A momentous event that dramatically altered the university’s history occurred in 1994 when Nova University became affiliated with Southeastern University of the Health Sciences to form a new institution, Nova Southeastern University, Inc. The new arrangement added a medical school, college of pharmacy, college of optometry, college of allied health, and college of medical sciences to the Nova campus.

The merger between Southeastern and Nova University began with the vision of Morton (Mort) Terry, a medical student at the Philadelphia College of Osteopathic Medicine (PCOM). Arnold Melnick, a close friend and classmate, would later join him in Miami to help realize Terry’s dream. There were only five medical colleges of osteopathic medicine in the United States, and when the two young doctors of osteopathy (DOs) graduated in 1945, there were few internship possibilities.

As Melnick and Terry began their careers, a medical degree in osteopathic medicine was denigrated and not accepted by most MD or allopathic medicine programs. Allopathic medicine, practiced in the great majority of hospitals in America, is a system of medicine that combats disease by using remedies such as drugs or medicine. Osteopathic medicine is based on the theory that diseases are due chiefly to loss of structural integrity, which could be restored through manipulation of the musculoskeletal system. DOs also prescribe drugs and perform surgery. Osteopathic physicians tend to treat patients holistically.
Figure 7.1 Morton Terry, DO, chancellor, Health Professions Division, 1994–2004. (By permission of Nova Southeastern University Archives, Fort Lauderdale, Florida.)
Stanley Cohen, an educator, had extensive contact with medical students and was one of the earliest members of Mort Terry’s staff. He described osteopathic physicians as “hands-on” people, more oriented toward family practice. They believe in sitting down with patients and listening to them, because they know that the patient’s description of their symptoms would help with diagnosis. The emphasis is on humanism, compassion, and empathy for patients. DOs use traditional medicine, but also utilize manipulation of the neuromuscular system.1

When Melnick and Terry began their practice, many MD programs in the country discriminated against osteopaths. Some allopathic hospitals did not allow DOs to practice, nor could DOs visit their own patients when they resided in an allopathic hospital. The Dade County Medical Association prohibited MDs from “consulting or consorting” with DOs. Those violating the rules could be penalized or ostracized.

Mort Terry decided to move to Miami, Florida, where he built a very successful internal medicine practice. He collaborated with other osteopathic physicians in the area and established an osteopathic hospital, Biscayne Osteopathic General Hospital, a 100-bed general community hospital founded in 1953. In 1960, the privately owned hospital moved to North Miami Beach, was renamed the Osteopathic General Hospital, and became a not-for-profit institution.

As osteopathic medicine made perceptible strides in the Miami area, Mort Terry anticipated the day when he could establish an osteopathic medical school in Florida. His attempt to get financial aid from the state legislature failed, so Terry recognized that creating a Florida-based osteopathic medical school would have to be a private endeavor. He focused his time and effort on accomplishing that goal. In spite of many financial and political barriers that thwarted his plan to build an osteopathic medical school, Terry doggedly forged ahead. He refused to accept defeat and viewed challenges as learning opportunities.

In 1979, Terry, as chairman of the Osteopathic General Hospital board, arranged for the sale of the hospital to American Medical International (AMI) for $12 million and put that money into a foundation to create an osteopathic medical school. In 1980, Terry contacted his old friend Arnold Melnick, who had recently retired as a practitioner in Philadelphia, and asked him to help launch the new medical college. Terry initially told Melnick that as founder, it would be more appropriate for Terry to be dean of the new college rather than president, but Melnick protested, saying, “With your business sense, with your drive, and with your desire to get the school started, you should
be president.” So Terry became the president. Melnick agreed to be dean of the college and moved to Miami in June 1980.2

Starting a medical school with limited funds and virtually no outside support would be a daunting task for a team of experts, let alone for two doctors with a lot of chutzpah and little else besides an unrelenting desire to reach their goal. Because Terry began his medical school as a private institution—the Southeastern College of Osteopathic Medicine (SECOM)—he did not have to jump through all the hoops that would have been required if a state university wanted to set up a medical school. The time it took to establish a medical school was, on average, five to ten years; Terry and Melnick did it in a little over one year. With the assistance of a secretary and a finance officer, the two men began by planning the curriculum and hiring some faculty. The only people available were DOs who practiced locally. Most were willing to use their free time to instruct the new students. Terry and Melnick used a renovated auxiliary building across from the Osteopathic Hospital for classrooms, labs, and offices. They later added two buildings to house a library and auditorium.

The two founders, known as risk takers, decided to open their medical school in the fall of 1981 with an initial class of forty students. The state and the American Osteopathic Association (AOA) objected, telling them that they should start with fifteen to twenty students in the first group and slowly build the number over the years. Terry and Melnick ignored the admonitions and enrolled forty students the first year, increased the number to sixty in the second year, accepted a class of eighty students by the third year, and ended up with 100 students in the fourth-year class. By 1981, as promised, SECOM had enrolled its first class and was open for business, a remarkable achievement. The venture succeeded in part because Mort Terry was a very persuasive, influential, intelligent, hard-working leader. SECOM graduated its first class in 1985 and in the same year received accreditation from the AOA.

When American Medical International (AMI) decided to close the osteopathic hospital it had purchased in 1979 for $12 million, Terry repurchased the five-story hospital for the bargain price of $4 million. The building needed refurbishing, but now SECOM had sufficient space to expand.

As SECOM slowly developed its medical college, some hospital administrators complained that they could not find enough pharmacists in South Florida and asked if SECOM could start a pharmacy school. There were only two pharmacy schools in the state, one at the
University of Florida (UF) and one at Florida Agricultural and Mechanical University (Florida A&M) in Tallahassee, but none in South Florida. A new school of pharmacy had not been created in the United States in the previous eighteen years. Terry was undeterred. Within fifteen months, with the able assistance of Frederick (Fred) Lippman, a practicing pharmacist and a member of the state legislature, SECOM created a board of overseers, organized a new pharmacy school, and in 1987 enrolled its first class.

Shortly thereafter, SECOM began planning a college of optometry since there were none in the state of Florida. The new college was quickly established and began training new optometrists and receiving financial assistance from the state of Florida. The state had been paying from $6,000 to $8,000 a year to support Florida residents who were being trained in Houston and Memphis, the nearest schools of optometry. It did not make sense for the state to support an external school, so the state legislature took the money that went to Houston and Memphis and used it to support students at the SECOM College of Optometry. The extra money helped SECOM solidify and enlarge the fledgling school, and since there was a critical shortage of pharmacists, the state also supplied money to train students in that profession. Terry had foreseen the need for more opticians and pharmacists and moved promptly to fill the void.

With the College of Osteopathic Medicine, the College of Pharmacy, and the College of Optometry, SECOM met the state requirements for university status and became Southeastern University of the Health Sciences. With the success of the first three colleges, Terry began to think about founding other health profession colleges. In the early 1990s, Southeastern introduced the College of Allied Health, which had programs for physician assistants, occupational therapists, and physical therapists. Next, SECOM developed the College of Medical Sciences, home of the school’s interdisciplinary PhD faculty. The faculty in this college provided all the basic science courses needed by the other four colleges and also developed degree programs of its own, such as a master’s degree in medical sciences. Terry argued that basic sciences were the same; each student in all four colleges had to learn microbiology, physiology, and pathology. Rather than have each college hire an anatomy professor (or a biochemist or a microbiologist), Terry would hire an anatomy professor to teach anatomy classes in each of the colleges. After all, a course in anatomy was essentially the same whether it was taught to a physician or an optometrist. Terry’s system of assembling a basic science faculty to cover all the courses
reduced the cost of education; his system was replicated by medical centers all over the country.4

Now that Mort Terry had established a successful medical center, he began to consider retirement and worried about the future of the institution. “I wanted to find another university to merge with, to create a partnership that would make both institutions stronger.” In late 1989, the dean of the College of Medicine at the University of Miami met with Terry and his group, but the two universities did not reach an agreement. Terry then sounded out Nova University as a possible partner. Abe Fischler had known Terry slightly, and the two men discussed the possibility of a merger. Fischler expected Nova to control the new school, and at the time Terry did not want to be in a position of inferior authority.

A merger decision for Southeastern remained in abeyance until Terry was invited to attend the presidential inauguration of Stephen Feldman on the Nova University campus. Feldman had already visited the Southeastern campus and knew a little about Terry’s institution. He and Terry had gotten along well, but had not talked about a merger. The exact details of the conversations that occurred during the inauguration vary according to the source. There is general agreement, however, that at the investiture, Terry wrote down on the back of the inauguration program eleven points as guidelines for a possible merger with Nova University. Terry handed the program to David Rush, a trustee of both Nova and Southeastern, who would play an important role in getting the two sides together. Rush took the program to Robert (Bob) Steele, the vice chairman of the Nova Board of Trustees, and Ray Ferrero Jr., then chairman of the Nova Board of Trustees, and asked them to look at the proposal. Rush said, “If you’re interested, let’s do it.” David Rush took the idea to Feldman, and the new chief executive responded favorably.

Ray Ferrero Jr. brought the concept to the Nova Board of Trustees, and it made sense to them. Southeastern had an endowment of around $35 million, its medical school and other colleges had been accredited, its buildings were paid for, and the university was debt-free. Southeastern earned around $3 million a year, and its future seemed assured since it had many more applicants for medical school than it could accept—3,000 applicants for 100 openings. Southeastern’s training emphasized geriatrics, rural medicine, and minority medicine—important niches for family medicine in South Florida. Employment projections in the health care industry showed an increase of 50 percent in the next fifteen years.
Southeastern was eager for a merger since it probably could not grow without an affiliation with an established university. While osteopathic medicine had been unfairly criticized in the past, by the 1980s the profession was accepted in allopathic hospitals, and a large number of Southeastern graduates did their residencies in MD programs. What was not to like? Southeastern University had exactly what Nova needed—cash, stability, and a medical center that would potentially earn significant sums of money in the future.

The Nova board wisely decided to expedite the process as much as it could. There was some opposition to a merger: a few Nova trustees feared that the medical school would control the new university, and on the Southeastern side were misgivings about connecting with a school that had been fiscally unstable. The positive aspects of the deal, however, outweighed the few naysayers.⁵

Formal merger discussions began in late March or early April 1993. Mort Terry was heavily involved in the talks and nothing was agreed to without his approval. Arnold Melnick was one of the primary participants for Southeastern; Nova was represented by Ovid Lewis, Joel Berman (the university’s attorney), and Feldman. Melnick and Terry trusted and liked Ovid Lewis, who worked on most of the academic issues. Melnick had to report all details to Terry, while Lewis furnished the facts to Feldman, Ray Ferrero Jr., and the Nova Board of Trustees. No final decision would be made without agreement from the two major players, Terry and Ferrero. The other representatives worked out the details of the agreement.

When Melnick came to the table, he had three major requirements before consultations could proceed. He and Terry wanted the new university’s name to be Nova Southeastern University; this was presented as a nonnegotiable item. After a brief discussion, everyone agreed to that provision. Melnick also wanted Southeastern to have representation on the new board of trustees for the combined universities. Both sides agreed that Southeastern would have five members on the Nova Southeastern University (NSU) board for a limit of ten years. The Health Professions Division (HPD) would have its own advisory board, and Nova could have representation on that board. Terry would be chancellor of HPD at NSU, with Arnold Melnick as provost. Terry would have his own budget but would use Nova’s accounting system and would report to Feldman. The HPD was designed to be semiautonomous, and the deans of the various colleges would report to Terry, the chancellor. Melnick’s third request was that all Southeastern employees be blended into the Nova University re-
tirement system. That too was accepted by everyone. Southeastern’s employees were taken care of; none were fired.

The final transaction took nine months because there were other complicated aspects to the bargaining, including blending the by-laws, reconciling retirement plans, and keeping psychological studies at Nova University and not the HPD. One interesting aspect of the merger was Southeastern’s insistence that the HPD not be allowed to award any allopathic or MD degrees. Southeastern agreed to sell its southeast Miami campus and move to the Nova campus. The old campus buildings were never sold, but instead were rehabilitated, and the Fischler School moved its headquarters there. Other issues resolved were faculty and staff salaries (Southeastern’s salaries were significantly lower than Nova’s), faculty status, redistribution of overhead costs, and fringe benefits.

Southeastern University was happy to move to the Nova campus and agreed to pay to build the new medical center. The merger was a win-win for both schools. Nova had the land but could not afford to build a medical center. Southeastern had the money but needed the land and the affiliation with Nova. Southeastern selected the architect and construction company and agreed to pay $25 million to erect a building to house the HPD. Southeastern also agreed to spend $5 million for a parking garage, $1 million for moving expenses, and $1 million for equipment. John Santulli recalled that the final cost for the new medical campus was around $40 million. Both sides agreed to split the legal costs. The formal agreement became effective on January 1, 1994. The flexibility of both private institutions allowed the merger to proceed in a rapid and orderly fashion. This decision was yet another example of Nova University taking a measured risk. The Nova board approved the final agreement and plan of merger on September 27, 1993.

For its part, Nova spent $3.175 million to purchase twenty-one acres of land on the campus periphery. The site was contiguous to the original campus and the HPD had a separate entrance. When the initial building was completed in 1996, Southeastern moved its entire medical center from Miami to the Nova Southeastern University campus.

Shortly before the merger, Terry and Melnick decided they wanted to extend the size and reach of the new Health Professions Division and were considering either a veterinary or a dental school. Terry favored a dental school, although no new dental schools had been built in the United States in the previous twenty-six years and some nine
schools had closed in recent years. Everyone felt that Mort Terry was crazy to start a dental school in light of the recent closings. Terry, however, had done his due diligence. He discovered that most of the dental schools had closed due to mismanagement and loss of federal funds. He also learned that half of the U.S. population had no access to dental care, there was no dental school in South Florida, and there was a large and growing population in need of increased dental services.

A report from the Dental College Task Force confirmed Terry’s views. The study concluded that since there would be a significant number of applicants for admission to a school of dentistry, the school could charge $25,000 a year or higher for tuition. The Dental College Task Force saw numerous opportunities for new revenue with the large underserved patient pool in South Florida and voted unanimously to recommend establishing a college of dental medicine. Ray Ferrero Jr., after viewing the study, was convinced that it was a good idea and urged the board of trustees to go forward with it. Some board members warned that it would cost a lot of money and would take several years to build, but Terry and Ferrero brushed them aside. As Ferrero later commented, “It turned out to be a great decision.” The new dental school building was built and paid for by the Health Professions Division and admitted its charter class in August 1997. The College of Dental Medicine now has approximately 3,000 applications for 125 to 130 openings, as well as 300 dental chairs reserved for serving a large number of indigent patients in South Florida.7

The new Health Professions Division immediately prospered. As soon as the various schools opened, the number of students increased every year. By September 1994, there were 104 new students in the College of Optometry, and the occupational therapy program had forty-eight new students. This boded well for the future of the merger. By 1995, HPD had a health maintenance organization (HMO) type of university health service for employees and families and opened the HPD Broward County Center. A new pharmacy was completed in May 1998 as HPD grew and developed new facilities and new programs. When the new health complex opened on June 22, 1996, there were six buildings with 900,000 square feet of usable space on twenty-one acres. The physical plant and the 1,600-car parking garage were adjacent to the five-story administration building, which housed the administrators for all the colleges and a cafeteria. The assembly building housed ten auditoriums (one with 500 seats, one with 250 seats, and eight with 120 seats) that would accommodate
1,750 students. The laboratory and library facilities were opened, and finally, HPD constructed the clinical building, the Sanford L. Ziff Health Care Center, which housed the primary care practices. One year later, the HPD added a structure for the dental school.8

The new arrangement with Nova University helped Southeastern University of the Health Sciences because it was now affiliated with a university, had a medical complex contiguous with the Nova campus, and could grow and expand as part of a major university. There was a huge upside for Nova. The new buildings and the medical center assets were worth around $60 million. This infusion of new money bolstered the university’s bottom line. Nova Southeastern University now had a good credit rating and could borrow money whenever necessary. Even as late as 1994, Nova’s finances were still uncertain, but with the advent of the medical school, NSU would be able to earn sums of money that the original founders could not have imagined. Fred Lippman indicated that the HPD contributed some $5 million to $6 million a year to NSU’s coffers.

Nova Southeastern University was now a full, comprehensive university. Some called it a multiversity. NSU’s newfound status enabled it to attract better-quality students, like the premed and prelaw students who wanted to attend medical or law school on the same campus. The original concept of the university had undergone a dramatic and irrevocable change. It was now a much different and more diverse university from what it had been just three short years prior to the merger and drastically different from the Oatmeal Club’s original concept. NSU could provide medical and health care services to the entire county and finally earned the prestige it lacked in the past. As Ray Ferrero Jr. said about the merger, in this case one plus one did not equal two; rather, one plus one equaled ten. The new coalition demonstrated once again the opportunistic nature of a flexible administration at an independent university. Certainly Nova was in a much better economic situation in 1994 than in 1970 or 1985, but it would not have seen such dramatic growth from 1998 to the present and would not have been able to broaden its mission without the Southeastern merger. Nova no longer needed saviors; now it needed supporters.

SACS immediately recognized the official name change to Nova Southeastern University and continued Nova’s accreditation after the merger with Southeastern. The SACS approval was essential for the ultimate success of the newly merged institutions. SACS did indicate that NSU would have to complete a self-study and achieve reaffirmation of accreditation within five years.9
Fred Lippman called the agreement a “great symbiosis,” as both schools were born and bred as underdogs. Nova had been derided and demeaned because it invented distance education. Southeastern had been vilified because it created a school of osteopathic medicine and did not train “real” doctors. Mort Terry and others at Southeastern saw in Nova a group of like-minded people who were innovative fighters and believers in what was right.10

All of the achievements by SECOM and the new Health Professions Division could not have been accomplished without Mort Terry’s leadership and vision and Arnold Melnick’s assistance. When Terry passed away at age 82 on January 11, 2004, he received numerous accolades from colleagues and friends. Ray Ferrero Jr. called Terry a valued friend and colleague and praised him for leaving behind an extraordinary professional legacy that would continue to live on through the colleges and numerous programs that comprised NSU’s Health Professions Division. Ferrero said, “There are few people in life who have done as much for their profession and medical education than Dr. Morton Terry.” Other members of the Health Professions Division lauded his integrity, loyalty, humanity, motivation, and respect for what was right.11

With the merger with Southeastern a fait accompli, Nova cast its eyes to the future. Nova would never be the same, both in name and in its objectives. A university that began in 1964 as a vision of a group of Fort Lauderdale businessmen had been changed beyond their imagination. From 1998 on, NSU would embark on a journey of remarkable growth under a new and hard-driving leader, Ray Ferrero Jr.