

The Regents of the University of California

COMMITTEE ON HEALTH SERVICES

January 17, 2008

The Committee on Health Services met on the above date at Covell Commons, Los Angeles campus.

Members present: Regents Blum, Dynes, Island, Lansing, Parsky, and Pattiz; Advisory members Shewmake and Croughan

In attendance: Regents Allen, Bugay, Garamendi, Gould, Hopkinson, Kozberg, Lozano, Marcus, Preuss, Ruiz, Schilling, and Varner, Regent-designate Scorza, Faculty Representative Brown, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Hume, Executive Vice Presidents Darling and Lapp, Vice Presidents Beckwith, Dooley, Foley, and Sakaki, Chancellors Bishop, Block, Blumenthal, Fox, Kang, Vanderhoef, and Yang, Acting Chancellor Grey, and Recording Secretary Bryan

The meeting convened at 11:10 a.m. with Committee Chair Lansing presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of September 19, 2007 were approved.

2. STRATEGIC CONSULTATION AGREEMENT: UCLA MEDICAL CENTER AND SAINT JOHN'S HOSPITAL AND HEALTH CARE CENTER, INC.

The President recommended:

- A. Approval of execution of the proposed agreement (Agreement) between UCLA and Saint John's Hospital and Health Care Center, Inc.
- B. Authorization of the Chief Executive Officer of UCLA Hospital System and the President of the UCLA Faculty Practice Group to execute the duties assigned under the Agreement.

The Agreement includes a process by which UCLA may, under certain circumstances, negotiate agreements on behalf of Saint John's with payors. Maintenance of common contracts by Saint John's and UCLA with a given payor will, in many cases, better enable the Parties to transfer patients between each other when such transfers are necessary due to capacity constraints at the originating site or a patient's need for specialized services not available at the originating site.

Under the proposed contracting framework, an advisory committee composed of an equal number of representatives from Saint John's and UCLA (Advisory Committee) would identify payors with respect to whom UCLA might negotiate on behalf of both Saint John's and UCLA, and define acceptable financial parameters for an agreement with the specific payor. The Chief Executive Officer of UCLA Hospital System and the President of the UCLA Faculty Practice Group would then have unilateral authority to determine whether UCLA would negotiate on behalf of Saint John's with a given payor within the identified parameters. If UCLA chose to do so, it would handle the negotiations.

If UCLA is, thereafter, able to secure a contract with the designated payor within the recommended financial parameters, UCLA would then have unilateral authority to bind Saint John's to the resulting agreement. If no such agreement could be reached within the defined parameters, the matter would be reported to the Advisory Committee. The Committee would then be free to recommend alternative financial parameters to the Chief Executive Officer of UCLA Hospital System and the President of the UCLA Faculty Practice Group. If they accept the proposal, UCLA would re-engage the pertinent payor. If UCLA declined to take the proposal forward, Saint John's and UCLAMC would separately negotiate their own contracts with the payor.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

The meeting adjourned at 11:15 a.m.

Attest:

Secretary and Chief of Staff