

# COVER SHEET

**LEAD ENTITY:**

East Tennessee Children's Hospital

**PROGRAM/GRANT TITLE:**

East Tennessee Children's Hospital Graduate Medical Education (Pediatric Residency Program) Initiative

East Tennessee Children's Hospital and University of Tennessee Health Science Center in partnership with:

- |                              |   |
|------------------------------|---|
| 1. Higher Education Partner: | University of Tennessee Graduate School of Medicine Knoxville |
| 2. School Partners:          | Schools from Sevier County and Roane County school systems    |
|                              | 1. Gatlinburg-Pittman High School                             |
|                              | 2. Midway High School   |
| 3. Employer Partners:        | Covenant Health and Pediatrix Medical Group                   |

**PROJECT DIRECTOR:**

Adam Cook  
East Tennessee Children's Hospital  
2018 Clinch Ave.  
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**FUNDING REQUEST:**

\$1,200,000.00



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Raaj Kurapati, AIFA  
Executive Vice Chancellor and Chief Operating Officer  
University of Tennessee Health Science Center



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Adam A. Cook  
Chief Development & Marketing Officer  
East Tennessee Children's Hospital

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## ABSTRACT/PROJECT SUMMARY

This proposal seeks to secure \$1.2 million in grant funding to support the establishment of a Pediatric Residency Program in East Tennessee. This residency program is operated by East Tennessee Children's Hospital (ETCH). University of Tennessee Health Science Center, as the official grant applicant, serves as the sponsoring academic entity and will also collaborate with the Graduate School of Medicine in Knoxville due to its close geographic proximity and existing relationship with ETCH. One goal of this pediatric residency program is to provide quality education and healthcare outcomes for underserved and rural counties/populations and to provide career options and educational opportunities to rural students and graduates within the ETCH service area like (but not limited to) Sevier and Roane Counties.

Collaborative agreements with Covenant Health and Pediatrix Medical Group have also been established to sustain and promote learning and healthcare opportunities benefitting residents and patients in rural counties. In addition, Gatlinburg-Pittman High School in Sevier County and Midway High School in Roane County are two of several K-12 public schools serving as collaborating partners to promote career paths for rural students.

An additional goal of this new residency program is to address the growing demand for pediatric healthcare professionals in the region, which faces a significant shortage of trained providers. The residency program offers comprehensive training to medical graduates, focusing on enhancing clinical skills, fostering compassionate care, and improving pediatric health outcomes in rural and underserved communities across the East Tennessee region. The program aims to create a highly competent network of pediatricians and pediatric specialists who are committed to serving the healthcare needs of East Tennessee's diverse socio-economic

population. Grant funding will provide required resident support via stipends/benefits. This initiative aligns with national and state healthcare workforce development goals and will contribute to a sustainable pipeline of pediatric professionals dedicated to addressing health disparities.

## SECTION #1

### PROGRAM NARRATIVE

A collaboration between University of Tennessee Health Science Center and East Tennessee Children's Hospital (ETCH) has formed to create graduate medical education for a pediatric residency. This pediatric residency will be the first pediatric residency program in the East Tennessee region in more than 25 years. The intent of this program is three-fold:

1. Collaborate with partners who share a vision to expand health education across the East Tennessee region – specifically providing greater pediatric healthcare access to rural counties and underserved populations
2. Partner with existing school systems to introduce stronger access to care as well as highlight career paths for students who aspire to enter the healthcare industry
3. Enhance job-creation to further support economic growth and positively impact social drivers of health in East Tennessee's most rural counties

The instruction and training of this newly established pediatric residency program will lead to a more in-demand occupation for healthcare providers. This program will specifically identify, train, and qualify the next generation of pediatricians and pediatric specialists for the East Tennessee Region. Collaborative partners include Covenant Health, Pediatrix Medical Group of Tennessee, Sevier County Schools and Roane County School (list is not exhaustive).

## SECTION #2

### DEMONSTRATION OF NEED

East Tennessee, especially its rural counties and underserved areas, faces a significant shortage of pediatricians. As of 2023, the region had one of the lowest pediatrician-to-population ratios in the state, leading to long wait times and limited access to specialized care. Additionally, many rural families travel long distances to receive care, often at the expense of timely healthcare interventions. The lack of a pediatric residency program in the area further exacerbates these challenges, as new pediatricians and pediatric specialists are not being trained locally to meet the growing demand and there may not choose to practice in the East Tennessee region.

The place where doctors practice their residencies has a significant impact on where they continue practicing after residency completion. For those who completed their residency training between 2008-2017:

1. 54.2% of national residents stayed in the state they completed their residency
2. 46.6% of residents in Tennessee stayed in the state after residency
3. Tennessee ranks 42<sup>nd</sup> as a state in ability to keep residents in the state
4. Tennessee graduated 4,672 residents, ranking 18<sup>th</sup> nationally in volume graduated

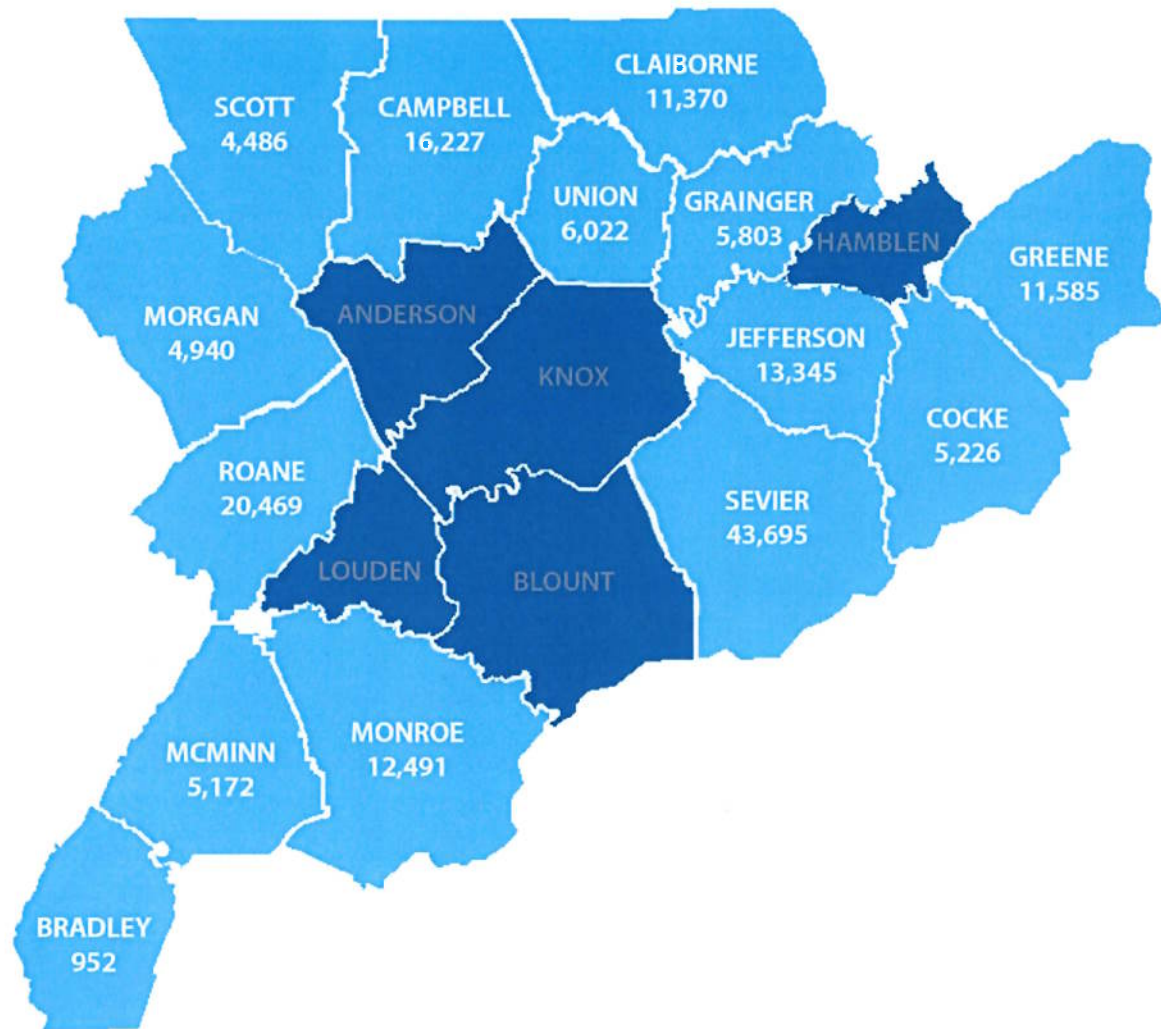
Statistics like these prove the tremendous need for pediatric residency in East Tennessee. Being ranked 42<sup>nd</sup> nationally is a glaring deficiency that does not adequately support the growing population and health needs across Tennessee and more specifically within rural counties in East Tennessee.

Furthermore, in 2022, there were 64 pediatric residency positions in Tennessee. 100% were filled. On average, 38% of pediatric residency graduates go on to a fellowship. 47% will stay in Tennessee. This means for 2025, the competitive pool for graduating pediatric residents staying within the state will only be 18 pediatric providers. This number is frightfully low. The

region's pediatric population and their families deserve more.

This pediatric residency program will also further grow and sustain ETCH as the region's pediatric leader for care. Last fiscal year ETCH treated children from 86 of the 95 counties across the state, as well as patients from all 50 states in the United States. These statistics prove that while ETCH typically serves a 19-county service area, the depth and breadth of services provided at ETCH continues to attract a pediatric population that is growing. Of the 19 counties in ETCH's traditional service area, 14 counties are considered rural, meaning counties having less than 50% of their population living within a 2020 Census Urbanized Area with a population of more than 50,000. More than 189,000 patient encounters were provided to patients from these rural counties in fiscal year 2024 by ETCH.

The proceeding map shows the number of patient encounters ETCH provided from each county. Establishing a residency program will allow ETCH to focus additional education, training, and health services across these rural counties for generations to come.



*\* Light blue counties are considered rural by grant definition*



### SECTION #3 PROGRAM PLAN

This newly created pediatric residency program contains key components directed to grow the physician residency pipeline in the region and increase the number of trained pediatricians and pediatric specialists wishing to stay in East Tennessee.

**COMPONENT #1: RECRUITMENT & RETENTION** – Recruit, train, and retain qualified physicians to practice within the ETCH network or another rural/regional community upon graduation

**COMPONENT #2: MAINTAIN CLINICAL FOCUS** – Ensure the physicians and medical staff uphold an environment of clinical excellence, role modeling for residents -- role modeling the attributes of CORE - Compassion, Ownership, Respect, and Excellence. These attributes are paramount for all those associated with and employed by ETCH.

**COMPONENT #3: BUILDING/EXPANDING BRAND** – Build upon a brand to solidify the reputation of ETCH for patients in the region and align with other teaching children's hospitals. Having a top-notch residency program only strengthens the brand that lights the way for patients and their families particularly in rural and underserved communities to receive care.

**COMPONENT #4: QUALITY CARE** – Demonstrate excellent and comprehensive patient care to ensure overall success for every patient and family, every time.

Beginning in Summer 2027, six to eight residents will be invited to join this residency program. This is a three-year program. Once this program is at full capacity, there will be 18-24 residents learning and serving within the halls of ETCH, its 12 pediatric clinics, 5 rehabilitation centers, and 4 urgent cares across the network of care, reaching 19 counties across the region – 14 of which are rural by grant definition.

Residency curriculum is structured to provide a minimum of 30 months of required residency education onsite and within the clinical region reserved by ETCH. The curriculum is organized in educational units consisting of four-week blocks of training. An outpatient unit equates to a minimum of 32 half-day sessions while an inpatient unit requires a minimum of

200 hours of training. Curriculum guidelines, expectations, and requirements for all educational units are developed by a member of the core faculty.

The structured curriculum is as follows:

Inpatient Pediatrics:	5 units
Developmental/Behavioral	1 unit
Pediatric Subspecialties	4 units
Subspecialty Experience	3 units
Adolescent Medicine	1 unit
Neonatal Intensive Care	2 units
Pediatric Intensive Care	2 units
Newborn Care	1 unit
Ambulatory Care	5 units
Emergency Care	3 units
Individualized Curriculum	6 units

As required for accreditation of the residency program, ETCH will also build and utilize a continuity clinic. This clinic, much like a traditional primary care office, will be a space for residents to train, hone their skills, and treat patients and their families. This will be utilized in addition to the rounding collaboratives established with Covenant Health and Pediatrix Medical Group in Sevier County as discussed in SECTION #4 STRENGTH OF PARTNERSHIP.

## SECTION #4 STRENGTH OF PARTNERSHIP

In addition to the collaborative model created between UT Health Sciences Center and East Tennessee Children's Hospital to establish a pediatric residency program, four additional partners have agreed to participate to enhance the education and healthcare benefits of those in rural counties. Sevier County and Roane County will be served most directly by these additional partnership agreements but ETCH serves thousands of patients and families in rural counties across East Tennessee.

### **1. Covenant Health**

This residency program will be partnering specifically with Covenant Health LeConte Medical Center in Sevier County. LeConte Medical Center is a 79-bed hospital in Sevierville, Tennessee, with over 500 employees and 140 active and courtesy physicians. LeConte Medical Center will provide direct access for our pediatric residents to round on patients. These patients will either need, or may be in need, of specialized neonatal care once their babies are delivered. This specialized neonatal care can only be provided in the region by ETCH. Two units in the residency program curriculum of study are devoted to neonatal intensive care. Providing access to patients in a rural county hospital setting will be vital for our residents to learn and provide care to rural families. In particular, the Dolly Parton Birthing Unit at LeConte Medical Center sees 80% of delivering mothers in Sevier County. This partnership will be a tremendous benefit to ETCH and the pediatric residency program.

**2. Pediatrics Medical Group of Tennessee**

Pediatrics is a physician-led health care organization that partners with hospitals and health care facilities to offer clinical services. ETCH has a partnership for neonatal providers with Pediatrics. More than 1,000 neonatal intensive care (NICU) patients are treated annually at ETCH by our partnering NICU specialists from Pediatrics. All patients are transported from outlying counties – many of which are rural – with 62% of this population utilizing TennCare. The NICU at East Tennessee Children's Hospital is a Level III -- one that is equipped to care for very small and very sick newborn babies. It is equipped with 46 private rooms, plus four twin rooms. These rooms allow Pediatrics medical providers to give the best possible care to our tiniest patients. Covenant Health is providing the residents access to LeConte Medical Center facility in Sevier County. Pediatrics is providing the hands-on human capital and onsite training of residents from neonatologists while at LeConte Medical Center. These residents will be rounding in a rural hospital with licensed neonatologists, learning the intricacies of this specialty service lines and how best to treat the tiniest of patients.

**3. Gatlinburg-Pittman High School in Sevier County**

**4. Midway High School in Roane County**

Gatlinburg-Pittman High School in Sevier County and Midway High School in Roane County are two examples of partnerships ETCH has created and sustained for years that will further support the educational healthcare opportunities in these and many other rural counties. Each year, ETCH hosts a HOSA career day. Supported by school counselors and teachers, Health Occupations Students of America (HOSA) is a club for

students considering healthcare careers as a pathway upon graduation. Both high schools have signed MOUs stating their desire to continue participating in the HOSA career day at ETCH, particularly as a residency learning module is created. This residency learning module will pair existing residency students with interested high school seniors to discuss college and career paths options that will best prepare students interested in pursuing pediatrics and pediatric specialties. In addition, residents may also visit with schools as part of a community benefits focus that ETCH currently provides.

**\*\*\*MOU's for the four collaborative partners above are attached**



## SECTION #5 BUDGET PLAN

There is an extensive and reoccurring investment needed to establish and sustain this pediatric residency program. ETCH is diligently working to secure \$10.2 million before the first class of residents begin training in Spring 2027. This \$10.2 million will cover all capital, programmatic, and operational expenses through the first graduating class in Spring 2030. To-date, \$6 million has been secured through philanthropy. The \$1.2 million requested in this grant will support required stipends, benefits, and allowances for residents. This is found under DIRECT RESIDENT COSTS below. It equates to \$80,000 per resident. Therefore the \$1.2 million grant request will support the stipends, benefits, and allowances of 15 residents within the first three years of the residency program.

Below is a broad view of the total cost of the program (excluding \$3,000,000 in capital needs).

### 1. DIRECT PROGRAM COSTS

- a. Program Leadership Costs (ie. Program Director, Associate Program Director, Administrative, etc.)
- b. Sub-Specialty Education Costs
- c. Allowances for travel, conferences, and administrative support

Approximate Cost: \$80,000 per resident, per year

### 2. INSTITUTIONAL COSTS

- a. Institutional Leadership (DIO)
- b. Continuing Medical Education costs
- c. Office and Education Space

Approximate Cost: \$10,000 per resident, per year

3. DIRECT RESIDENT COSTS

- a. Resident Stipend and fringe benefits
- b. Direct resident benefits, recruiting, and allowances

Approximate Cost: \$80,000 per resident, per year

GRAND TOTAL APPROXIMATE PROGRAM COSTS: \$150,000 per resident, per year

**\*\*\*Grant Budget attached**

**\*\*\*Financial Needs through first graduating class attached**

## SECTION #6 SUSTAINABILITY

Sustainability of the pediatric residency program will be managed in two ways:

1. **Operational Support** – As a non-profit children’s hospital, ETCH reinvests all financial returns into operational, programmatic, and capital needs of the healthcare system. Annually, ETCH seeks to obtain a 1% operating margin from the timely receipt of reimbursements from private insurers like Blue Cross Blue Shield as well as state Medicaid funding known as TennCare. 62% of the ETCH population are TennCare recipients. This 1% operating margin is further achieved by adhering to proper ETCH spending policies, ensuring reinvested returns are properly used to support the mission of treating pediatric patients and their families. Operating margin will fund the pediatric residency program beyond the start-up years that conclude with the first graduating class in Spring 2030.

As discussed in SECTION #2 DEMONSTRATION ON NEED, one goal of this residency program is to retain top talent within the ETCH service area. By retaining and employing needed pediatricians and pediatric specialists upon residency completion, ETCH’s ability to provide broader and deeper reimbursable pediatric care will increase annual operating margins which also ensures sustainability of the residency program.

2. **Philanthropic Support** -- The ETCH development office is charged to secure as much as possible of the \$3.6 million of annual support needed to sustain the pediatric residency program. To-date, approximately \$6 million of the \$10.2 million needed to fund the first three



years of the residency program, has successfully been secured. Annually, the ETCH development office secures approximately \$12 million for general hospital operational and capital needs. A portion of these funds will be used to offset costs as need for the residency program if not fulfilled by normal hospital operating margins through reimbursements.

## MEMORANDUM OF UNDERSTANDING PEDIATRIC RESIDENCY COLLABORATION

This MEMORANDUM OF UNDERSTANDING (“MOU”) is made and entered into by and between **East Tennessee Children’s Hospital Association, Inc.**, located at 2018 Clinch Avenue, Knoxville, Tennessee, 37916 (“ETCH”) and **Covenant Health** (each a “Party” and collectively, the “Parties”).

WHEREAS ETCH and Covenant Health currently collaborate to provide high-quality newborn and neonatal care across the East Tennessee region, including in certain rural and medically-underserved areas; and

WHEREAS, the Parties intend to collaborate on a Pediatric Residency Program (the “Program”) to help grow the number of pediatric physicians in the East Tennessee region and to better serve the education and training of pediatricians and pediatric specialists in the region.

NOW THEREFORE, in consideration of the mutual promises of the parties, and for other good and valuable consideration, the Parties document their mutual understanding as to the Program as follows:

### A. Statement of Need

East Tennessee, especially its rural counties and underserved areas, faces a significant shortage of pediatricians. As of 2023, the region had **one of the lowest pediatrician-to-population ratios in the state**, leading to long wait times and limited access to specialized care. Additionally, many rural families travel long distances to receive care, often at the expense of timely healthcare interventions. The lack of a pediatric residency program in the area further exacerbates these challenges, as new pediatricians and pediatric specialists are not trained locally to meet the growing demand. Where doctors practice their residencies has a significant impact on where they continue practicing after training is complete. For those who completed their residency training between 2008-2017:

- 54.2% of national resident stayed in the state they completed their residency
- 46.6% of residents in Tennessee stayed in the state after residency
- Tennessee ranks 42<sup>nd</sup> as a state in ability to keep residents in the state
- Tennessee graduated 4,672 residents, ranking 18<sup>th</sup> nationally in volume graduated

### B. Statements of Intent, Roles, and Responsibilities

1. **ETCH** is creating a graduate medical education (“GME”) program to better serve the education and training of pediatricians and pediatric specialties in the East Tennessee region. UT Health Science Center is the sponsoring entity of the GME program. ETCH is primarily responsible for the creation, funding, and management of the GME program. A critical component of the GME program is a Residency Program focusing on pediatric subspecialties via NICU, PICU and ED.

2. **Covenant Health** owns and operates healthcare facilities and provides care to patients including newborns. Covenant Health will provide access to its facilities and patients for resident rounding, including facilities in rural and underserved communities.

C. Statement of Expected Benefits

The Parties expect that collaborating with this graduate medical education program will expand health education across the East Tennessee region by specifically providing greater pediatric healthcare access to rural counties and underserved populations. The collaboration and cooperation documented herein will also enhance job-creation to further support economic growth and positively impact social drivers of health in East Tennessee's most rural counties benefitting all partners involved.

D. Term and Termination

1. This MOU will take effect as of the date set forth above and will terminate two years thereafter, or when superseded by one or more specific agreements, whichever shall occur first. The MOU may be renewed upon the mutual written agreement of the Parties.
2. This MOU may be terminated by mutual written agreement of the Parties at any mutually-agreed upon time.

D. Miscellaneous Provisions

1. Each party shall be considered to be an independent party and shall not be construed to be an agent or representative of the other party. Neither party shall be responsible for personal injuries or property damage or loss, except that resulting from its own negligence or the negligence of its employees or others for whom the party is legally responsible. Each party agrees not to use the other party's name, marks, or logos in any advertising, promotional material, press release, publication, public announcement, or through other media, written or oral, without the prior written consent of the other party.
2. This MOU shall be governed in all respects by, and be construed in accordance with, the laws of the State of Tennessee.
3. This MOU does not alter, abrogate, terminate, or otherwise affect any other agreement(s) in place between or among any of the Parties.

E. Signatures

Agreed to by:

**East Tennessee Children's Hospital Association, Inc.**

By:  \_\_\_\_\_

Print Name: Mark C. Schmitt

Title: PRESIDENT & CEO

Date: 1/28/25

Covenant Health

By: [Signature]

Print Name: Jim VanderStee

Title: CEO

Date: 1/25/25

## MEMORANDUM OF UNDERSTANDING PEDIATRIC RESIDENCY COLLABORATION

This MEMORANDUM OF UNDERSTANDING (“MOU”) is made and entered into by and between **East Tennessee Children’s Hospital Association, Inc.**, located at 2018 Clinch Avenue, Knoxville, Tennessee, 37916 (“ETCH”) and **Pediatric Medical Group of Tennessee, P.C.** (“Pediatric”) (each a “Party” and collectively, the “Parties”).

WHEREAS ETCH and Pediatric, currently collaborate to provide high-quality newborn and neonatal care across the East Tennessee region, including in certain rural and medically-underserved areas; and

WHEREAS, the Parties intend to collaborate on a Pediatric Residency Program (the “Program”) to help grow the number of pediatric physicians in the East Tennessee region and to better serve the education and training of pediatricians and pediatric specialists in the region.

NOW THEREFORE, in consideration of the mutual promises of the parties, and for other good and valuable consideration, the Parties document their mutual understanding as to the Program as follows:

### A. Statement of Need

East Tennessee, especially its rural counties and underserved areas, faces a significant shortage of pediatricians. As of 2023, the region had **one of the lowest pediatrician-to-population ratios in the state**, leading to long wait times and limited access to specialized care. Additionally, many rural families travel long distances to receive care, often at the expense of timely healthcare interventions. The lack of a pediatric residency program in the area further exacerbates these challenges, as new pediatricians and pediatric specialists are not trained locally to meet the growing demand. Where doctors practice their residencies has a significant impact on where they continue practicing after training is complete. For those who completed their residency training between 2008-2017:

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- Tennessee ranks 42<sup>nd</sup> as a state in ability to keep residents in the state
- Tennessee graduated 4,672 residents, ranking 18<sup>th</sup> nationally in volume graduated

### B. Statements of Intent, Roles, and Responsibilities

1. **ETCH** is creating a graduate medical education (“GME”) program to better serve the education and training of pediatricians and pediatric specialties in the East Tennessee region. UT Health Science Center is the sponsoring entity of the GME program. ETCH is primarily responsible for the creation, funding, and management of the GME program. A critical component of the GME Program is educational rotations for pediatric residents working under the supervision of an array pediatric primary and specialty care physicians..

2. **Pediatric Medical Group** employs qualified neonatology providers who care for newborns at ETCH and at facilities where ETCH has contracts to provide newborn care, including facilities in underserved communities. Pediatric will provide opportunities for residents to round as part of the curriculum of the Program, including rounding in rural and underserved communities.

C. Statement of Expected Benefits

The Parties expect that collaborating with this Program will expand health education across the East Tennessee region by specifically providing greater pediatric healthcare access to rural counties and underserved populations. The collaboration and cooperation documented herein will also enhance job-creation to further support economic growth and positively impact social drivers of health in East Tennessee's most rural counties benefitting all partners involved.

D. Term and Termination

1. This MOU will take effect as of the date set forth above and will terminate two years thereafter, or when superseded by one or more specific agreements, whichever shall occur first. The MOU may be renewed upon the mutual written agreement of the Parties.
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3. This MOU does not alter, abrogate, terminate, or otherwise affect any other agreement(s) in place between or among any of the Parties.

F. Signatures:

Agreed to by:

**East Tennessee Children's Hospital Association, Inc.**

By: Matt C. Shumaker

Print Name: Matt Shumaker

Title: PRESIDENT & CEO

Date: 1/28/2025

**Pediatric Medical Group of Tennessee, P.C.**

By: Mike Ashford  
Mike Ashford (Jan 28, 2025 12:42 CST)

Print Name: Mike Ashford, RN, MHA

Title: Assistant Secretary, Regional President

Date: Jan 28, 2025

## **MEMORANDUM OF UNDERSTANDING PEDIATRIC RESIDENCY CAREER OPTION PROGRAM AND COLLABORATION**

This MEMORANDUM OF UNDERSTANDING ("MOU") is made and entered into by and between East Tennessee Children's Hospital Association, Inc., located at 2018 Clinch Avenue, Knoxville, Tennessee, 37916 ("ETCH") and Gatlinburg-Pittman High School (each a "Party" and collectively, the "Parties").

WHEREAS, Gatlinburg-Pittman High School in Sevier County, a medically-underserved area, participates in the Health Occupations Students of America (HOSA) site visit program conducted by and at ETCH to introduce high school seniors to pediatric health occupation careers; and

WHEREAS, the Parties intend to collaborate to continue the existing HOSA site program to grow these opportunities where appropriate for students

NOW THEREFORE, in consideration of the mutual promises of the parties, and for other good and valuable consideration, it is agreed as follows:

### **A. Statement of Need**

East Tennessee, especially its rural counties and underserved areas, faces a significant shortage of pediatricians. As of 2023, the region had **one of the lowest pediatrician-to-population ratios in the state**, leading to long wait times and limited access to specialized care. Additionally, many rural families travel long distances to receive care, often at the expense of timely healthcare interventions. The lack of a pediatric residency program in the area further exacerbates these challenges, as new pediatricians and pediatric specialists are not trained locally to meet the growing demand. Where doctors practice their residencies has a significant impact on where they continue practicing after training is complete. For those who completed their residency training between 2008-2017:

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- Tennessee ranks 42<sup>nd</sup> as a state in ability to keep residents in the state
- Tennessee graduated 4,672 residents, ranking 18<sup>th</sup> nationally in volume graduated

### **B. Statements of Intent, Roles, and Responsibilities**

1. **ETCH** is creating a graduate medical education ("GME") program to better serve the education and training of pediatricians and pediatric specialties in the East Tennessee region. UT Health Science Center is the sponsoring entity of the GME program. ETCH is primarily responsible for the creation, funding, and management of the GME program. A critical component of the GME program is a Residency Program focusing on pediatric subspecialties via NICU, PICU and ED.
2. **Gatlinburg-Pittman High School** in Sevier County sends qualified HOSA student to an annual HOSA site program at ETCH. Gatlinburg-Pittman High School will continue to



partner with ETCH in sending student to now also learn from pediatric residents about this career path and the need for health access in rural counties (as defined by the state of Tennessee) like Sevier County.

1. Statement of Expected Benefits

The Parties expect that collaborating with this HOSA site program will further educate students around the need for graduate medical education, will introduce new health care options for high school seniors to consider, and will expand health education across the East Tennessee region by specifically providing greater pediatric healthcare access and education to rural counties and underserved populations. The collaboration and cooperation documented herein will also enhance job-creation to further support economic growth and positively impact social drivers of health in East Tennessee's most rural counties benefitting all partners involved.

C. Term and Termination

1. This MOU will take effect as of the date set forth above and will terminate two years thereafter, or when superseded by one or more specific agreements, whichever shall occur first. The MOU may be renewed upon the mutual written agreement of the Parties.

2. This MOU may be terminated by mutual written agreement of the Parties at any mutually-agreed upon time

D. Miscellaneous Provisions

1. Each party shall be considered to be an independent party and shall not be construed to be an agent or representative of the other party. Neither party shall be responsible for personal injuries or property damage or loss, except that resulting from its own negligence or the negligence of its employees or others for whom the party is legally responsible. Each party agrees not to use the other party's name, marks, or logos in any advertising, promotional material, press release, publication, public announcement, or through other media, written or oral, without the prior written consent of the other party.

2. This MOU shall be governed in all respects by, and be construed in accordance with, the laws of the State of Tennessee.

3. This MOU does not alter, abrogate, terminate, or otherwise affect any other agreement(s) in place between or among any of the Parties.

E. Signatures

Agreed to By:

**East Tennessee Children's Hospital Association, Inc.**

By: Matt C. Schmitt  
Print Name: Matt C. Schmitt  
Title: PRESIDENT & CEO  
Date: 1/28/2025

**Gatlinburg-Pittman High School**

By: A.J. Bennett  
Print Name: Dr. A.J. Bennett  
Title: Principal  
Date: 1/28/25

**MEMORANDUM OF UNDERSTANDING  
PEDIATRIC RESIDENCY CAREER OPTION PROGRAM AND COLLABORATION**

This MEMORANDUM OF UNDERSTANDING ("MOU") is made and entered into by and between East Tennessee Children's Hospital Association, Inc., located at 2018 Clinch Avenue, Knoxville, Tennessee, 37916 ("ETCH") and Midway High School (each a "Party" and collectively, the "Parties").

WHEREAS, Midway High School in Roane County, a medically-underserved area, participates in the Health Occupations Students of America (HOSA) site visit program conducted by and at ETCH to introduce high school seniors to pediatric health occupation careers; and

WHEREAS, the Parties intend to collaborate to continue the existing HOSA site program to grow these opportunities where appropriate for students

NOW THEREFORE, in consideration of the mutual promises of the parties, and for other good and valuable consideration, it is agreed as follows:

**A. Statement of Need**

East Tennessee, especially its rural counties and underserved areas, faces a significant shortage of pediatricians. As of 2023, the region had one of the lowest pediatrician-to-population ratios in the state, leading to long wait times and limited access to specialized care. Additionally, many rural families travel long distances to receive care, often at the expense of timely healthcare interventions. The lack of a pediatric residency program in the area further exacerbates these challenges, as new pediatricians and pediatric specialists are not trained locally to meet the growing demand. Where doctors practice their residencies has a significant impact on where they continue practicing after training is complete. For those who completed their residency training between 2008-2017:

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**B. Statements of Intent, Roles, and Responsibilities**

1. ETCH is creating a graduate medical education ("GME") program to better serve the education and training of pediatricians and pediatric specialties in the East Tennessee region. UT Health Science Center is the sponsoring entity of the GME program. ETCH is primarily responsible for the creation, funding, and management of the GME program. A critical component of the GME program is a Residency Program focusing on pediatric subspecialties via NICU, PICU and ED.
2. Midway High School in Roane County sends qualified HOSA student to an annual HOSA site program at ETCH. Midway High School will continue to partner with ETCH in sending student to now also learn from pediatric residents about this career path and

the need for health access in rural counties (as defined by the state of Tennessee) like Roane County.

1. Statement of Expected Benefits

The Parties expect that collaborating with this HOSA site program will further educate students around the need for graduate medical education, will introduce new health care options for high school seniors to consider, and will expand health education across the East Tennessee region by specifically providing greater pediatric healthcare access and education to rural counties and underserved populations. The collaboration and cooperation documented herein will also enhance job-creation to further support economic growth and positively impact social drivers of health in East Tennessee's most rural counties benefitting all partners involved.

C. Term and Termination

1. This MOU will take effect as of the date set forth above and will terminate two years thereafter, or when superseded by one or more specific agreements, whichever shall occur first. The MOU may be renewed upon the mutual written agreement of the Parties.
2. This MOU may be terminated by mutual written agreement of the Parties at any mutually-agreed upon time

D. Miscellaneous Provisions

1. Each party shall be considered to be an independent party and shall not be construed to be an agent or representative of the other party. Neither party shall be responsible for personal injuries or property damage or loss, except that resulting from its own negligence or the negligence of its employees or others for whom the party is legally responsible. Each party agrees not to use the other party's name, marks, or logos in any advertising, promotional material, press release, publication, public announcement, or through other media, written or oral, without the prior written consent of the other party.
2. This MOU shall be governed in all respects by, and be construed in accordance with, the laws of the State of Tennessee.
3. This MOU does not alter, abrogate, terminate, or otherwise affect any other agreement(s) in place between or among any of the Parties.

E. Signatures

Agreed to By:

**East Tennessee Children's Hospital Association, Inc.**

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E. Signatures

Agreed to By:

**East Tennessee Children's Hospital Association, Inc.**

By:   
Print Name: MARK C. SULLIVAN  
Title: PRESIDENT & CEO  
Date: 1/29/2025

Midway High School

By:   
Print Name: C. SHANNON CAWOOD  
Title: PRINCIPAL  
Date: 1-29-25

<b>GRANT BUDGET</b>				
<b>Rural Health Care Pathways Expansion Grant</b>				
<b>The grant budget line-item amounts below shall be applicable only to expense incurred during the following</b>				
<b>Applicable</b>				
<b>Period:</b>				
<b>BEGIN: 1/31/2025</b>		<b>END: 1/30/2029</b>		
<b>POLICY 03 Object Line-Item Reference</b>	<b>EXPENSE OBJECT LINE-ITEM CATEGORY <sup>1</sup></b>	<b>GRANT CONTRACT</b>	<b>GRANTEE PARTICIPATION</b>	<b>TOTAL PROJECT</b>
1. 2	Resident Stipend/Benefit	\$1,200,000	\$2,640,000	\$3,840,000
4, 15	Professional Fee, Grant & Award <sup>2</sup>	0.00	0.00	0.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	0.00	0.00	0.00
11. 12	Travel, Conferences & Meetings	0.00	0.00	0.00
13	Interest <sup>2</sup>	0.00	0.00	0.00
14	Insurance	0.00	0.00	0.00
16	Specific Assistance To Individuals	0.00	0.00	0.00
17	Depreciation <sup>2</sup>	0.00	0.00	0.00
18	Other Non-Personnel <sup>2</sup>	0.00	0.00	0.00
20	Capital Purchase <sup>2</sup>	0.00	\$3,000,000	\$3,000,000
22	Indirect Cost	0.00	0.00	0.00
24	In-Kind Expense	0.00	0.00	0.00
25	<b>GRAND TOTAL</b>	<b>\$1,200,000</b>	<b>\$5,640,000</b>	<b>\$6,840,000</b>

1. This grant budget is solely focused on the grant request of \$1.2 million to provide 15 stipends to residents at a benefit of \$80,000 per resident.
2. ETCH, through operation margin and philanthropy, is providing the balance of \$2,640,000 which will provide 33 additional stipends at a benefit of \$80,000 per resident.
3. Additionally, as referenced in line #20, ETCH through philanthropy will completely fund the capital construction cost of \$3,000,000 for required building.
4. To-date, ETCH has secured a total of \$6 million towards the goal of \$10.2 million – the total amount needed to fund the residency program through its first graduating class in Spring 2030.
5. Additional expenses, that can not be categorized on this budget sheet, involve educational costs and institutional costs.
6. The ETCH grant project director, Adam Cook is available to answer any additional questions THEC may have.



# Financial Needs Through 1st Graduating Class

Set-up Costs	Amount	Notes
Planning (2024 – 2026)	\$500,000	
Construction (2025 – 2027)	\$2,500,000	Rooms, offices, lounges, etc.
Subtotal #1	\$3,000,000	
Three-year Education Cost Culminating to First Graduating Class	Amount	Notes
Year 1 – 2027/28	\$1,200,000	8 residents @ \$150,000 per resident
Year 2 – 2028/29	\$2,400,000	16 residents @ \$150,000 per resident
Year 3 – 2029/30	\$3,600,000	24 residents @ \$150,000 per resident
Subtotal #2	\$7,200,000	
Three-year Grand Total	\$10,200,000	Set-up costs and first three-year educational costs total

An additional (and long term) goal is to continue to endow our children's hospital, so programs like the above can serve as a legacy for pediatric training in perpetuity (example below). As the only free-standing, independent, non-profit children's hospital in the state, endowment further guarantees quality healthcare, education and access for pediatric patients in East Tennessee and beyond.



Future Goals for Legacy	Amount	Notes
General endowment for ETCH and Residency Sustainability	\$25,000,000	Endowment would yield \$1MM annually to support hospital programs, capital needs and services