



University of Central Florida
Board of Trustees Meeting
September 13, 2016
Live Oak Center
Agenda

8:00 –10:00 a.m.

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|------|----------------|--------------|---|
| I. | Call to Order | | Marcos Marchena
Chairman, Board of Trustees |
| II. | Roll Call | | Rick Schell
Associate Corporate Secretary |
| III. | Public Comment | | Rick Schell |
| IV. | New Business | | Chairman Marchena |
| | BOT-1 | Ratification | Selection by UCF
Academic Health, Inc., of
a Partner for an Academic
Teaching Hospital |
| | | | Deborah German
Chair, UCF Academic
Health, Inc. |
| V. | Adjournment | | Chairman Marchena |

ITEM: BOT-1

BOARD OF TRUSTEES
University of Central Florida

SUBJECT: Selection by UCF Academic Health, Inc., of a Partner for an Academic Teaching Hospital at the UCF College of Medicine at the Lake Nona Health Sciences Campus

DATE: September 13, 2016

PROPOSED BOARD ACTION

Ratification of the selection by UCF Academic Health, Inc., for an academic teaching hospital at the UCF College of Medicine at the Lake Nona Health Sciences Campus.

BACKGROUND INFORMATION

On August 5, 2016, the Board of Trustees affirmed the plan of UCF Academic Health, Inc., to issue an Invitation to Negotiate (ITN) to seek a partnership with an experienced health system to build and operate an academic teaching hospital at the Lake Nona Health Sciences campus. Academic Health conducted an ITN process, received and evaluated three proposals, and has selected one of the three to become a partner to develop and operate an academic teaching hospital.

The partner selected by Academic Health must be approved by the Board of Trustees in order to proceed with the ongoing certificate of need and public-private partnership approval processes and to execute a definitive agreement.

The Summary of Criteria for Evaluating Proposals for Academic Teaching Hospital at Lake Nona, Attachment A, outlines factors considered in reviewing the proposals.

The UCF Academic Health Board Priority Elements for Comparison of Proposals, Attachment B, lists priority topics considered by the Academic Health Board in comparing the proposals.

Supporting documentation:

Attachment A: Summary of Criteria for Evaluating Proposals for Academic Teaching Hospital at Lake Nona

Attachment B: UCF Academic Health Board Priority Elements for Comparison of Proposals

Prepared by: Scott Cole, Vice President and General Counsel

Submitted by: Deborah German, M.D., Chair, UCF Academic Health, Inc.

Attachment A

**Summary of Criteria for Evaluating Proposals
for Academic Teaching Hospital at Lake Nona**

1. Qualifications, Experience, Capabilities

Considerations include:

- Experience and qualifications in planning, developing, funding, operating and managing hospitals
- Demonstrated quality and excellence in delivery of patient care
- Qualifications of key individuals who will be assigned to the project

2. Commitment to UCF's Educational and Community Mission

Considerations include:

- Commitment to and compatibility of proposal with UCF College of Medicine's educational mission
- Demonstrated commitment to serving Medicaid and other indigent patients

3. Structure and Governance

Considerations include:

- Proposed structure for hospital including UCF Academic Health's participation in ownership, governance, management, and medical leadership
- Approach for limiting financial risk to UCF Academic Health and providing return on investment to UCF Academic Health

4. Financial Considerations

Considerations include:

- Proposed approach for funding hospital, including proposed investment by UCF Academic Health
- Financial strength and stability of responder; ability to operate high quality services while ensuring financial sustainability
- Financial information and plan presented

5. Research and Innovation

Considerations include:

- Approach for and experience in pursuing new and emerging models of care and value-based payment
- Opportunities for research and innovation
- Commitment to clinical, population based and other research

Also considered were each Responder's strengths, weaknesses, and ability to successfully partner with Academic Health to develop and operate a UCF academic hospital on the UCF Health Sciences Campus in Lake Nona. Considerations included current and previous partnership experience with UCF College of Medicine, impact on other community partnerships, national and local reputation, due diligence results, and proposal strengths and weaknesses.

Attachment B

**UCF Academic Health Board
Priority Elements for Comparison of Proposals**

- Mission
- Leadership
- Governance/Board
- Ownership
- Financial Terms
- Payment Innovation
- Philanthropy
- Local and State Taxes
- Current Residencies
- Proposed Residencies
- Research
- Long-term Potential
- Market Competition and Partnership

Selection by UCF Academic Health, Inc. of a Partner for an Academic Teaching Hospital

September 13, 2016

Deborah C. German, M.D.
Chair, UCF Academic Health, Inc.



Today I Will Review:

1. Overview of Review process
2. Selected Partner
3. Criteria for Evaluation
4. UCF Academic Health Board's Priorities for Comparison of Proposals



Summary of Criteria for Evaluating Proposals for Academic Teaching Hospital at Lake Nona

1. Qualifications, Experience, Capabilities
2. Commitment to UCF's Educational and Community Mission
3. Structure and Governance
4. Financial Considerations
5. Research and Innovation



UCF Academic Health Board Comparison of HCA and FH on Priority Considerations

TOPIC	HCA	FH
Mission	secular	religious
Leadership	no constraints	CEO must be Adventist
Governance/Board	50%	33%, will consider 50%
Ownership	20% equity interest	none
Financial (30-year value)	\$972,761,684	\$770,183,456
Payment Innovation	expertise in value-based	largely volume-based
Philanthropy	UCF led	FH led
Local and State Taxes	\$900,000	none
Current Residencies	125	0
Proposed Residencies	580+	179+
Research	emphasis on academic partnerships; national database	emphasis on industry partnerships; regional portal proposed
Long-term Potential	likely clinical hub	likely satellite
Market Competition/ Partnership	provides another alternative	expands dominant health system