FIRST AMENDMENT TO
MEMORANDUM OF UNDERSTANDING

Among

University of Nevada, Reno at 1664 N. Virginia Street, Reno, Nevada;
University of Nevada, Las Vegas at 4505 S. Maryland Parkway, Las Vegas, Nevada;
University of Nevada School of Medicine at 1664 North Virginia Street,
Pennington Medical Building, M/S 0332, Reno, Nevada, and at
2040 West Charleston Blvd., Ste. 400, Las Vegas, Nevada; and the
Nevada System of Higher Education at 4300 S. Maryland Parkway, Las Vegas, Nevada

May 28, 2014

This First Amendment to Memorandum of Understanding (this “Amendment”) is entered into
by and between the University of Nevada, Reno, the University of Nevada, Las Vegas (“UNLV”), the
University of Nevada School of Medicine, and the Nevada System of Higher Education, contingent
upon approval by the Board of Regents of the Nevada System of Higher Education (“Board of
Regents”) at a noticed public meeting.

WHEREAS, the parties entered into that certain Memorandum of Understanding, dated as of
November 6, 2013 (the “Agreement”), as approved by the Board of Regents at its December 2013
public meeting; and

WHEREAS, the Statewide Steering Committee has adopted that certain “Case Statement for
Medical Education Expansion in Nevada,” dated as of March 12, 2014 (the “Case Statement”)
recommending a new, independently accredited medical school at UNLV while growing the existing
University of Nevada School of Medicine and expanding graduate medical education statewide; and

WHEREAS, the parties wish to amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained
herein, the parties agree as follows:

1. The parties hereby adopt the Case Statement in its entirety, a copy of which is attached hereto
   as Exhibit “A,” and incorporated herein by this reference.
2. This Amendment shall become a part of the Agreement. In the case of any conflict between the terms of the Agreement and this Amendment, including the Case Statement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date written above, contingent upon approved by the Board of Regents at a noticed public meeting.

Marc Johnson  
President  
University of Nevada, Reno  

Donald D. Snyder  
President  
University of Nevada, Las Vegas  

Thomas L. Schwenk  
Dean  
University of Nevada School of Medicine  

Daniel J. Klaich  
Chancellor  
Nevada System of Higher Education
EXHIBIT "A"

CASE STATEMENT FOR MEDICAL EDUCATION EXPANSION IN NEVADA,
DATED AS OF MARCH 12, 2014
Case Statement for Medical Education Expansion in Nevada

March 12, 2014

Need for Public Medical Education Expansion:
Nevada is unable to meet the current healthcare needs of its citizens. The supply of medical school graduates, as well as the number of physicians who complete their graduate medical education (GME) in the state of Nevada, is far below what is needed now and in the future when the state’s population approaches four million.

While the need for medical education expansion in the State of Nevada mirrors the rest of the country, growth in population in Nevada and an underdeveloped GME infrastructure, results in fewer medical students having the opportunity to remain in the state to complete their training and to eventually serve the community. Considering the length of time involved in training a physician (e.g., seven to 12 years), the need for more doctors is so critical that the development of a second public medical school, expansion of GME, physician recruitment, and retention efforts must continue to produce quality physicians that will remain in the state, ensuring both public health and economic opportunity for all citizens. Currently, thirty-nine percent (39%) of Nevada medical school graduates stay in Nevada (22nd nationally), and if they complete a GME program in-state, the retention rate goes up to fifty-eight (58%). (Nevada ranks 6th nationally)

As previously mentioned, physicians spend between three and seven years in residency programs before they are licensed to practice medicine. Ensuring high-quality GME and fellowship programs requires the participation and coordination of many stakeholders – physicians, faculty, investigators, teaching programs and their sponsoring institutions, accreditation and professional organizations, specialty boards, and, most importantly, patients. An overall goal for the state of Nevada is to create an atmosphere of innovation and excellence in research and patient care where residents and fellows can fully realize their potential as a highly competent physician, physician-scientist, clinical investigator, or institutionally based academician.

The importance of involvement of the aforementioned stakeholders through clinical research activities advances medical science through the discovery of tomorrow’s cures, while ensuring the quality and integrity of the residency programs.

Nationally, clinical research suffers from an insufficient number of clinical research-specific training programs, particularly those that incorporate formal, didactic course work in areas such
as protocol design, statistics, medical ethics, and regulatory issues. Nevada must attract talented people to the challenges of clinical research and then provide them with the critical skills that will enable them to perform first-class clinical research as it integrates with GME and fellowship programs. Continued focus on clinical research is a pathway that will lead Nevada to build healthier communities and create the future of healthcare through discovery.

Benefits of Public Medical Education Expansion:
The future benefits resulting from expanding both undergraduate and graduate medical education include: expanding access for underserved populations; increasing the quality of healthcare; eliminating the need for Nevada citizens to go outside of the state for healthcare; increasing economic development through the attraction of federal and private research dollars; and attracting new industries who are drawn to regions with superior healthcare that could eventually lead to Nevada being a destination for advanced medicine. Ultimately, the goal is to enhance the current prestige of the existing institutions and strengthen the new.

Vision for Public Medical Education Expansion:
The vision of both a healthy population and healthy economy prompted the University of Nevada, Reno; University of Nevada, Las Vegas; University of Nevada School of Medicine; and the Nevada System of Higher Education to drive the rapid expansion and enhancement of public medical education in Nevada. Community needs, economic impact, and effective uses of state resources are key factors in implementing this vision.

NSHE has retained consulting firm, Tripp Umbach to interactively work with all aforementioned parties to develop a comprehensive business plan, including GME planning and associated financial models for independently accredited medical schools in Las Vegas and Reno that includes full academic and clinical capacity and campus-specific leadership and infrastructure.

Medical Education Guiding Principles:
Public medical education expansion in Reno as well as the development of a new medical school in Las Vegas will require:

- Strong collaborative partnerships among UNSOM, UNLV, teaching hospitals, community physicians, and others across the state.
- A coordinated business plan and budget that focuses on designing and financing facilities to create full clinical and basic science teaching, and research capacity at both institutions.
- Substantial incremental state funding, over and above the current allocation to UNSOM, as well as start-up funding required for the development of a quality, independent medical school at UNLV.
• Funding current and future residency and fellowship training programs will require collaboration between the two public medical schools, hospitals, health systems, community health centers, private medical schools, and healthcare associations.

• Active engagement to the philanthropic community is necessary to gain private dollars to help support medical education expansion across the state of Nevada.

In summary the business plan will include details related to leadership, infrastructure, facilities, staffing, implementation timetable, Liaison Committee on Medical Education (LCME) accreditation requirements, funding, and the necessary balance of undergraduate and graduate medical education among these programs to best serve the state.
Memorandum of Understanding

Among

University of Nevada, Reno at 1664 N. Virginia Street, Reno, Nevada; University of Nevada, Las Vegas at 4505 W. Maryland Parkway, Las Vegas Nevada; School of Medicine at 1664 North Virginia Street, Pennington Medical Building, M/S 0332, Reno, Nevada and 2040 West Charleston Blvd., Ste. 400, Las Vegas Nevada; and the Nevada System of Higher Education at 5550 W. Flamingo Rd., Suite C-1, Las Vegas, Nevada.

November 6, 2013

Memorandum of Understanding among the University of Nevada, Reno; University of Nevada, Las Vegas; University of Nevada School of Medicine and the Nevada System of Higher Education.

The undersigned strongly endorse expanding and enhancing public medical education in Nevada, for the purpose of contributing to significant improvements in the health and health care of Nevadans, and recommend adoption by the Board of Regents of the following vision statement.

The University of Nevada Las Vegas (UNLV) and the University of Nevada Reno (UNR) are directed by the Board of Regents to develop detailed plans for a full-scale, four-year allopathic medical school campus in Las Vegas, along with continued development of a comparable full-scale, four-year campus in Reno, under the continued accreditation of the University of Nevada School of Medicine (UNSOM). This collaborative, statewide model will also make significant contributions to Nevada's rural communities.

The successful development of campuses in Las Vegas and Reno, with full academic and clinical capacity and campus-specific leadership and infrastructure will lead to two independent, separately-accredited, financially sustainable schools of medicine affiliated with UNLV and UNR, respectively. The undersigned are fully committed to the realization of this vision through joint planning and commitment by UNLV and UNR.

Campus development in Las Vegas will require strong collaborative partnerships among UNSOM, UNLV, teaching hospitals, and community physicians across the state. The involved parties will focus on designing, financing, and building a major facility to create full clinical and basic science teaching and research capacity in Las Vegas.

Continued campus development in Reno will require expansion of partnerships among UNSOM, UNR, teaching hospitals and community physicians across the state. The involved parties will create full clinical and basic science teaching and research capacity in Reno.
Initiatives in all of these areas have commenced.

The undersigned wish to make clear to the Board of Regents, the state legislature, and the Governor that both of these developmental phases will require substantial incremental funding, over and above the current allocation to UNSOM. It is critical that current UNSOM funding be maintained, and that all funds raised for the eventual independent school of medicine in Las Vegas will be retained by UNLV, and all funds obtained to expand the UNR / UNSOM campus will be retained by UNR. The funding of the critical residency and fellowship training needed in the state will also need to be considered. The undersigned commit to full transparency with regard to the use the aforementioned funds for the campuses for which they were appropriated.

In the coming months, we will work together to bring forward a more detailed implementation plan for how this vision will be developed, with a focus on facilities, staffing, time frame for separate campuses, Liaison Committee on Medical Education (LCME) accreditation requirements, funding, and the necessary balance of undergraduate and graduate medical education among these programs to best serve our state. A date-certain for the final stage of separately accredited schools of medicine is entirely dependent on the availability of adequate resources, and must comply with funding requirements for LCME accreditation.

The undersigned recognize the need to work closely with the Board of Regents, the state legislature, Governor, and respective county commissions, with input from the regional business communities and economic development agencies in making these decisions concerning the nature of and schedule for delivering expanded medical education for the state. Community needs, economic impact, and effective uses of state resources are key factors in implementing this vision. Exactly how the potentially competing demands of these factors are balanced are items to be negotiated.

Dated this 6th day of November 2013

Marc Johnson, Ph.D.
President
University of Nevada, Reno

Neal J. Smatresk, Ph.D.
President
University of Nevada, Las Vegas

Thomas L. Schwenk, M.D.
Dean, University of Nevada School of Medicine

Daniel J. Klaich, JD
Chancellor
Nevada System of Higher Education