



OVERVIEW

Basic Steps to Establish a New Medical School

Establishing a new U.S. medical school requires obtaining accreditation from the national accrediting body for MD granting degree programs, the Liaison Committee on Medical Education (LCME), *prior* to accepting the first class of medical students. The actual accreditation process takes a minimum of one year and occurs after all pieces of the new program are in place, including administration, faculty, and facilities.

Additionally, the following steps are part of the Coordinating Board's approval process:

- Prepare a proposal for any new doctoral degree programs and administrative units (e.g., departments, schools, etc.) that addresses need, resources, and costs to the state
- Obtain Board of Regents approval of the new program(s) and administrative units
- Submit the approved proposal to the Coordinating Board
- Participate in a site-based review by external consultants hired by the Coordinating Board
- Obtain approval by the Coordinating Board at one of its quarterly board meetings
- Prepare and submit proposals related to new or existing renovated facilities
- Adhere to Coordinating Board rules related to the construction or acquisition of a building to establish the medical school.

Costs to Establish a New Medical School

The Coordinating Board staff estimates that the amount of general revenue needed to cover six-year start-up costs for a new medical school would be \$92 million for administration, faculty, and staff. Estimates were developed through review of current state commitments to existing Texas health-related institutions and other states' estimates to establish new medical schools. Estimates are based on 20 basic science and clinical faculty in 2010 with an entering class of 60 medical students in 2012 and 70 full-time basic science and clinical faculty. The medical school would be expected to reach its full capacity in 2014 with 240 students and 170 full-time equivalent faculty and staff.

Formula funding generated by a new medical school would total \$67 million in the first six years. This includes medical school formula funding of \$12.4 million generated by 240 medical students, \$1 million in formula funding generated by 90 full-time student equivalent (FTSE) allied health students, \$1 million generated by 55 public health students, and \$24 million generated by 492 medical residents.

However, cost to support faculty and administration in the first six years would exceed the formula income by an average of \$14.3 million annually. An additional \$2 million in general revenue would be required for operational costs, resulting in a need for on-going general revenue special item funding of \$16.3 million annually. Additional one-time costs of \$65 million would be required for facilities to accommodate additional

residency programs required for medical education. This assumes a building of 160,000 gross square feet, constructed and furnished at a cost of \$407 per square foot. When fully operational, annual general revenue obligations for a medical school would be at least \$168 million.

Table 2. Coordinating Board Estimate of Staffing Start-up Costs

Entering Class 60 Student Medical School

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Students	0	0	60	120	180
Faculty	20	35	70	80	90
Total Employees		30	50	70	80
Planning Staff	\$920,250	\$925,250	\$3,365,250	\$5,276,750	\$7,848,750
Additional Staffing	\$4,001,000	\$6,971,000	\$11,553,000	\$15,145,000	\$17,353,000
Subtotal	\$4,921,250	\$7,896,250	\$13,918,250	\$20,421,750	\$25,201,750

Five Year Salary Costs

Subtotal	\$72,359,250
Benefits @ (28%)	\$20,260,590
Total	\$92,619,840

These numbers were based on the development of the most recently established medical school in Texas, the Texas Tech University Health Sciences Center Paul L. Foster School of Medicine. Over ten years of committed work were required to get the school to the point of officially admitting students in the fall 2009.

Importance and Costs of Residency Training

Residency programs are required for the establishment of a medical school and serve as the foundation of medical students' clinical experiences. In order to establish a medical school, medical residencies in family medicine, internal medicine, general surgery, pediatrics, and obstetrics/gynecology are necessary.

Establishment and maintenance of new residency programs would cost approximately \$200,000 per resident. If general revenue funds were provided to support 25 percent of the operational costs of these programs, a general revenue commitment of \$24.6 million would be required in the first six years to initiate residency support programs in family medicine (12 residents), internal medicine (27 residents), general surgery (15 residents), pediatrics (28 residents), and obstetrics/gynecology (15 residents). Estimates of the number of residents to be trained are based on current national and state averages, with consideration given to minimum accreditation requirements and community population. In May 2007, 1,314 MD/DO degrees were awarded, and 1,481 first-year positions were filled.

If the state should choose to establish a new health science center with an accredited medical school, several steps must be taken to ensure all components are in place, such as the establishment of additional residency programs located in the region and outreach efforts to help area residents obtain health insurance.

Residency training programs provide medical schools with clinical facilities to provide required educational experiences for students. Residency programs are most often used to provide these clinical experiences for medical students. Additionally, residency programs in smaller communities have been linked to retention of physicians in areas nearby.

Alternatives to Establishing a New Medical Schools

The establishment of regional or branch campuses of existing medical schools may reduce the length of time to implement and help contain overall costs. In a February 2008 news brief, the Association of American Medical Colleges categorized the expansion of medical school enrollments at existing institutions as follows:

Table 1. Models of Expanding Class Size at Existing Medical Schools

Model	Description	Example from AAMC Study
"In Place"	Occurs at the existing academic campus and at nearby clinical facilities.	University School of Medicine increased class size from 160 to 175 using existing campus facilities.
Regional two-year campus	Occurs at a distance from the main site offers some of the medical curriculum to a portion of the class (primarily clinical education).	Arkansas for Medical Sciences established a clinical campus in Arkansas between 2009 and 2011.
Regional four-year campus	Offers all four years of medical education while operating under the umbrella of the educational institution at the main medical school campus.	Michigan State University College of Human Medicine established a new four-year medical program in Grand Rapids; this new program increased overall enrollment at the school from 100 to 200 by 2010.

Source: *Analysis in Brief, AAMC, February 2008, Volume 8, No.2.*

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