

## **FUTURE ACTION ITEM #4**

WSU Spokane, Elson S. Floyd College of Medicine  
Faculty Practice Plan Restructure

(Leslie Brunelli /Daryll DeWald/Jim Record/Matt Skinner/Danielle Hess)

TO ALL MEMBERS OF THE BOARD OF REGENTS

**SUBJECT:** Faculty Practice Plan Restructure

**PROPOSED:** That the Board of Regents approve the proposed plan to restructure the faculty practice plan for the Elson S. Floyd College of Medicine and delegate authority to the President or designee to take action needed to implement the restructure, contingent on the completion of all internal and external processes and recommended due diligence steps

**SUBMITTED BY:** Leslie Brunelli, Executive Vice President, Finance and Administration/CFO  
Daryll DeWald, Executive Vice President for Health Sciences and Chancellor, WSU Spokane

**SUPPORTING  
INFORMATION:**

As WSU's Elson S. Floyd College of Medicine (ESFCOM) has grown and evolved, it has become increasingly important for the college to develop and maintain clinical education opportunities for faculty and students, whether through operation of its own clinics or through affiliations with other entities. To better position WSU and ESFCOM to exercise financial and compliance oversight and to support the operation of mission critical clinical activities, we are proposing that the Board approve the proposed restructure plan by (1) supporting a decision by the college's faculty practice plan, currently operated as a separate 501(c)(3), to dissolve the separate entity, and (2) authorizing ESFCOM and the WSU Spokane campus to move the faculty practice plan internally to ESFCOM.

### **Background**

In March 2017, the Board of Regents approved the establishment of a faculty practice plan as a separate 501(c)(3) to support ESFCOM. The 501(c)(3) (BaviHealth d/b/a Range Community Clinic) (Range) was established and in 2018, WSU and Range entered into an affiliation/operating agreement, with WSU providing financial and administrative staffing support. In exchange, Range was to operate clinical sites, recruit and employ physicians and other health care providers, and take other actions in support of ESFCOM and WSU's other

health sciences programs. Subsequently, it became clear that Range did not have the fiscal or administrative resources to employ health care providers, and the agreement was amended so that providers working at Range are WSU faculty assigned to Range via a master staff assignment agreement.

Range currently operates several clinics under the umbrella of "Range Community Clinic." These include the Speech-Language Pathology Services Clinic and the Autism and Neurodevelopmental Clinic (both established in 2023), and Range's mobile unit activities (currently one mobile unit in operation, with another recently purchased). In fall 2023, to address accreditation concerns regarding student health care, Range also began a pilot program providing limited health care services to WSU Spokane students.

To date, Range has not been able to generate any significant revenue. It has been operating at a deficit and posted a \$1.14 million net loss for calendar year 2023. It also has been unable to meet its financial obligations under the 2020 master staff assignment agreement. In addition to financial concerns, Range has struggled to build out its compliance and administrative structure.

Because Range is organized as a separate 501(c)(3), WSU has very limited authority and oversight with respect to its activities or financial management. However, due to WSU's extensive financial, personnel, and administrative support, Range's activities create potential liability and financial exposure to WSU.

### **Proposal**

We are working with the Range Board to bring the faculty practice plan in-house to ESFCOM, a structure that several medical schools have adopted. As part of this transition the separate 501(c)(3) would be dissolved.

Bringing the faculty practice plan in-house allows more direct support from WSU's infrastructure to better position ESFCOM to focus on its mission-critical clinical activities, while also allowing for more robust compliance, legal, and financial oversight. The faculty practice plan also would benefit from direct WSU support in other areas, such as assistance with external grants and donor relations, opportunities to partner with WSU's Governmental Relations on requests for state funding, and marketing and potential rebranding to increase public and community awareness of WSU health sciences overall.

Once the faculty practice plan has been relocated into ESFCOM, the intent is to establish an academic center following WSU's internal process. Although the new unit/center would be located within ESFCOM, its multidisciplinary approach would be maintained by including Nursing and Pharmacy leads designated by the respective college deans as part of the unit's executive team. The Executive Vice President for Health Sciences, who has oversight over ESFCOM and this proposed unit, would help ensure WSU system and multidisciplinary considerations remain at the forefront.

The consolidation of clinical activities within the college is a logical step in the overall evolution of WSU health sciences. In connection with this potential restructure, WSU and ESFCOM will need to determine whether, and to what extent, it is financially feasible and necessary from a programmatic standpoint to continue Range's current activities. Although review, scoping, and potential refocusing of clinical activities will need to occur regardless of the restructure, the move will create increased opportunities for support and, ultimately, potential for growth to support ESFCOM's mission.

We are requesting that the Regents approve the proposed plan and delegate authority to the President or designee to work with the Range board to take action necessary to execute the restructure, contingent on the completion of any prerequisite internal and external processes, including execution of contracts and other written instruments, and recommended due diligence steps.

ATTACHMENTS: Attachment A – March 24, 2017 Approval of Faculty Practice Plan and Delegation of Authority

Attachment B – Range Financial Summary