July 19, 2013

Dr. Sandra K. Woodley
President
The University of Louisiana System
1201 North Third Street
Baton Rouge, LA 70802

Re: B.S. in Health Care Management

Dear Dr. Woodley,

It is my pleasure to submit this letter of intent to develop a new academic program in health care management. This is a baccalaureate degree program which will prepare students for the career opportunities in health care management. This program will prepare students for entry-level administrative positions, as well as for entry into graduate and/or professional programs.

I hope that this letter of intent is received favorably by the University of Louisiana System staff and the Board of Supervisors.

Sincerely,

[Signature]

Peter J. Fos, Ph.D., M.P.H.
President
LETTER OF INTENT to DEVELOP a NEW ACADEMIC PROGRAM

General Information

<table>
<thead>
<tr>
<th>Campus: University of New Orleans</th>
<th>Date: June 12, 2013</th>
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</thead>
<tbody>
<tr>
<td>Program: CIP 51.0701</td>
<td>University of New Orleans</td>
</tr>
</tbody>
</table>

Institutional Contact Person & Access Info (if clarification is needed):
John A. Williams, Ph.D.
Dean, College of Business Administration

1. Program Objectives and Content

The purpose of the Bachelor of Science in Health Care Management is to prepare students for careers in the health care industry, which is one of the largest in our country. Additionally, the program prepares students for entry into graduate and/or professional schools. Specific objectives of the program are to 1) provide a diverse and academically sound health management program which equips students with knowledge, research skills, and an awareness of the current practices in the field of health care administration, 2) prepare students for entry-level administration positions in various types of health care facilities, organizations and agencies such as hospitals, public health agencies, long-term care facilities, medical group practices, health maintenance organizations and clinics, 3) prepare students for admission to graduate and professional schools, and 4) provide a highly qualified workforce for the health care industry in the state and nation.

The program will also be designed for current health care facility workers who are interested in career advancement. Students develop management skills and knowledge of complex issues facing health care systems. The curriculum provides the student with a broad background in health services administration, environmental control, epidemiology and communicable disease control, community health education, public health law, current health issues, and leadership.

2. Need

Outline how this program is deemed essential for the wellbeing of the state, region, or academy (e.g., accreditation, contribution to economic development; related to current or evolving needs within state or region). Cite data to support need: employment projections; supply/demand data appropriate to the discipline and degree level, etc.

The University of New Orleans as an urban research university mandates that it serves the city and surrounding region, public and private employers, and the community at large. New Orleans is experiencing a growing medical corridor known officially as the Bio District New Orleans, a state enabled economic development district that was created by the State of Louisiana in 2005 for the purpose of developing a biosciences industry in New Orleans that will provide research and development, health care delivery, and stable, high-paying jobs. The 1500-acre district spans the downtown and mid-city neighborhoods of New Orleans.

There is a need for health care education that provides skills in critical thinking, working in teams, and delivering culturally competent care (the ability to understand and engage the needs of a diverse population of patients, health care employees, and community members).

In 2007, the U.S. spent $2.26 trillion on health care, or $7,439 per person, up from $2.1 trillion, or $7,026 per capita, the previous year ["National Health Expenditures, Forecast summary and selected tables", Office of the Actuary in the Centers for Medicare & Medicaid Services, 2008]. Spending in 2006 represented 16% of GDP, an increase of 6.7% over 2004 spending. Growth in spending is projected to average 6.7% annually over the period 2007 through 2017. In 2009, the United States federal, state and local governments, corporations and individuals, together spent $2.5 trillion, $8,047 per person, on health care. This amount represented 17.3% of the GDP, up from 16.2% in 2008 [Jones, Brent (2010-02-04). "Medical expenses have 'very steep rate of growth'. USA Today. http://www.usatoday.com/news/health/2010-02-04-health-care-costs_N.htm].

The building of the University Medical Center (UMC) in New Orleans and a $2 billion investment in the UMC and Veteran’s Administration (VA) hospitals will create over three thousand new jobs. The economic impact is estimated to be 22,000 new jobs in the city of New Orleans over the next 8-10 years. The UMC will be the anchor of the State’s economy built on the foundation of a more educated workforce.

According to the U.S. Department of Labor, Bureau of Labor Statistics stated the following: "Employment of medical and health services managers is expected to grow 16 percent from year 2006 to 2016 which is faster than the average for all occupations. The health care industry will continue to expand and diversify, requiring managers to help ensure smooth business operations."

In the public sector, the anticipated rapid turnover in the state agency health workforce due to the impending retirement of the relatively large number of professionals who entered the field three to four decades ago is also pertinent. According to a 2004 survey of state health departments, an average of 24% of state health employees are eligible for retirement, and as much as 40% to 45% of current federal employees are eligible for retirement. The need for trained health administration workers in state agencies is at crisis levels today. Much has been discussed about the shortage of many healthcare professionals (e.g., nurses), but the focus now needs to be spread to the public health workforce. The statistics are very enlightening: a) the average age of a state agency health worker is 47 years, b) in the next 3 years 50% of all current state agency health workers will be eligible for retirement [Association of State and Territorial Health Officials. State Public Health Employee Workforce Shortage Report: A Civil Service Recruitment and Retention Crisis. Arlington, VA, 2004], c) the total number of state agency health workers in the United States in 2000 equaled 448,000 (this is down from 500,000 in 1980) [Rosenstock L, et al. Confronting the public health workforce crisis: ASPH statement on public health workforce. Public Health Reports, May-June 2008, (23):395-398], d) the projected number of state agency health workers what will be needed in 2020 is 738,000, which is an increase of 250,000, e) the ratio of state agency health workers to the US population in 2000 was 158 per 100,000 — the projected needed ratio in 2020 is 220 per 100,000, f) Eleven percent of state agency health positions are currently vacant, and four out of five current workers have not had formal training for their specific job functions [U.S. Centers for Disease Control and Prevention. Public Health Infrastructure: A Status Report. Atlanta: U.S. Centers for Disease Control and Prevention, March 2001. <http://www.cdc.gov/PHS/prepare/courses/ph410/resources/phinstructure.pdf. Accessed January 20, 2009>].

In the private sector, about 3.5 million new jobs are projected in health services (that’s about 16 percent of all new jobs total) within the next ten years. This is higher than any other industry. Hospitals constitute just 2 percent of healthcare operations, yet they employ more than 40 percent of healthcare workers. The majority of other jobs are in the practices of individual healthcare practitioners or small groups of practitioners. Additionally, healthcare jobs are expected to increase faster than the population during that same time, as the older population increases and improved technology advances life expectancies.

The causes of shortages of health care workers are not solely domestic or local in nature. A shortage in one country may be exacerbated by health worker shortages in another country. The world is facing a major shortage of health workers. The World Health Organization (WHO) estimates there is an immediate global need for an additional 4.3 million health workers in 57 countries with critical shortages. There are several drivers of increased demand for health workers and they include population growth, increased purchasing power for health services,
increased life expectancy, rise of chronic disease, spread of HIV, and health workers' skills in demand in diverse settings. This extreme increase in demand has not been met with a corresponding increase in supply (World Health Report, 2006). In the United States, the prominence of the health professional is seen by the increasing size and number of hospitals. The need to compensate for shortages in relation to one cadre of health care worker may escalate the demand for other types of health care workers (World Health Report, 2006). In New Orleans the new Veterans Administration hospital is planning to open sometime in 2014. This 200-bed hospital will be part of the Veterans Administration Medical Center, which also consists of outpatient clinics and testing facilities.

Several health care providers have spoken with the College of Business Administration at UNO to ask that we consider having a Bachelor of Science in Health Care Management in addition to the current Master of Science in Health Care Management. Those institutions include Ochsner, West Jefferson, and East Jefferson. They expressed the need for newly educated graduates as well as providing education to their current employees who are seeking health care degrees in order to advance their careers and provide expanded skills and expertise at their institutions. Ochsner has related to UNO that it currently has over 100 employees that they would like to see achieve the Bachelor of Science in Health Care Management.

Most of the healthcare workers of tomorrow are in the health care workplace today. They represent untapped potential to deliver better care and fill high-skilled professional positions. Many health care providers are not equipped to give incumbent workers the educational skills and support they need beyond orientation and brief in-service training. The educational system for healthcare is not sufficiently worker friendly in terms of instructional methods. Regulations imposed by professional and academic accrediting bodies in healthcare limit innovative ways of delivering instruction and granting credit at the workplace. Higher skilled positions in health care almost always require postsecondary credentials (www.jff.org, 2012).

3. Relevance

Explain why this program is an institutional priority at this time. How will it (a) further the mission of the institution and (b) increase the educational attainment of the state's adult population or foster innovation through research.

The University of New Orleans will play a pivotal role in providing the educated workforce for the facilities that are coming to New Orleans. The Masters of Healthcare Management in the College of Business Administration at the University of New Orleans has already seen tremendous growth in the number of students that are enrolled. It ranked 4th at the University in 2013 for degrees conferred with 44. With extremely high placement rates of graduates presently from the Masters, it will become imperative to educate many more at the undergraduate and graduate level in order to supply the appropriate number of highly educated graduates in the healthcare discipline for several types of positions.

Attached are several letters from healthcare providers stating the immense need for this program. Several themes emerged from these letters as shown below:

- Presently, there exists a very large recognized need for the services of health care administrators and adequately trained personnel in the state of Louisiana and nationwide.
- In order to provide the best available health care services for the welfare of patients and clients, it is vital that there be a more educated workforce in health care management.
- The current demand for new health care management employees is expected to continue well into the future.
- Health care providers have experienced significant growth in demand for their services.
- There are numerous opportunities for internships.

The close proximity of the Health Care Corridor in New Orleans to UNO makes it uniquely relevant to the needs of health care providers. Other programs, such as Louisiana Tech with its Bachelor of Science in Health Informatics and Information Management and UL Monroe with its On-line Bachelor of Science in Health Studies do not have that type of proximity to this burgeoning health care system. The relationship between healthcare providers and UNO would result in partnerships for mentoring, guiding, and employment of students from the health care management program.
These health care organizations are keenly interested in curriculum that addresses the vast needs of their workplaces. As a result, the program at UNO will be quite different from other programs in the state of Louisiana. They are interested in imbedding research and centers of learning into the classroom as provided by the health care providers. For instance, in speaking with Ochsner Healthcare, they are interested in collaborative teaching that involves their Leadership Institute. Ochsner is also interested in sharing research with faculty and students. This sharing of knowledge that will be based in coursework will keep the program cutting-edge in the information that students are learning.

Health care has changed tremendously in the last ten years and it will continue to change dramatically in the future. The relationships between UNO and health care providers will form the nexus to have a truly state-of-the-art program that addresses the most current demands of these critical positions.

4. Students
Summarize student interest/demand for the proposed program.

Throughout the time that we have had the Masters in Health Care Management, there have been numerous inquiries about an undergraduate program in Health Care Management. In addition to the ongoing requests for such a program, there has been much interest created by the ongoing construction for healthcare facilities in the Greater New Orleans area and the potential for excellent jobs in the industry. Salaries for health care management professionals in New Orleans have increased. In 2011 health care management professionals earned an average annual salary of $91,870. Four years earlier in 2006, health care professionals in New Orleans made an average salary of $64,900 per year. This growth is faster than the salary trend for all careers in New Orleans (Educationnews.org).

The College of Business Administration is the largest in the State. The proposed Bachelor of Science program in Health Care Administration will attract students interested in careers in business administration who are seeking a management specialty at the undergraduate level. Students recognize the need to be prepared for careers that are in demand in the community. The provision of a skilled workforce is one of the hallmarks of this proposed program. It is anticipated that this program will attract those students who would typically pursue a bachelor’s degree in business administration, but would identify a need for a specialization at the undergraduate level. In the first year this may negatively affect the number of students pursuing the bachelor’s in business administration, but it is expected that retention will increase across the College. In subsequent years it is expected that the total number of undergraduate students in business administration will increase.

The establishment of this program addresses the University of New Orleans’ mandate to support the communities which it serves. As the Heartbeat of the Crescent City, the University of New Orleans continues to address the needs of the community in its academic offerings, as well as research and outreach activities.

Estimated student enrollment for the first five years is:

<table>
<thead>
<tr>
<th>Year</th>
<th>New Enrollment</th>
<th>Graduates</th>
<th>Attrition</th>
<th>Total Enrollment</th>
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<tr>
<td>1</td>
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<td>30*</td>
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<tr>
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<td>25</td>
<td>5</td>
<td>60</td>
</tr>
</tbody>
</table>

*some students will transfer into the program from the bachelor’s in business administration

5. Cost
Estimate costs for the projected program for the first five years. Indicate amounts to be absorbed out of current sources of revenue and needs for additional appropriations (if any). Commit to provide adequate funding to initiate and sustain the program.

4
Establishment of this new program will be relatively inexpensive because of the large pool of possible adjunct and part-time faculty in the Greater New Orleans area who are currently working in the health care industry. Initially, there will be a small cost for marketing of the program (expected not to exceed $15,000; this is a one-time cost). It is anticipated that two adjunct faculty will be used each year (at a cost of $6,800). This new program will within two years require two new faculty lines ($90,000 each annually; $180,000 total annually), with one new faculty member in Year 1 ($90,000). It is also expected to require one graduate assistant ($13,000 annually). With the pent-up demand and the expected new demand after the program begins, it is expected that in the first year that the enrollment in this program will be such that the program is self-sustaining.

<table>
<thead>
<tr>
<th>Costs (estimates)</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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<tbody>
<tr>
<td>Full-time faculty</td>
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<td>Adjunct faculty</td>
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<td>Graduate Assistant</td>
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<td>Marketing</td>
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<tr>
<td>Total Costs (not including overhead)</td>
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<tr>
<td>Total with overhead</td>
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<td>Revenues (estimates)</td>
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<td>Tuition+</td>
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<td>Total Revenues</td>
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<td>-$710</td>
<td>$99,146</td>
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* achieving LA Grad Act performances targets is anticipated with associated increases in tuition*

The first year costs are for the new full-time faculty (it is anticipated that one or more current faculty will also teach in the new program), adjunct faculty, graduate assistant, and one-time program marketing costs (total of $124,800). For Years 2-5 the costs are $199,800 per year. Current university indirect cost (F&A) rate indicates that facilities and administrative costs will total 45% of direct costs.

Estimated revenue is based conservative enrollment numbers (30 students the first year, 40 students the second year, and a steady state of 50 students a year for Years 3-5). The formula funding amounts assume each student completes 12 hours each semester (no weighting factor was used to determine the estimates for formula funding). Using these conservative enrollment numbers the program will be self-sustaining in Year 1 and throughout the next five years. Given the support from the health care industry in Greater New Orleans, financial support is expected for faculty and student support. It is not possible to estimate the level of support at this time.

**Certification:**

[Signature]
Chief Academic Officer

[Signature]
Chancellor/President

Management Board
October 19, 2012

Dr. Peter Fos  
President  
University of New Orleans  
2001 Administration Annex Building  
2000 Lakeshore Drive  
New Orleans, LA 70148

RE: Proposed Healthcare Management Program

Dear Dr. Fos,

Please accept this letter as an acknowledgment of support from Peoples Health for the proposed healthcare management program at the University of New Orleans. As it was explained to me by Dr. Al Merlin, students who successfully complete all program requirements will be granted a Bachelor of Arts degree in Healthcare Management. Assuming they would then wish to obtain employment related to their skills, please know that our current demand for new employees is expected to continue well into the future.

As you may know, Peoples Health has experienced significant growth since it was established in 1994 by New Orleans area physicians and hospitals. With an initial staff of 30, our company has grown to more than 700 employees today, and we expect that number will continue to grow. Also, it is important to note that our business service area is limited to southeast Louisiana, with approximately 90% of our employees based in New Orleans and 10% in Baton Rouge.

I was especially pleased to learn that this will be an undergraduate program. Although we continue to welcome and hire new Master’s and higher level employees, our most significant ongoing need is for skilled workers who are willing to join our company in entry level positions. The Peoples Health training program grants new employees the opportunity to learn and develop skills that are specific to our industry. I anticipate that the holder of a Bachelor’s degree in Healthcare Management from UNO would be an ideal applicant for many positions at our company, with UNO providing the basis of knowledge and Peoples Health then providing the specialized skills.

In fact, I’m so enthused by the potential benefit for my company that I’d like to suggest the development of an internship program at Peoples Health to complement your students’ classroom training with hands-on application and experience. We would be delighted to work with your faculty and staff to design a program that would meet any academic and reporting requirements.
Additionally, Peoples Health is proud to acknowledge the significant number of professionals on our staff who are recognized in the managed care industry for their expertise. As managed care continues to lead the transformation of our national healthcare delivery system, you might consider bringing one or more of these professionals into your classrooms to present selected topics to your students. This can be arranged on whatever basis works best for you (i.e. lecture of visiting professor) and I would be happy to provide you with a list of recommended professionals along with their credentials.

In summation, Peoples Health views the implementation of an undergraduate healthcare management program at the University of New Orleans as a very positive development for our community and our industry, and you have our commitment to support this program in any way we can. I look forward to the possibility of providing you with additional information and any other assistance.

Sincerely yours,

Carol A. Solomon
Chief Executive Officer
October 17, 2012

Peter Fo\nPresident, University of New Orleans\n2000 Lakefront Drive, New Orleans, LA

Dear Peter,

This letter is in support of the University of New Orleans establishing a Bachelor of Arts degree in Health Care Management.

The local New Orleans region has rapidly become a regional Health care center drawing patients from not only within the state but throughout the South. Healthcare has become one of the major employers in this region. There will be an increasing demand for employees from all backgrounds of healthcare and hopefully UNO's programs will help to fill that need. In particular the demand for administrative employees is expected to increase.

Currently Ochsner Health systems have over 12, 500 employees. Ochsner has expanded not only locally but internationally as well. Ochsner is financially stable and is expected to have steady growth. There is a constant search for qualified administrative employees. I am sure the situation is similar at the other Healthcare organizations as well. I am certain that within the local Healthcare market there will be a variety of rewarding jobs for graduate of the Healthcare program.

The increasingly complex field of Health Care Administration requires employees to have a strong background in this area prior to employment. It would be a natural fit for UNO and Ochsner to develop partnerships going forward to mentor, guide and employ students of the Health Care Management program.

I believe the establishment this program is the correct response of UNO in order to meet the employment needs of the local community.

Sincerely,

Kevin Conrad, M.D., MBA
Medical Director of Community Affairs and Health Policy

Ochsner Health System, a part of Ochsner Clinic Foundation
October 24, 2012

Dr. Peter J. Fos, President
University of New Orleans
2000 Lakeshore Drive
New Orleans, Louisiana 70148

Dear Dr. Fos;

I recently had the pleasure of visiting with Dr. Al Merlin of the University of New Orleans Foundation along with my staff. We were pleased to learn of the university’s vision to develop an undergraduate program in healthcare administration.

As one of the largest employers on the West Bank and in Jefferson Parish, West Jefferson Medical Center employs more than 1700 individuals. We believe that your new program will help us to more easily fill entry-level administrative positions for many years to come.

We are wholeheartedly in favor of the University developing this program in healthcare administration. The Medical Center is also very interested in having qualified interns rotate to West Jefferson as part of your curriculum. We would welcome the opportunity to discuss this with you or your designated faculty member.

West Jefferson Medical Center applauds your efforts with the University of Louisiana System to identify community needs as it relates to workforce development in the medical field, training and the changing needs of students.

Please do not hesitate to call me if you would like to discuss our letter of support or if I can be of further assistance to you.

Sincerely,

[Signature]

Nancy R. Cassagne
Chief Executive Officer

cc: Al Merlin, M.D.
    Frank Martinez
October 19, 2012

Dr. Peer J. Fos
President, University of New Orleans
2000 Lakeshore Drive
New Orleans, LA 70148

Dear Dr. Fos:

I am writing this letter in support of the establishment of a Bachelor of Arts Degree in Health Care Management at the University of New Orleans.

The Greater New Orleans area has become a regional provider of health care, drawing patients from across the southeast region. East Jefferson General Hospital employs over 2800 team members and we anticipate the need for qualified administrative employees in the healthcare field. In this regard, a program such as the Bachelor of Arts in Health Care Management proposed by the University of New Orleans would be an invaluable resource to us as an employer.

I believe that the establishment of this program will provide a strong background for students seeking employment in the health care field. I fully support the efforts of the University of New Orleans.

Sincerely,

Mark J. Peters, M.D.
President and
Chief Executive Officer

MIP/tjw