

President Russi's Remarks

Thursday, April 5th, 2007

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Good afternoon, and thank you for joining us today.

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I am Gary Russi, president of Oakland University and with me today are colleagues from the university, from Beaumont Hospitals and the public sector.

You will hear from these gentlemen in a few minutes.

We have come together today to make an announcement that will provide tremendous benefits to Oakland County, southeast Michigan and the entire state.

Today, we are pleased to tell you that Oakland University and Beaumont Hospitals have begun the process to create a full and complete medical school on Oakland's campus.

Together, we have filed a letter of intent with the Liaison Committee for Medical Education – the LCME – to begin the process of establishing an allopathic medical school here at OU.

With the expected shortage of physicians that is predicted over the next several years, we will be filling a need that is vitally important to the health care needs of our fellow citizens.

According to the Association of Medical Colleges (the AAMC), 30 million people are currently affected by physician shortages, including many communities in Michigan.

Critical shortages are expected by 2020 unless medical school enrollments increase by 30 percent. The AAMC has concluded that new medical schools **must** be created.

At Oakland, we believe that partnerships with resourceful, flexible and community-minded organizations are key to fulfilling our educational mission and role in Michigan's economy and society.

This new medical school is a perfect example.

We are excited about partnering with Beaumont, one of the finest hospital organizations in the country, to increase the opportunities for medical education for generations of prospective students.

And, we'll be doing it in Oakland County, for the first time ever.

OU is uniquely positioned as a site for a medical school with its location in this thriving hub of commerce, our available land and access to a wealth of students and outstanding hospitals and clinical settings, foremost among them, Beaumont.

The economic impact of this new school cannot be understated.

A recent AAMC report estimates that the impact of AAMC-member medical schools and teaching hospitals is more than \$451 billion, and that one out of every 48 wage earners in the U.S. either directly or indirectly works for an AAMC member.

In Michigan, the economic impact is estimated at \$18 billion, with associated employment of 122,000.

To get a picture of what one medical school contributes to the economy, we can look at one of the country's newest – Florida International -- which will open in 2008.

The school is predicted to generate a \$58 million economic impact in its first year, growing to \$1.1 billion annually once it is fully operating.

The school is expected to generate more than 11,000 new jobs and contribute \$22 million to the local tax base.

Of course to get to positive numbers like that, we have to make an investment.

Our new medical school will be completely privately funded and will not rely on any state funds whatsoever.

Through the expected largesse of individual, corporate and foundation donors, Oakland and Beaumont plan to build a robust school that will routinely produce physicians, researchers, medical ethicists, public health policy makers and community opinion leaders . . . leaders who will make a difference in the lives of Michigan citizens.

Our students will benefit from this association through interaction with some of the nation's best physicians,

access to and involvement in ground-breaking medical research by renowned faculty, and through ~~internships and~~ residencies at both Beaumont locations, in Royal Oak and Troy. ^{^ and fellowships}

There are many individuals here that I'd like to thank for all their hard work.

First, I would like to especially thank our faculty for positioning Oakland as a viable base for this school through their years of scholarly and research accomplishments, particularly in biomedical-related fields.

Beaumont's President and Chief Executive Officer Ken Matzick and Executive Vice President and Chief Medical Officer Dr. Ananias Diokno (Dee-OAK-No) have provided leadership that has been critical in bringing us to this point – and have been partners in the truest sense of the word.

In fact, the entire Beaumont management team has really gone the extra mile right from the start.

You'll hear from Ken and Dr. Diokno in a moment, but I want to offer them my personal thanks right now.

Our Vice President for Academic Affairs and Provost Virinder Moudgil has played a key role as we've moved ahead with this partnership.

And, Oakland County Chief Executive and former OU trustee Brooks Patterson has championed this effort from the beginning.

The leadership Brooks has provided to economic development and improvements to the quality of life in the county have resonated throughout the entire state.

We very much appreciate his collaboration in founding this new school.

I would also like to recognize the support of Representative Joe Knollenberg, who is with us today, as well as (TO COME).

Oakland University and Beaumont Hospitals today have joined together to begin a process that will culminate in making available the highest quality medical education in this region.

The impact of today's announcement on the communities we serve, on the state and county economies, and on our students, faculty, doctors and staffs will be felt for generations to come. .

And, we are so pleased to enter into a partnership with Beaumont, an institution – like Oakland University – that has built its reputation on quality.

Now, I would like to introduce Ken Matzick, CEO of Beaumont Hospitals, who will say a few words. Ken?