufficient space to house substantially all applicable planned Affiliation activities. UMMS will have appropriate input (via the Oversight Committee described herein or as otherwise agreed to) into such repurposing and/or construction activities to ensure alignment with the University’s needs as tenant. The terms of space use for the UMMS St. Cloud Campus by the University shall be set out in a separate Space Use Agreement between CentraCare and the University. Without limiting the requirements set forth in such Related Agreement, CentraCare shall ensure that it provides the University with the type and quality of space that is consistent with a campus that represents a top-decile medical school, as reasonably determined by the Oversight Committee. A Facilities Subcommittee of the Oversight Committee will be established to provide ongoing oversight over UMMS St. Cloud Campus facilities matters.
- 1.3 **Financial Commitments.** During the term of this Agreement and any Unwind Period described in Section 10.3 of this Agreement, the Parties agree to 1) be fiscally responsible, 2) provide financial transparency, 3) have shared accountability for financial performance; provided that nothing in these foregoing principles shall modify the obligations of CentraCare to the University under this Agreement.

UMMS will operate the UMMS St. Cloud Campus with commensurate funding and operating expenses as compared to the UMMS Twin Cities and Duluth Campuses as

normalized for differences in enrollment where appropriate in the reasonable discretion of UMMS. UMMS agrees to provide monthly financials, quarterly financial projections for the fiscal year, an annual budget, and a five-year financial projection. CentraCare will provide in kind, as reimbursement to the University, or as direct payment, all funding and other resources necessary to cover all deficiencies due to the University's cost of operation of the UMMS St. Cloud Campus. CentraCare and UMMS will agree upon an initial budget to fund the UMMS St. Cloud Campus. CentraCare will provide the same level of funding as the original budget plus any increase in non-discretionary expenses outside the control of UMMS. Examples are, but not limited to, University-mandated salary increase, University-mandated fringe benefit increase, University-mandated increase of Budget Model Costs (corporate allocations) and increases in approved software to support Curriculum. Any material changes to budget outside of increases in non-discretionary expenses requires approval by CentraCare CEO and UMMS Dean of the Medical School at the recommendation of the Oversight Committee. Such approval will not be unreasonably withheld. Terms of financial support for undergraduate medical education from CentraCare to UMMS, including development of an annual budget, will be set forth in a separate UME Support Agreement to be signed by the Parties, which shall be a Related Agreement under this Agreement.

In the interest of advancing the research mission of UMMS and increasing research with the purpose of improving the health of rural residents, the Parties agree to 1) leverage the research support infrastructure of UMMS, 2) develop the research infrastructure at CentraCare in a manner that does not conflict with either party's research priorities, and 3) consider the creation of a joint-directed Rural Health Research Institute as part of the Parties desire to advance medical research in rural Minnesota. For the purposes of shared financial support, unfunded research support costs of the Rural Health Research Institute will be pooled and supported equally by both parties. Rural Health Research Institute funding will be limited to an annual budget recommended by the Oversight Committee and approved by the CentraCare CEO and the UMMS Dean of the Medical School. Additional funding above and beyond the approved budget requires joint approval of both parties upon recommendation from the Oversight Committee. Terms of financial support for research from CentraCare to UMMS, including development of an annual budget, will be set forth in a separate Research Support Agreement to be signed by the Parties, which shall be a Related Agreement under this Agreement.

In the interest of supporting the medical resident and fellowship training programs at the UMMS St Cloud campus, the parties agree to 1) provide a positive learning environment for the development of appropriate skills and professionalism in residents and fellows, 2) ensure that residents and fellows have access to sufficient resources, 3) cooperate in the planning, formation and evaluation of all resident and fellow clinical education assignments and sites, and 4) commit to programmatic growth as agreed upon by both parties. CentraCare will provide financial support to UMMS for the administration of Residency and Fellowship rotations at CentraCare at an amount consistent with the financial support methodologies of the Metro Minnesota Council on Graduate Medical Education (MMCGME). Terms of financial support for graduate medical education from CentraCare to UMMS, including development of an annual budget, will be set forth in a

separate GME Support Agreement to be signed by the Parties, which shall be a Related Agreement under this Agreement.

Notwithstanding anything to the contrary, CentraCare's obligation to provide the level of funding described in this Section 1.3 shall not be impacted or modified by any Related Agreement.

A Finance Subcommittee of the Oversight Committee will be established to provide ongoing oversight and strategy for financial matters related to the Affiliation.

- 1.4 **Student Transition Support.** The Parties will coordinate activities, as permitted and as appropriate, to encourage learners to explore a transition from medical school to CentraCare Based Residencies and Fellowships, and from CentraCare Based Residencies and Fellowships to practicing in rural Minnesota.
- 1.5 **Academic Leadership.** The Parties will collaborate to appoint an academic leader who will report to the UMMS Dean, to oversee and coordinate undergraduate medical education for the UMMS St. Cloud Campus. The academic leader will have a UMMS faculty appointment and will have a title such as Regional Campus Dean or other title consistent with other UMMS campuses. Other academic leaders may include a Regional Campus Assistant Dean for UME who will report to the Senior Associate Dean for UME.
- 1.6 **Faculty Body.** Faculty at the UMMS St. Cloud campus will be organized into organizational units as determined by UMMS, such as departments, based on the assessment of the UMMS Dean or his/her designee in consultation with the Regional Dean.

ARTICLE 2 AFFILIATION OVERSIGHT COMMITTEE

- 2.1 **Establishment.** The Parties desire to establish an oversight committee (the "Oversight Committee") for the Affiliation. The Oversight Committee will be advisory in nature. Nothing in this Agreement shall modify or alter a Party's authority to make decisions for such Party regarding the subject of this Affiliation, a Party's responsibilities for satisfying accreditation standards, or the application of policies and procedures of any Party.
- 2.2 **Composition.** Unless otherwise agreed in writing by the Parties, the Oversight Committee will consist of eight (8) persons who will provide advice, subject matter expertise, and additional support for the Affiliation. Each Party will appoint four (4) persons to the Oversight Committee. Each member of the Oversight Committee will have the right to a "vote" on matters. The Oversight Committee will use a co-Chairs leadership model, with each of the Parties appointing one (1) co-Chair.
- 2.3 **Advisory Activities.** The Oversight Committee will confer on matters related to the Affiliation and affecting both Parties, with the goal of reaching consensus on matters

relating to the Affiliation and making recommendations regarding those matters to the CentraCare CEO and UMMS Dean. To facilitate this consensus approach, a matter being reviewed by the Oversight Committee will be considered to be supported by the Oversight Committee if at least a supermajority (majority + 1) of a quorum votes in favor of the matter. Seven (7) members of the Oversight Committee present at a meeting (which may be in person or held by Zoom or other virtual meeting platform) make a quorum. In the event the Oversight Committee is unable to reach a consensus on a matter, such matter will be escalated to the CentraCare CEO and the UMMS Dean for their mutual consideration and possible resolution.

2.4 **Function.** The Parties mutually desire to maximize the use of the Oversight Committee for matters concerning the Affiliation's development, oversight, and operation, understanding that each Party retains authority over matters necessary for accreditation, governance and other business and operational matters that would not be appropriate to delegate to, or for which a Party may not have authority to delegate to, the Oversight Committee. The Oversight Committee's authority related to the Affiliation may include, but not be limited to, each of the following:

2.4.1 **Administrative.**

- a. Creating strategic plans for the Affiliation for presentation to the CentraCare CEO and UMMS Dean, and upon approval of the CentraCare CEO and UMMS Dean, or other authorized representatives, facilitating the execution of such strategic plans.
- b. Ensuring alignment of the Affiliation with CentraCare and UMMS strategies and key initiatives.
- c. Developing annual and long-range financial and capital plans for presentation to the CentraCare CEO and UMMS Dean for consideration.
- d. Prioritizing deployment of academic mission support funds specific to the Affiliation for consideration by the CentraCare CEO and UMMS Dean.
- e. Overseeing the funds flow model and CARTS (clinical, administrative, research, teaching, strategic) with an overarching purpose to fund and incentivize aligned missions and goals of the organizations, including the annual budget, for the Affiliation.
- f. Defining areas of focus for philanthropic fundraising and funding targets, and overseeing CentraCare and UMMS joint fundraising initiatives. The Oversight Committee will recommend fundraising priorities to the CentraCare CEO and the UMMS Dean. The Oversight Committee will monitor progress towards these priorities and work with CentraCare Health Foundation and University of Minnesota Foundation to achieve fundraising goals.

2.4.2 **Teaching: Medical and non-physician education.**

- a. Collaborating with UMMS educational leadership to ensure educational programs fulfill the Affiliation's rural health education vision and with accreditation requirements. Notwithstanding anything to the contrary herein and consistent with all accreditation and regulatory requirements, UMMS retains full control over the educational programs for the UMMS St. Cloud Campus.
- b. Recommending members to serve on the UMMS Admissions Committee.
- c. In consultation with the UMMS Vice Dean for Education, recommending strategic growth plans for the UMMS St. Cloud Campus in alignment with community needs.
- d. Promoting team-based education for non-physicians, such as nursing, medical technicians, and other care providers.

2.4.3 Teaching: Residency and Fellowship program.

- a. Recommending residency and fellowship programs and their sizes as related to the Affiliation, and funding models.
- b. Ensuring training tracks are consistent with the Affiliation's training vision.
- c. Identifying and creating collaborations with UMMS-managed residency and fellowship programs.

2.4.4 Research.

- a. Developing the Affiliation's rural health specific research mission.
- b. Identifying rural health related areas of focus and working with UMMS Vice Dean for Research to target grant and philanthropic funding.
- c. Collaborating with CentraCare leadership to execute research initiatives within clinical operations.
- d. Oversee any jointly-developed and directed Rural Research Institute that advances the research mission of UMMS, expands research by CentraCare clinicians, and translates research into clinical therapies, procedures, and protocols.

2.4.5 Clinical services.

- a. Identifying potential collaborations between the CentraCare and UMMS practice plan (UMP) to ensure patients receive the optimal care, including care close to home whenever possible.
- b. Setting expectations for, and monitoring achievement of, quality outcomes, trainee experience and patient experience for areas of clinical collaborations within the scope of the Affiliation.

- 2.5 **Subcommittees.** To assist its work, the Oversight Committee may appoint subcommittees, such as a Facilities Subcommittee, a Finance Subcommittee, a Research Subcommittee,

and any other subcommittee that the Operating Committee determines would be helpful for the Affiliation.

- 2.6 **Reserved Powers.** By way of example only, and not as an exhaustive list, the following powers are reserved to CentraCare (or CentraCare affiliates) and the University, individually. In exercising its powers, a Party will consider the recommendations of the Operating Committee, but is not bound by such recommendation:
- 2.5.1 Approval of its operating and capital budgets, including for Affiliation activities.
 - 2.5.2 Approval of material changes in the Affiliation’s scope, purpose, or activities.
 - 2.5.3 Dissolution of the Affiliation.
 - 2.5.4 Approval of contracts to be entered into by CentraCare or UMMS, respectively, related to Affiliation activities.
 - 2.5.6 Approval of any matters required by accreditors or other third parties.
- 2.7 **Transparency.** Each Party commits to transparency and to providing the Oversight Committee and the other Party the requisite data and information, as may be reasonably requested, that is required to make informed decisions regarding the Affiliation. Such information includes, but is not limited to, appropriate financial, operational, clinical, and other data and information. The Parties agree to enter into appropriate non-disclosure agreements prior to exchanging such information; provided that such agreements must provide that obligations of non-disclosure do not apply when a disclosure is required by law.

ARTICLE 3 UNDERGRADUATE MEDICAL EDUCATION

- 3.1 **UMMS Campus; Accreditation.** The UMMS St. Cloud Campus will be a campus of UMMS and part of the University. While collaborating with CentraCare as described herein, the University will retain authority and responsibility over all traditional matters of academic administration, which includes the establishment of standards and requirements for student admission, development of the curriculum, standards for faculty appointment and advancement, and requirements for student matriculation, advancement, financial aid, conduct, grading and graduation. CentraCare agrees to cooperate with the University, and to make changes to this Agreement and otherwise take reasonable action, to ensure UMMS, in its operations of the UMMS St. Cloud Campus, initially and continually satisfies all requirements for accreditation, including but not limited to requirements of the Liaison Committee on Medical Education (“LCME”). During the term of this Agreement, CentraCare will identify a representative, who shall at all times be acceptable to the University, to serve on the UMMS Medical School Education Committee (MSEC).

- 3.2 **Commencement of Instruction; Class Size.** The Parties agree to work collaboratively toward the commencement of undergraduate medical education (“UME”) instruction at the UMMS St. Cloud Campus by August 2025. The Parties estimate a total UME enrollment for the UMMS St. Cloud Campus of 96 students at maturity (targeted in 2028). The Parties, through the Oversight Committee, shall create a strategic plan to determine UME class sizes for the UMMS St. Cloud Campus, based on the availability of faculty and preceptors and other relevant factors, including but not limited to, additional resources from CentraCare or other sources to support an increase in administrative and curricular functions. Increases or decreases in UME class sizes must adhere to LCME requirements, and if such increases or decreases are more than ten percent (10%), approval of both Parties shall be required prior to implementation.
- 3.3 **Tuition and Fees.** Tuition and fees for medical education and other clinical and professional degree programs of the University, including at the UMMS St. Cloud Campus, shall be set by the University and shall be retained by the University. Tuition and fees received by the University from or on behalf of medical students at the UMMS St. Cloud Campus shall be fairly allocated by the University as revenue for the UMMS St. Cloud Campus.
- 3.4 **UMMS Responsibilities and Authorities.**
- 3.4.1 UMMS will have authority over the standards for selection of students, curriculum, grading and student evaluation, and other core components of the academic program.
- 3.4.2 UMMS will be responsible for the appointment and, in consultation with CentraCare, the assignment of faculty to the UMMS St. Cloud Campus UME program, and accountability for such roles will rest with the UMMS Dean. UMMS will make available faculty development training to such individuals.
- 3.4.3 UMMS will have overall responsibility for developing and supervising the design, delivery, quality and curriculum of the medical education program and for ensuring its effective implementation.
- 3.4.4 UMMS will provide CentraCare with educational objectives and evaluation forms for each clinical education assignment.
- 3.4.5 UMMS will manage student registration, scholarship fund administration, and tuition collection. CentraCare, in collaboration with UMMS, will administer scholarship funds from CentraCare philanthropic sources in alignment with mutually agreed to principles and process.

3.5 **CentraCare Responsibilities and Authorities.**

- 3.5.1 CentraCare and CentraCare affiliates will have and maintain the same level of authority and autonomy as expressed in their governing documents throughout this Agreement.
- 3.5.2 CentraCare will identify physicians affiliated with CentraCare who would be eligible pursuant to UMMS policies to serve as UMMS faculty for the UMMS St. Cloud Campus, as well as other needed instructors, in the numbers, for the courses, and with the credentials necessary for the educational needs of UME students at the UMMS St. Cloud Campus. Unless otherwise determined on an individual basis from time to time by the University:
- (a) Faculty for the teaching of basic science courses will be provided by UMMS or will be fulfilled by professors from local colleges under the direction of UMMS departments;
- (b) Faculty for medical school clinical training will be provided by CentraCare, with augmentation by UMMS providers over time upon agreement of the University.
- 3.5.3 CentraCare will be responsible for providing access to its hospitals, facilities and technology for training experiences necessary for medical students at the UMMS St. Cloud Campus or other CentraCare facilities or agree to utilize UMMS's other campuses or affiliates if such access were to be in development, or if temporarily or permanently unavailable. The Parties be, throughout the term of this Agreement, parties to an agreement of institutional and program affiliation, in the form acceptable to the University. Currently, the Parties are parties to that certain Master Agreement of Institutional and Program Affiliation (the "Master AIPA") dated January 1, 2021. If necessary, the Parties agree to amend the Master AIPA to ensure students at the UMMS St. Cloud Campus are covered under the Master AIPA, with any amendments to the Master AIPA that may be necessary to ensure there is no conflict with this Agreement. In the event of any conflicts between the terms of the Master AIPA and this Agreement, this Agreement shall govern.
- 3.5.4 CentraCare shall use commercially reasonable efforts to increase the number of teaching opportunities to ensure that clerkships and electives are available for UMMS medical students.

3.6 **Joint Responsibilities.**

- 3.6.1 The Parties will have responsibility, and will work out effective means, to ensure a positive learning environment for the development of appropriate skills and

professionalism in students.

- 3.6.2 The Parties will ensure that students have access to sufficient resources (facilities, support services, access to medical library or online resources) for an effective learning environment, in accordance with applicable accreditation standards.
- 3.6.3 The Parties will cooperate in the planning, coordination and evaluation of all student clinical education assignments and sites, including determining the number of students to be assigned to particular hospital facilities and ambulatory care sites for clinical educational experiences.
- 3.6.4 Neither Party shall discriminate against any student on the basis of a protected class under state or federal law.
- 3.6.5 The Parties shall work together to ensure the UMMS St. Cloud Campus will comply with all LCME requirements. While the University has ultimate responsibility for compliance with LCME requirements, CentraCare agrees that it will take all necessary action within its power to assist the University in achieving and maintaining LCME compliance, both during the application process for the UMMS St. Cloud Campus and continuously during the term of this Agreement.

ARTICLE 4

MEDICAL RESIDENCY AND FELLOWSHIP TRAINING

- 4.1 **CentraCare Based Residencies and Fellowships.** CentraCare agrees to grow the number of medical residencies and fellowships connected to CentraCare and sponsored by the University. The Parties will work collaboratively to identify opportunities for growth. The CentraCare Based Residencies and Fellowships have an initial target of 55 residents at maturity (targeted in 2038) including, but not limited to, family medicine (legacy and additional slots), family medicine – rural track, pediatrics, mental health, and surgery residents. This expansion of residency/fellowship slots will be dependent on added ongoing funding to sustain such slots. Clinical training for CentraCare Based Residencies and Fellowships will occur at CentraCare facilities and, as needed, other hospitals or medical facilities already affiliated with UMMS in Minnesota.
- 4.2 **Accreditation.** CentraCare agrees to cooperate with the University, and to make changes to this Agreement and otherwise take necessary action, to ensure the CentraCare Based Residencies and Fellowships initially and continually satisfy all requirements for accreditation, including but not limited to requirements of the Accreditation Council for Graduate Medical Education (“ACGME”).
- 4.3 **AIPA.** The Parties will enter into one or more Agreements for Institutional and Program Affiliation, or a Master Agreement, covering all CentraCare Based Residencies and

Fellowships, with the University and CentraCare's rights and responsibilities set forth therein. Such agreement(s) must meet all ACGME requirements, including, where required, having a program letter of agreement. Such agreement(s) will set forth CentraCare financial obligations to the UMMS for the University's sponsorship of the CentraCare Based Residencies and Fellowships.

4.4 **UMMS Responsibilities and Authorities.** Without limiting rights and responsibilities of UMMS under the agreement(s) referenced in Section 4.3:

4.4.1 UMMS will act as the sponsoring institution and shall have authority over all components of the academic program for CentraCare Based Residencies and Fellowships.

4.4.2 UMMS will maintain ACGME institutional accreditation.

4.4.3 The UMMS Designated Institutional Official (DIO), will collaborate with the Graduate Medical Education Committee (GMEC), and will have authority and responsibility for the oversight and administration of all ACGME-accredited and non-ACGME accredited programs and ensure compliance with the ACGME Institutional, Common, Specialty-/subspecialty-specific Program, and Recognition Requirements.

4.5 **CentraCare Responsibilities and Authorities.** Without limiting rights and responsibilities of CentraCare under the agreement(s) referenced in Section 4.3:

4.5.1 CentraCare will provide preceptors for CentraCare Based Residencies and Fellowships, as augmented by UMMS providers as agreed to by the University.

4.5.2 CentraCare will provide non-faculty administrative support staff for CentraCare Based Residencies and Fellowships.

4.5.3 CentraCare will seek to maximize the level of direct GME payments (GME), indirect medical education payments (IME), and medical education and research costs (MERC) funding in support of the residency and fellowship programs and contribute proportionally to the costs of reporting requirements for GME and MERC reporting.

4.5.4 CentraCare will work to ensure residents have access to facilities and other clinical resources necessary for their training or cooperate with other facilities already affiliated with UMMS to ensure the same resources necessary.

4.5.5 A CentraCare representative will be provided an opportunity to serve on the Graduate Medical Education Committee (GMEC).

4.6 **Joint Responsibilities.**

- 4.6.1 The Parties will have responsibility, and will work out effective means, to ensure a positive learning environment for the development of appropriate skills and professionalism in residents.
- 4.6.2 The Parties will ensure that residents and fellows have access to sufficient resources (facilities, support services, access to medical library or online resources) for an effective learning environment, in accordance with applicable accreditation standards.
- 4.6.3 The Parties will cooperate in the planning, coordination and evaluation of all resident and fellow clinical education assignments and sites, including determining the number of residents and fellows to be assigned to particular hospital facilities and ambulatory care sites for clinical educational experiences.
- 4.6.4 Neither Party shall discriminate against any resident or fellow on the basis of a protected class under state or federal law.
- 4.6.5 The Parties shall work together to ensure the CentraCare Based Residencies and Fellowships will comply with all ACGME requirements. While the University has ultimate responsibility for compliance with ACGME requirements, CentraCare agrees that it will take all necessary action within its power to assist the University in achieving and maintaining ACGME compliance during the term of this Agreement.

**ARTICLE 5
CLINICAL AND MEDICAL RESEARCH**

- 5.1 The Parties will collaborate to leverage the University research infrastructure to advance access to clinical trials and expand rural health focused research through the Affiliation. All National Institutes of Health and other external funding applications for such research will be submitted through the University and attributed to UMMS for all purposes, including Blue Ridge Institute for Medical Research purposes.
- 5.2 Goals of the Affiliation for clinical and medical research are to expand access to University clinical trials to patients within CentraCare, to create research opportunities for CentraCare physicians, to provide research opportunities for students and residents, and to create rural community engagement around clinical and medical research.
- 5.3 The Parties will enter into separate agreements as appropriate for specific research initiatives for the Affiliation.

- 5.4 A Research Subcommittee of the Oversight Committee will be established to provide ongoing oversight and strategy for Affiliation research matters.

ARTICLE 6 CLINICAL CARE

The Parties recognize that clinical services provided to CentraCare patients are through arrangements between CentraCare and UMMS's faculty practice plan, University of Minnesota Physicians, which is separate from the University and UMMS and outside the scope of this Agreement. The Parties recognize that faculty providing clinical services also engage in the University's academic mission (teaching and research) and CentraCare will use good faith efforts to ensure that faculty hired for the UMMS St. Cloud Campus are granted necessary privileges at CentraCare hospitals in an efficient and timely manner to support the academic activities of such faculty as they intersect with their clinical services.

ARTICLE 7 SOURCES OF SUPPORT

- 7.1 Direct and indirect income and expenses (including capital expenditures) will benefit and will be borne by the Party earning or incurring the same, without allocation or other sharing with the other Party except as mutually agreed to and specified in this Agreement or a Related Agreement. Nothing in this Article changes CentraCare's obligations to fund all deficiencies of the Affiliation as set forth in Section 1.3.
- 7.2 It is anticipated by the Parties that Affiliation activities will result in net negative cash flow (i.e., a deficiency). The Parties will pursue outside funding sources to minimize such losses, including the following. Whether pursued independently or jointly, each Party will keep the Oversight Committee and the other Party informed regarding such activities.
- 7.2.1 The Parties will jointly approach the State of Minnesota to pursue state funding opportunities.
- 7.2.2 The Parties may independently or jointly pursue grant funding opportunities.
- 7.2.3 Each Party will utilize its respective philanthropic fundraising infrastructure to raise funds for Affiliation activities. While philanthropic fundraising activities will primarily be undertaken by each of the Party's independently, the Parties will evaluate the potential to jointly pursue appropriate fundraising initiatives. Any agreements regarding fundraising, including naming rights arising out of a Party's fundraising activities, will be set forth in a separate written agreement between the Parties or their authorized fundraising organizations.

- 7.3 Any debt issued to finance Affiliation activities will be a liability of the Party issuing the debt without obligation of the other Party.

ARTICLE 8 BRANDING

8.1 **No Use of Other Party Name or Logo.** Neither Party shall use the name or logo of the other Party, or otherwise hold itself out in a manner that attaches its name to the other Party's operations, without the prior, written consent of the other Party.

8.2 **Branding Agreement.** The Parties will enter into a separate Branding Agreement, which shall be a Related Agreement, regarding branding for the Affiliation and Affiliation activities, including the UMMS St. Cloud Campus.

ARTICLE 9 GOVERNING BODIES

9.1 **Independent Governing Bodies.** The Parties recognize that they each are, and will continue to be, governed by separate governing bodies (the University by the Board of Regents and CentraCare by the CentraCare Board of Directors), and that nothing in this Agreement modifies the rights and responsibilities of those governing bodies.

9.2 **University Authority.** Nothing in this Agreement is intended to or shall be interpreted to alter or reduce the ultimate authorities of the Board of Regents, University executive leadership, or faculty bodies over traditional matters of academic governance, such as, but not limited to standards for admission and evaluation of students or trainees, curriculum, compliance with accreditation requirements, standards for appointment, advancement and conduct of faculty, scientific integrity and the conduct of research, technology transfer and commercialization of research arising from faculty/student/trainee efforts, and Faculty Code and faculty rights.

9.3 **CentraCare Authority.** Nothing in this Agreement is intended to or shall be interpreted to alter or reduce the ultimate authorities of the CentraCare Board of Directors or its affiliated subsidiaries and their governing bodies, its executive leadership over traditional matters of health system governance, such as, but not limited to finance, information technology, human resources, audit, compliance, risk assumption and related health care operations of CentraCare.

9.4 **Retention of Authorities.** Each Party retains sole and ultimate authority over its assets, facilities, finances, operations, personnel, governance and mission.

ARTICLE 10 TERM AND TERMINATION

- 10.1 **Term.** The initial term of this Agreement shall commence on the date that this Agreement is fully executed by the Parties and shall continue through [June 30, 2033] (the “Initial Term”). Unless terminated pursuant to Section 10.2, following the Initial Term, this Agreement shall automatically renew for additional terms (each a “Renewal Term”) of three (3) years each.
- 10.2 **Termination.** This Agreement may be terminated as follows; provided that any termination shall be subject to the Unwind Period set forth in Section 10.3:
- 10.2.1 By a mutual written agreement executed by the Parties.
- 10.2.2 Upon at least twenty-four (24) months’ prior written notice from one Party to the other Party that the Party is electing not to renew the Agreement following the end of the then current Initial Term or Renewal Term, as applicable.
- 10.2.3 By the non-breaching Party in the event of a Major Breach by a Party which remains uncured and is not resolved via the dispute resolution process described in Article 11. Major Breach shall mean a failure or deficiency of performance or breach of obligations by a Party that is not duly cured and that causes (a) harm to a Party exceeding \$500,000; (b) material, ongoing harm to the Party’s reputation; or (c) material, ongoing harm to a Party’s operations or performance.
- 10.2.4 At the election of the Party not involved in a Change of Control, in the event of a Change of Control of another Party. For these purposes, “Change of Control” shall mean a change in the person or entity that has effective ownership or control of such other Party, and shall include, but not be limited to (a) merger or consolidation of a Party with or into another corporation or entity; (b) sale or other disposition of all or substantially all the assets of such Party (in one transaction or a series of transactions); (c) the transfer or grant of any membership interest in that Party to a third party; (d) addition of new or additional members to the Party; (e) action to liquidate or dissolve the Party; (f) substantial change in the composition of the Party’s governing Board or the person(s) having the authority to appoint voting members of the Party’s governing Board (except through ordinary turnover of individuals as provided in the Bylaws); or (g) any other transaction resulting in one or more persons or entities obtaining material voting, approval, veto or other governance rights over the actions or activities of such Party, or a material financial interest in such Party (except consideration for tax-exempt or taxable financing or other customary financing activities conducted in the ordinary course of business and consistent with the Party’s past practice,) whether or not such person is designated as a “member,” or is considered a “member “under applicable law.

- 10.3 **Unwind Period.** The Parties agree to cooperate to ensure that a termination of this Agreement is the least disruptive as reasonably possible to students at the UMMS St. Cloud Campus and to residents in CentraCare Based Residencies and Fellowships. If the Agreement is terminated under Section 10.2 of this Agreement, the Parties shall unwind the Affiliation over time, in a manner that allows all medical students enrolled in or admitted at the UMMS St. Cloud Campus to graduate pursuant to the standard matriculation period and for all CentraCare Based Residencies and Fellowships to complete their residency program (the “Unwind Period”). During the Unwind Period, the Parties shall continue to operate under the terms of this Agreement and the Related Agreements until the expiration of the Unwind Period, unless otherwise agreed by the Parties. Unless the University plans to continue operations of a UMMS St. Cloud Campus following the Unwind Period, no additional medical students will be enrolled to the UMMS St. Cloud Campus. In addition, the Parties will determine whether to continue, modify or terminate the CentraCare Based Residencies and Fellowships following the Unwind Period. During the Unwind Period, the Parties shall collaborate to reduce the operational impact and clinical disruption of services to the Parties of the unwinding of this Agreement and Related Agreements. Notwithstanding anything to the contrary herein, the University shall have the sole right to continue operations of a UMMS St. Cloud Campus following the Unwind Period; provided that if the University wishes to use facilities and resources of CentraCare in the University’s continued operation of the UMMS St. Cloud Campus, new agreements will need to be negotiated between the Parties for the University’s post-Affiliation use of CentraCare facilities and resources.
- 10.4 **Effect of Termination on Related Agreements; Termination Not Exclusive Remedy.** At the end of the Unwind Period set forth in Section 10.3, unless otherwise agreed in writing by the Parties, all Related Agreements that do not cover ongoing relationships between the Parties shall also terminate. The right of a Party to terminate this Agreement or any Related Agreement shall be in addition to any other rights or remedies of such Party, including seeking damages or specific performance, under this Agreement or a Related Agreement.

ARTICLE 11 DISPUTE RESOLUTION

- 11.1 **Scope of Obligation.** In the event of any dispute between the Parties arising from or relating to this Agreement or any of the Related Agreements (a “Dispute”), a Party shall pursue the dispute resolution process set forth below.
- 11.2 **Definition of Dispute** The Parties agree that Disputes are divided into two categories: Payment Disputes and Other Disputes.

11.2.1 A “Payment Dispute” is any disagreement between Parties as to the amount or timing or method of calculating payments due from one Party to another under this Agreement or a Related Agreement.

11.2.2 An “Other Dispute” is any dispute that is not a Payment Dispute and is (a) any material disagreement regarding a Party’s obligations under this Agreement or a Related Agreement, (b) any asserted claim that a Party has breached or not performed to any material extent as required by this Agreement or a Related Agreement, (c) an asserted claim that there has been a material, long-term failure to implement an important provision of this Agreement or a Related Agreement, or (d) a good faith claim that any material term of this Agreement or a Related Agreement has become materially unlawful.

11.3 **Progression of Disputes.** The process for addressing/resolving those Disputes is as follows:

11.3.1 **Informal Resolution.** The Parties desire to avoid Disputes or if a Dispute arises to resolve such Dispute in a collegial manner. The Parties will first attempt to resolve a matter that may become or has become a Dispute between the CentraCare CEO and the UMMS Dean. If the matter cannot be resolved at the CentraCare CEO/UMMS Dean level, the Parties will submit the matter to the CentraCare Board Chair and the University President for possible resolution.

11.3.2 **Special Master For Payment Disputes.**

- a. If the process of informal discussions and escalations as contemplated under Section 11.3.1 is unsuccessful in solving a Payment Dispute, a Party may submit the Payment Dispute to a Special Master, by written notice to the other Party. The Parties shall select the Special Master unanimously. The Special Master shall be a person with expertise with academic health care and integrated delivery systems, and shall be or become knowledgeable about the Parties’ relationships under this Agreement. If the Parties are unable to agree upon the selection of a Special Master within ten (10) business days after notice of escalation from a Party, then each of them shall select an individual with appropriate expertise and these individuals will select the Special Master (without instruction as to individuals from the Parties).
- b. Each Party shall submit a written summary of the Payment Dispute, and the general nature of the payment solution sought, and provide it to the Special Master as soon as he/she is selected. The Special Master shall have the authority to require Parties to produce and share among themselves and with him/her relevant non-privileged documents. The Special Master shall meet with the Parties as soon as feasible, and as often as needed, but ideally the first meeting should take place no more than ten (10) business days after the Special Master is selected. The Special Master shall seek to decide the matter within thirty (30) days after submission, or as soon thereafter as the Special Master deems feasible. The Special Master shall undertake to mediate and

resolve in a mutually acceptable way those Payment Disputes that prove amenable to such resolution, but he/she shall have the authority to accept one or another Party's payment proposals, or to devise a new payment solution, and to determine the matter whether or not the payment solution is acceptable in whole or in part to one or another party or to no Party. The Special Master shall endeavor to the maximum extent possible to adhere to and implement the terms of this Agreement and the Related Agreements. The Special Master shall not reform this Agreement or the Related Agreements. The Special Master shall issue a written decision on the payment dispute, which shall be reviewed with the parties in draft form, and upon which they will be permitted to comment, within whatever reasonable time period the Special Master determines. The Special Master decision may initiate payment remedies that would be a binding and legal order of payment as well as any additional collateral remedies required to ensure the Parties can be saved from the same or similar disputes in the future.

- c. After considering the Parties' comments, the Special Master shall issue and send the Parties a final decision on the Payment Dispute, and which the Parties hereby agree to implement promptly and in good faith, subject only to Section 9.3.5 below.
- d. The costs of the Special Master shall be borne equally by the Parties. The Special Master costs shall not include any staff, counsel, accounting or other costs of the Parties themselves, but only the costs of the Special Master services.

11.3.3 Mediation Process for Other Disputes.

- a. If the process of informal discussions and escalations as contemplated under Section 11.3.1 is unsuccessful in solving an Other Dispute, the Parties shall submit such Other Dispute to a mediator for non-binding mediation. The mediator shall be an individual with mediation training and experience, and shall either be (i) a member of the health care consulting department of an independent, certified accounting firm of recognized national standing, (ii) a member of the health law department of a national law firm of recognized national standing in health care, or (iii) a member of a nationally recognized health care consulting firm. The Parties shall select the mediator, who shall be the sole mediator of the dispute. The cost of mediation will be borne equally by the Parties. If the Parties cannot agree upon a mediator, each will select a mediator, and the two selected mediator shall select the Mediator to handle the mediation under the Section.
- b. The mediation will be conducted and concluded within 30 days after the Parties' receipt of written notice of mediation, unless such 30 day period is extended by the mutual written agreement of the Parties involved. The Mediator shall have the authority to require Parties to produce and share among themselves and with him/her relevant non-privileged documents. The Mediator shall meet with the Parties as soon as feasible, and as often as

needed, but ideally the first meeting should take place no more than ten (10) business days after the Mediator is selected.

- c. The Mediator shall endeavor to the maximum extent possible to adhere to and implement the terms of this Agreement and the Related Agreements.
- d. The costs of the Mediator shall be borne equally by the Parties. The Mediator costs shall not include any staff, counsel, accounting or other costs of the Parties themselves, but only the costs of the Mediator's services.

11.3.4 **Resort to Court Action.** Any Party may commence an action in a court of competent jurisdiction to appeal or modify the Special Master decision or if the Parties are unsuccessful in mediation, but the Parties agree that with respect to a Special Master decision, neither of them will do so unless a Party in good faith concludes that the decision was materially in error and would impose material costs, risks, loss of functionality or harm to reputation to such Party contrary to the terms of this Agreement or a Related Agreement. It is the Parties' intent and agreement that in any court action that is an appeal related to a Special Master decision: (a) the court shall give substantial deference to the Special Master's expertise and findings and conclusions as to factual matters; and (b) the court shall reverse, supplant, modify or supplement the terms of the Special Master decision only if the court concludes that it was (i) manifestly in error as to material facts, (ii) unlawful, or (iii) manifestly unjust, given the intent and terms of this Agreement or the Related Agreements.

11.3.5 **Equitable Remedies Preserved.** Any Party may for good cause seek injunctive or other equitable relief in a court of competent jurisdiction, in accordance with principles of law and equity, to prevent or cure imminent harm, and any such relief as may be granted shall be subject to appeal on through courts having jurisdiction thereof.

ARTICLE 12 LEGAL PROVISIONS

12.1 **Authority and No Conflict.** Each Party hereto represents and warrants to the others that (a) it has all due corporate authority to enter into and perform this Agreement (including the Related Agreements) and such has been approved by all necessary corporate action; (b) the entering into and due performance by it of this Agreement (including the Related Agreements) does not violate its Articles or Bylaws, or any law or regulation to which it is subject, or any contract or legally binding agreement or obligation of such Party; (c) the entering into and due performance of this Agreement (including the Related Agreements) does not require the approval of any governmental entity or third party, which has not been obtained; and (d) the person who executes this Agreement on its behalf is duly authorized to do so.

12.2 **Independent Contractors.** The Parties hereto are at all times acting as independent contractors to one another. Nothing herein (or in any Related Agreement) shall be construed to make or render a Party or any of its officers, directors, employees or agents,

the employee or agent or joint venture of any other Party, for any purpose whatsoever, including without limitation rights to compensation or employee benefits of such other Party. In addition, unless this Agreement (or the applicable Related Agreement) specifically so provides, nothing herein shall be deemed to grant a Party (or its officers, directors, employees or agents) the right to incur contractual obligations, or to act on behalf of, or to incur any legal obligation for another Party.

- 12.3 **Access to Books and Records.** In accordance with 42 U.S.C. Section 1395X(v)(1)(I) and 42 C.F.R. Sections 420.300-420.304, each Party agrees that it shall retain, and for four (4) years after services are furnished, allow the Comptroller General of the United States, the U.S. Department of Health and Human Services and their duly authorized representatives to have access to such books, documents and records of the Party as are necessary to verify the cost of services provided to the other Party pursuant to this Agreement and the Parties agree that if any of the work provided under this Agreement and related contracts for any twelve (12) month period is performed by a subcontractor at a cost or with a value of Ten Thousand Dollars (\$10,000) or more, the subcontracting party shall require that any such subcontractor sign a statement or agreement similar to this reconciliation clause whereby the subcontractor agrees to make its books and records available for such four (4) year time period. In the event of a request for access, the requested Party agrees to notify the other Parties immediately and to consult with the other Parties regarding what response will be made to the request.
- 12.4 **Legal Responsibility.** Each Party shall be responsible to the full extent of applicable law for (a) its representations, warranties and covenants therein or (b) any breach or violation or default or failure of performance of such Agreement by it or its officers, directors, employees, agents or representatives, or other persons for whose conduct it is responsible under law in the applicable circumstances (“Party Personnel”).
- 12.5 **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Facsimile or other electronically scanned and transmitted signatures, including by email attachment, shall be deemed originals for all purposes of this Agreement.
- 12.6 **Further Assurances and Cooperation.** Each Party hereto shall execute, acknowledge and deliver any and all other consents, approvals, assurances, documents and instruments as reasonably requested by another Party hereto and shall take any and all other actions as reasonably requested by such Party as do not enlarge the obligations of any Party but are necessary to comply with applicable law, accreditations or otherwise effectuate fully the terms of the Related Agreements.
- 12.7 **Choice of Law.** This Agreement and each Related Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to conflict of laws principles.
- 12.8 **Benefit/Assignment.** This Agreement shall inure to the benefit of and be binding upon only the Parties and their successors and permitted assigns. No other person or Party (including without limitation any faculty member, employee or vendor) shall be entitled to

assert a claim thereunder as third party beneficiary or otherwise. No Party may assign this Agreement without the prior written consent of the other Party (which may be granted, denied or conditioned in its sole discretion), and any such purported assignment that is not consented to shall be void. In the event of a Change of Control of a Party (as defined in Section 10.2.4) the other Party may terminate as of the effective date of the Change of Control, provided that the Unwind Period shall apply.

- 12.9 **Exchange of Information**. The Parties agree to exchange any information as may be appropriately and lawfully requested by another Party and required for compliance with any applicable federal, state or local statute or regulations related to this Agreement. The Parties will exchange such information within a reasonable period after a request for such information is made.
- 12.10 **Survival**. The covenants and provisions contained in Sections _____ shall survive the termination of this Agreement.
- 12.11 **Waiver of Breach**. No waiver by a Party of any provision of this Agreement (including any representation, warranty, covenant or agreement), or of any default or breach, whether such waiver is intentional or not, shall be valid unless the same shall be in writing and signed by an authorized representative of the party making such waiver. The failure of a Party promptly to enforce this Agreement or any Related Agreement in the event of breach by another Party, or the waiver by any Party of a breach or violation, shall not operate as, or be construed to constitute, a waiver of any subsequent breach of the same or any other provision thereof.
- 12.12 **Notice**. Any notice, demand, or communication required, permitted, or desired to be given hereunder must be in writing and shall be deemed effectively given to another Party on the earliest of the date (a) of delivery when personally delivered, (b) when delivered by e-mail or facsimile and either confirmation of delivery or a copy of such e-mail or facsimile sent for delivery on the first business day following transmission by nationally recognized overnight courier service for next day delivery, (c) three (3) business days after such notice is sent by registered U.S. mail, return receipt requested, and (d) one (1) business day after delivery of such notice into the custody and control of a nationally recognized overnight courier service for next day delivery; in each case to the appropriate address below:

If to University at:

Attn: UMMS Dean of the Medical School
420 Delaware Street SE
Minneapolis MN 55454

If to CentraCare at:

Attn: CEO
[Address]

or to such other address or addresses, and to the attention of such other person(s) or officer(s), as a Party may designate in writing.

- 12.13 **Severability.** If either (a) a court of competent jurisdiction holds that any material provision or requirement of this Agreement or any Related Agreement violates any applicable legal requirement; or (b) a government entity with jurisdiction definitively advises the Parties that a feature or provision of this Agreement violates law over which such government entity has jurisdiction, then each such provision, feature or requirement shall be fully severable and: (1) this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof; (2) the remaining provisions hereof that reasonably can be given effect apart from the invalidated provision shall remain in full force and effect and shall not be affected by the severable provision; and (3) the Parties shall in good faith negotiate and substitute a provision as similar to such severable provision as may be possible and still be legal, valid and enforceable.
- 12.14 **Divisions and Headings.** The divisions of this Agreement into sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions thereof.
- 12.15 **Entire Agreement/Amendment.** This Agreement and any Related Agreements constitute the entire agreement among the Parties regarding the matters addressed therein. As among the Parties, no oral statements or prior written material relating to the subject matter of this Agreement and not specifically incorporated or referenced therein shall be of any force and effect. This Agreement may be amended only by a written document stated explicitly to be such an amendment and signed by authorized representatives of both Parties.
- 12.16 **Interpretation.** Unless the context of this Agreement otherwise clearly requires: (a) references to the plural include the singular, and references to the singular include the plural, (b) references to any gender include the other genders, (c) the words “include,” “includes” and “including” do not limit the preceding terms or words and shall be deemed to be followed by the words “without limitation”, (d) the term “or” means “and/or”, (e) the terms “hereof”, “herein”, “hereunder”, “hereto” and similar terms refer to the Collaboration Related Agreements as a whole and not to any particular provision thereof, and (f) the terms “day” and “days” mean and refer to calendar day(s).
- 12.17 **Force Majeure.** A Party shall not be deemed in breach or default of its obligations under this Agreement or a Related Agreement to the extent, but only to the extent, that its performance or compliance is rendered impossible or infeasible due to events (such as labor strikes, storms, interruption of utilities, civil disturbance or acts of God) that are truly beyond its control given diligent and reasonable effort; provided that (a) during the period of such Force Majeure, it shall nevertheless continue to perform to the extent that is feasible, and (b) it shall return to full performance as soon as reasonably feasible after the subsiding of such Force Majeure.
- 12.18 **Compliance with Law and Accreditation.** In all functions subject to this Agreement (or any Related Agreements), each Party shall comply with applicable law and accreditation requirements. The Parties shall consult and cooperate with one another to a reasonable extent in order to achieve and ensure compliance with law and accreditation requirements with respect to their shared activities subject to this Agreement. This duty shall not,

however, make any Party responsible or liable for the compliance obligations of another party, or reduce the obligations of compliance that a Party has for its own conduct under applicable law or governmental or accreditation requirements.

12.19 **Responsibility for Payment of Taxes.** The Parties will not treat the other Party's officers, agents or employees as an employee for any reason, including but not limited to the Federal Unemployment Tax Act, the Social Security Act, the Workers Compensation Act, and any federal or state income tax laws or regulations mandating the withholding of income taxes at the source of compensation payment. Each Party will be solely responsible for payment of all applicable federal and state income taxes with respect to their officers, agents and employees.

12.20 **Fees and Expenses.** Each Party is and will be solely responsible for all of its own fees, costs and other expenses in connection with the negotiation and preparation of this Agreement and Related Agreements.

SO AGREED:

Regents of the University of Minnesota

By: _____
Title: Interim President
Date: _____

By: _____
Title: Dean, Medical School and
Vice President of Clinical Affairs
Date: _____

CentraCare Health

By: _____
Title: President and Chief Executive Officer
Date: _____

RURAL HEALTH ACADEMIC PARTNERSHIP



Jakub Tolar, MD, PhD

Dean, Vice President for Clinical Affairs

Ken Holmen, MD

President and CEO, CentraCare

September 7, 2023

Purpose

A targeted Rx for rural health care

Proposal from the U and CentraCare for a new medical school campus in St. Cloud is a smart remedy for looming physician shortages.

By [Editorial Board](#) Star Tribune JANUARY 22, 2023 — 6:00PM

The Need:

- 20% of the US population live in rural areas
- 11% of physicians practice in rural areas
- 1/3 of rural MN physicians plan to leave the profession by 2027
- Over the past 10 years, fewer services have been available at rural hospitals

Fewer than 5% of medical students come from a rural background.

St. Cloud Campus - Goal

“Making Rural Life Healthier”

An opportunity to build on the successful legacy of creating rural physicians on the Duluth Campus

- Attract rural students committed to practicing in rural Minnesota
- Expand number of rural specialty providers
- Serve rural populations
- Create ecosystem for interprofessional education in the future
- Provide access and resources for research in the St. Cloud community



- Serving a diverse community of 900,000+ residents
- 9 hospitals (St. Cloud, Benson, Long Prairie, Melrose, Monticello, Paynesville, Redwood Falls, Sauk Centre, Willmar)
- 14 additional hospitals with MyCentraCare EMR
- 30+ clinics
- 2 outpatient surgery centers
- 11,000 employees and 1,000 volunteers
- Sites for RPAP and MetroPAP
- CentraCare St. Cloud Family Medicine Residency program (6 residents/year)
- MPhysicians Orthopedic training site

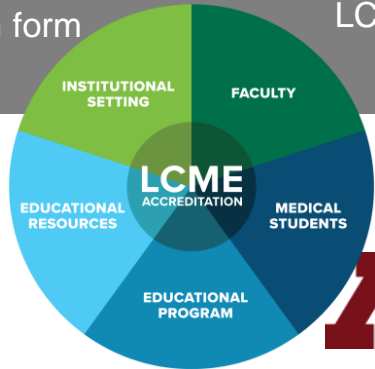
Timeline



<p>FEB 2023:</p> <p>Board of Regents approves pursuit of academic affiliation</p>	<p>2024:</p> <p>CentraCare clerkships rotations for Twin Cities M3/M4 students</p>	<p>2025:</p> <p>Launch of new residency program slots and specialties</p>	<p>2028:</p> <p>Medical School program maturity with total enrollment of 96 students</p>	<p>2029:</p> <p>First 4 year class graduates from University of Minnesota Medical School at CentraCare</p>
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<p>DEC 2023:</p> <p>LCME accreditation notification form</p>	<p>FEB 2024:</p> <p>LCME response</p>	<p>2025:</p> <p>Medical School opens with first class of M1 students</p>	<p>2025-2026:</p> <p>CentraCare achieves Academic Health Center designation</p>	<p>2038:</p> <p>Residency program reaches maturity with 55 total residents across 5 programs</p>
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MEDICAL SCHOOL | UNIVERSITY OF MINNESOTA



Momentum

Community Support

150+ businesses and associations expressed support for this effort.

Legislative Support

MN Legislature committed \$15 million toward development of the programs, facilities, and campus.



[This Photo](#) by Unknown Author is licensed under [CC BY-SA-NC](#)

Metrics

Goal: Class size: 24 incoming students each academic year

- Application rates
- St. Cloud campus graduates choosing rural residency and practice

Goal: Commensurate resident size

- Incremental growth to 55 total residents across five specialties
- GME and MERC funding

Goal: Significant philanthropic and community support

- Specific goals to be determined in scholarships, research and programmatic funding
- New partnerships with local business and industry

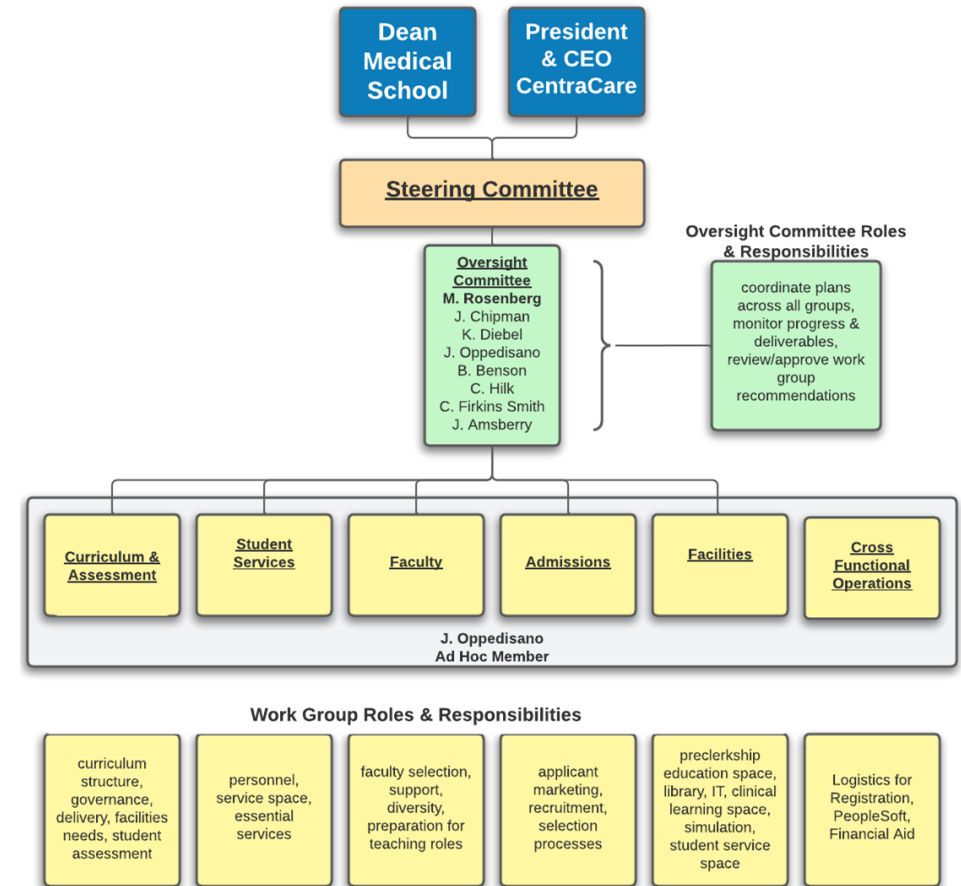
Goal: Increase research in rural medicine

- Clinical trial enrollment
- NIH and other grants

Development Efforts



St. Cloud Regional Campus Work Groups Organizational Structure & Function



* **Bold** = Committee/Workgroup Chair

Medical Education Center



CentraCare will repurpose a 60,000 sq ft administrative building adjacent to its Ambulatory Facility in St. Cloud

- This Medical Education Center will house the Medical School, Simulation Centers, team-based learning, and other educational initiatives
- Estimated cost of \$18 million



2 PLAN DIAGRAM - LEVEL 01
116' x 174'



Governance

- The Definitive Agreement proposes an **Oversight Committee** with the purpose of:
 - Creating strategic plans for the affiliation, aligned with CentraCare and UMMS strategies
 - Overseeing the funds flow model to incentivize aligned missions and goals
 - Defining areas of philanthropy for recommendation to the Dean and CEO
- The Oversight Committee will have equal membership
- Each organization retains current authority over matters necessary for accreditation, governance and other operational and business needs

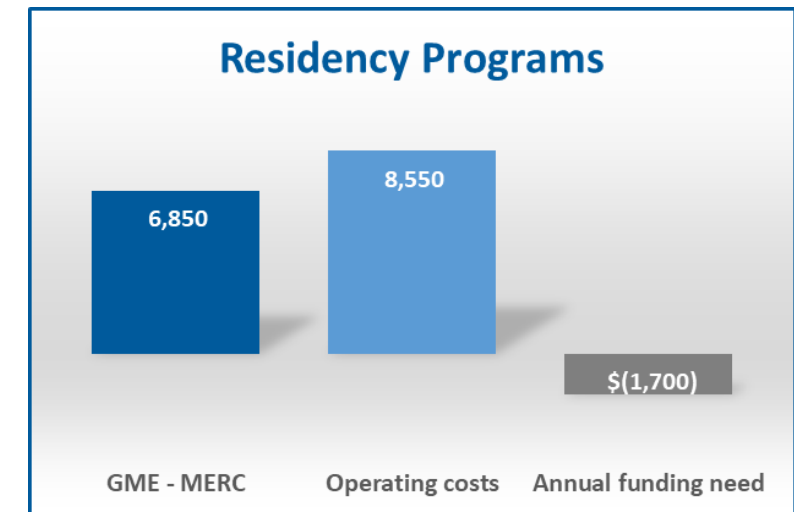
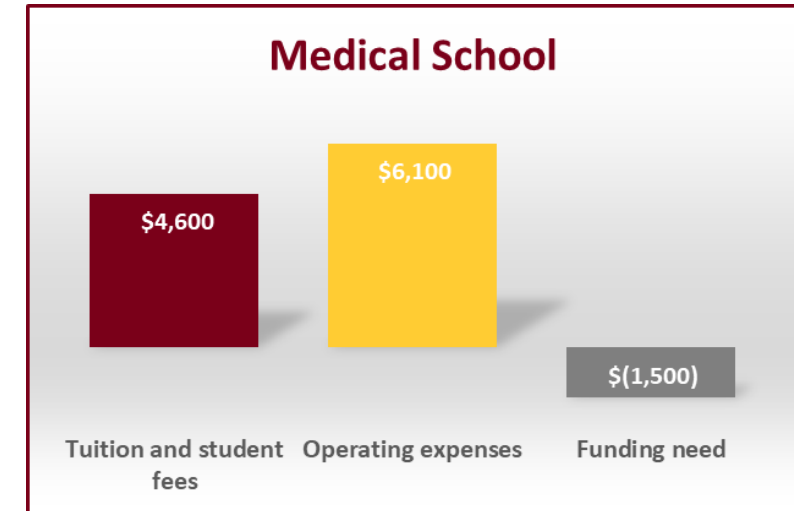
Finances

The **University of Minnesota Foundation** and **CentraCare Foundation** will create a joint fundraising campaign (individual & corporate)

CentraCare will fund the Residency Program and participate in Medical School funding

CentraCare is seeking federal grants and state funding for this rural health initiative:

- The creation of a **Medical Education Center**
- **Programmatic support** for the Medical School and Residency Program expansion
- A rural health focused **Research Institute**
- **Housing** for students, residents, faculty, staff, and community





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The University of Minnesota is an equal opportunity educator and employer.

