



April 20, 2020

The Honorable Marcy Kaptur
U.S. House of Representatives
2186 Rayburn House Office Building
Washington, DC 20515

Dear Congresswoman Kaptur,

I want to thank you for your continued support of The University of Toledo and your proactive efforts to help ensure the success of our academic and research missions, along with our community hospital, The University of Toledo Medical Center (UTMC).

In reading your letter to Governor DeWine, dated April 15, 2020, I found myself wishing that we had had the opportunity to discuss it before it was sent, however, I would like to take the opportunity now to clarify a few points that you raised.

First, please allow me to describe how UTMC and its operations fit into the organizational structure of the University. UTMC is an auxiliary operation of the University. As such, it is meant to be self-supporting. The hospital receives no state or federal funding for operations, like the University's academic enterprise. The hospital's budget is separate from the University (but rolls up to the University). Further, it is entirely separate from the College of Medicine and Life Sciences (which is an academic unit within the University structure, and therefore, receives state support). The hospital is also independent from any of the other colleges that are located on the UToledo Health Sciences Campus. However, when the hospital has a budget shortfall, the University is responsible and must find the funds to cover that shortfall.

As we have discussed with you on several occasions, the hospital is running a budget deficit which must be covered. Over the years, we have asked for assistance in partnering with other entities, such as the VA. CARES Act dollars are appreciated and helpful; however, do not resolve an ongoing operational deficit. The CARES Act provides "one-time dollars" and not ongoing dollars. As reported at our Board meeting, the COVID-19 pandemic is exacerbating the budget issues. We have been losing nearly \$1 million per week during this pandemic.

Further, we have previously shared that we are a small, independent hospital, and we do not have an insurance product. This situation is similar to St. Luke's Hospital, although they are now in the process of being acquired by McClaren.

Second, I would like to clarify some facts regarding research. UToledo continues to receive NIH funding awards for several academic colleges. The College of Medicine and Life Sciences is the largest recipient of NIH funding, but NIH awards have also been made to the College of Natural Sciences and Mathematics, the College of Pharmacy and Pharmaceutical Sciences, the College of Engineering, the College of Arts and Letters and the College of Health and Human Services. The University of Toledo faculty members have been aggressive in supporting their research through grants from the NIH (as well as other federal agencies). For example, the University received over \$44 million in NIH awards over the 2016-19 period. UTMC does not receive research funding— the faculty receive the research funding.

UToledo faculty serve as the Principal Investigators on clinical studies that are conducted at UTMC, ProMedica and other institutions locally and nationally. Additionally, ProMedica and Mercy both have physicians that are conducting clinical trials.

Third, it is important to be very clear that the Academic Affiliation with ProMedica is with The University of Toledo's College of Medicine and Life Sciences. UTMC hospital was never intended to be part of the affiliation. The 50-year agreement represents a \$2.5 billion investment to create a premier academic medical center in Toledo, at The Toledo Hospital, for our College of Medicine students and residents. With the Academic Affiliation, we have grown the number and diversity of the clinical training opportunities for our learners, nearly tripling the number of hospital beds where they gain clinical experience and moving our College of Medicine and Life Sciences into the 65th percentile nationally. In addition, we have expanded our medical faculty from 311 to 757 improving access to faculty mentors, and once again increasing the College's national profile, moving from the 15th percentile to the 40th percentile nationally. These expansions have not only elevated the stature of the College of Medicine, but also Toledo's medical community. In addition, we have elevated The University of Toledo's national reputation — a pride point for all of us in Toledo.

We have increased scholarships for medical students and have increased qualification of the entering medical school classes, this year's class of medical students' average MCAT score places them in the top 20% nationally. One of our greatest accomplishments has been increasing the number of College of Medicine and Life Sciences graduates staying in Northwest Ohio to complete their residency. In 2015, only nine of our graduating medical students stayed in the Toledo region, compared to 23 in 2019.

The Affiliation has also allowed the College of Medicine to grow, adding new training programs in Endocrinology, Rheumatology, Hematology-Oncology and Patient Safety. And we have grown our residency and fellowship programs in Ob-gyn, Psychology and Pediatrics. As these programs have grown, we have also added full-time faculty in such important areas as autism, psychiatry, neurology, surgical oncology, cancer biology, infectious diseases and others. In total, we've increased the number of College of Medicine and Life Sciences residents and fellows from 320 to a projected 367 next year. The growth

and success of the College of Medicine is closely linked to the success of the Academic Affiliation and benefit greatly from your support.

Through our affiliation with ProMedica, the City of Toledo does, in fact, have an academic medical center. It has shifted from the limited capacity at UTMC, to the larger Toledo Hospital. The concept that a college of medicine partners with a hospital that the university does not own is not uncommon. Harvard's medical school partners with Massachusetts General and Brigham and Women's Hospitals. Case Western Reserve's medical school partners with University Hospitals, The Cleveland Clinic and MetroHealth.

Fourth, although we have shared information about the Affiliation and what the funds support, it is apparent that there is still confusion. The payments from the Affiliation go solely, and explicitly, to the College of Medicine and Life Sciences as outlined in the agreement. It is paying for the additional physician faculty, student scholarships, expanded learning facilities, and for additional research opportunities.

Because the funding and finances continue to be a question, on Sunday, April 19, 2020, we asked Ohio's State Auditor to come to Toledo to conduct an audit of both UTMC and the UToledo College of Medicine and Health Sciences. We are audited each year using the audit firm of *Clifton, Larsen, Allen*. We are required to annually submit these audits to the State of Ohio, and they are publicly available [here](#). However, we have attempted to be transparent in our processes and welcome the State Auditor to review the finances of both entities.

The perception that rules and policies regarding the funding for healthcare have not changed since the merger of UToledo and MCO in 2006 is erroneous. Funding and payments have changed dramatically during this intervening time period which may point to some of the changes in revenue.

Fifth, the concept that having a physician on the Board of Trustees might have negated the issues at UTMC seems unlikely. The Board has a fiduciary responsibility to the State. They saw the fiscal shortfalls in the UTMC budget and sought action to consider all possible remedies.

As previously shared, one possible explanation for a budget shortfall at UTMC is the declining population of Toledo. We have nearly 40,000 less residents that we did in 2000, and 110,000 less residents that we did in 1970. This impacts the ability of all entities in the City to remain fiscally viable.

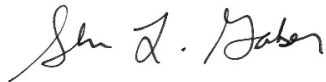
Additionally, it is worth noting that the UToledo Board of Trustees did have a prominent physician as a member at the time that they approved moving forward with the Academic Affiliation. Dr. S. Amjad Hussain has served as a vocal and strong medical professional in Toledo for decades. He also supported enhancing the College of Medicine and Life Sciences through the Affiliation.

Finally, we can all agree that the RFP timing is not what we would have hoped for, unfortunately, as we are all working together to address the community impact of the global coronavirus pandemic.

However, with the end of the fiscal year coming in June we know that we cannot continue to cover the losses at UTMC at the expense of the state-funded academic enterprise — The University of Toledo. The process was structured so that any, and all, interested entities can participate. If the city, county, state or a federal agency would like to own and operate UTMC, we invite them to submit a proposal. We recognize that this asset is important to the people of South Toledo and hope to find a resolution, but as a public university we must remain focused on our primary mission to educate students and advance knowledge through research.

Again, we appreciate your support. As we have indicated previously, we are happy to provide additional or clarifying information at any time.

Sincerely,

A handwritten signature in cursive script that reads "Sharon L. Gaber".

Sharon L. Gaber, Ph.D.
President

CC: The Honorable Mike DeWine, Governor