

HEALTH SERVICES COMMITTEE

December 11, 2018

1. APPOINTMENT OF AND COMPENSATION FOR CHAD LEFTERIS AS CHIEF OPERATING OFFICER, UC IRVINE HEALTH SYSTEM, IRVINE CAMPUS

Recommendation

The President of the University recommends that the Health Services Committee approve the following items in connection with the appointment of and compensation for Chad Lefteris as Chief Operating Officer, UC Irvine Health System, Irvine campus:

- A. Per policy, appointment of Chad Lefteris as Chief Operating Officer, UC Irvine Health System, Irvine campus, at 100 percent time.
- B. Per policy, annual base salary of \$610,000, which will be funded by Health Enterprise revenues. No State funds will be used.
- C. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Short Term Incentive (STI) component, with a target award of 15 percent of base salary (\$91,500) and maximum potential award of 25 percent of base salary (\$152,500) subject to all applicable plan requirements and Administrative Oversight Committee approval. Any actual award will be determined based on performance against pre-established objectives and will be pro-rated in the first year of participation based on the date of hire. If Mr. Lefteris's start date is on or before January 2, 2019, he will be eligible to participate starting in the 2018-19 Plan Year. If his employment begins after January 2, 2019, he will be eligible to participate starting in the 2019-20 Plan Year. CEMRP incentive awards are funded by Health Enterprise revenues. No State funds will be used.
- D. Per policy, eligibility to participate in the UC Employee Housing Assistance Program, subject to all program requirements.
- E. Per policy, standard pension and health and welfare benefits and standard senior management benefits (including eligibility for senior management life insurance and eligibility for executive salary continuation for disability after five consecutive years of Senior Management Group service).
- F. Per policy, reimbursement of actual and reasonable moving and relocation expenses associated with relocating his primary residence, subject to the limitations under Regents Policy 7710, Senior Management Group Moving Reimbursement.

- G. For any outside professional activities, Mr. Lefteris will comply with applicable Outside Professional Activity (OPA) policies.
- H. This action will be effective as of Mr. Lefteris's hire date, estimated to be on or about December 31, 2018.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: Date of hire, estimated to be on or about December 31, 2018

Annual Base Salary: \$610,000

Clinical Enterprise Management Recognition Plan (CEMRP): Short Term

Incentive (STI): \$91,500 (at 15 percent target rate)

Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term

Incentive (LTI): N/A

Target Cash Compensation:* \$701,500

Funding: Non-State funded (UC Irvine Health revenue)

Prior Incumbent Data

Title: Chief Operating Officer, UC Irvine Health System

Annual Base Salary: \$600,000

Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term

Incentive (STI): \$90,000 (at 15 percent target rate)

Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term

Incentive (LTI): N/A

Target Cash Compensation:* \$690,000

Funding: Non-State funded (UC Irvine Health revenue)

*Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend.

COMPETITIVE ANALYSIS FOR CHIEF OPERATING OFFICER, UC IRVINE HEALTH SYSTEM (MRZ TITLE: CHIEF OPERATING OFFICER – UC IRVINE)

MARKET REFERENCE ZONE FOR BASE SALARY						MARKET COMPOSITE FOR TARGET CASH COMPENSATION				
Percentiles	25 th	50 th	60 th	75 th	90 th	25 th	50 th	60 th	75 th	90 th
Market Data	\$381.5k	\$504.6k	\$539.7k	\$592.3k	\$752.4k	\$415.4k	\$593.4k	\$663.5k	\$768.6k	\$1,042.5K
% Difference from Market	59.9%	20.9%	13.0%	3.0%	-18.9%	68.9%	18.2%	5.7%	-8.7%	-32.7%

Survey Source: Mercer Integrated Health Networks (IHN) Compensation Survey, Integrated Healthcare Strategies National Healthcare Leadership Compensation Survey, and Sullivan Cotter Survey of Manager and Executive Compensation.

The compensation described above shall constitute the University's total commitment until modified by the Regents, the President, or the Chancellor, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by: UC Irvine Chancellor Gillman
Reviewed by: Health Services Committee Chair Lansing
Office of the President, Human Resources

Background to Recommendation

The President of the University recommends approval for the appointment of and compensation for Chad Lefteris as Chief Operating Officer, UC Irvine Health System, Irvine campus, at 100 percent time, effective upon Mr. Lefteris's hire date. The proposed salary is three percent over the 75th percentile of the position's Market Reference Zone, and therefore the action requires approval by the Regents' Health Services Committee (HSC). The salary and incentive are funded by health enterprise revenues, and no State or UC general funds will be used.

The campus estimates that Mr. Lefteris will be able to join UC on or about December 31, 2018, following the approval of his appointment and compensation by the HSC at the December 2018 meeting. The previous incumbent, Richard Gannotta, was appointed to the position of Chief Executive Officer in June 2018.

UC Irvine Health System conducted a national competitive recruitment for the Chief Operating Officer position. Mr. Lefteris was identified as the top candidate from a broad and diverse applicant pool.

The President supports the campus's proposal of a base salary of \$610,000, which is three percent above the 75th percentile (\$592,300), 18.9 percent below the 90th percentile (\$752,400) of the position's Market Reference Zone (MRZ), and 1.7 percent above the prior incumbent's base salary (\$600,000).

The proposed base salary is consistent with Regents Policy 7701, Senior Management Group Appointment and Compensation, and reflects an appropriate salary, taking into account the scope of responsibilities as well as Mr. Lefteris's depth and breadth of experience and unique skill set.

The Chief Operating Officer (COO) position reports to the Chief Executive Officer and is responsible for day-to-day operations of a 444-licensed-bed acute care academic medical center. The COO is directly responsible for all non-nursing clinical activity, both inpatient and outpatient, including the free-standing National Cancer Institute-designated cancer center and the comprehensive digestive disease center. The COO will also oversee most hospital administrative functions including General and Ancillary Support Services, Facilities Management, Design and Construction, and Special Projects including re-

engineering/ productivity analysis projects. The COO will represent the medical center in the community in a variety of settings to include the Hospital Association of Southern California (HASC), Proposition 10 Commission, Orange County Mental Health Coalition, and County Medical Services Initiative (MSI) contract negotiations.

Mr. Lefteris is currently the Vice President of Operations for University of North Carolina (UNC) Rex Healthcare. UNC Rex Healthcare, a member of UNC Healthcare, is a private, not-for-profit healthcare system with more than 6,800 workers, 660 beds, an operating budget of over \$1.2 billion in net revenues, extensive ambulatory and post-acute campuses, five wellness centers, and a large employed physician network. As Vice President of Operations, Mr. Lefteris is responsible for construction and design, real estate portfolio, facilities, culinary services, environmental services, ambulance transport, security, customer service, operational improvement, and the oncology service line.

Mr. Lefteris joined UNC Healthcare in 1999 as the Administrative Director of Operations at UNC Hospitals. In 2007, he was appointed as Vice President of Support Services and, later in 2012, appointed as Vice President of Operations at UNC Rex Healthcare.

Additionally, Mr. Lefteris is involved in the Greater Raleigh Chamber of Commerce, holds leadership roles in the North Carolina Chapter of the Leukemia & Lymphoma Society, serves on the City of Raleigh's Unified Development Ordinance Advisory Group, is a founding board member for the Blue Ridge Corridor Alliance, and is a Fellow in the American College of Health Care Executives.

Mr. Lefteris received a bachelor's degree in business administration/health care management from Appalachian State University, and a master's degree in health administration from Medical University of South Carolina.

Committee vote: Regents Kieffer, Lansing, Makarechian, and Sherman voting "aye."

2. **MARKET-BASED SALARY ADJUSTMENT FOR MARK LARET AS PRESIDENT AND CHIEF EXECUTIVE OFFICER, UCSF HEALTH, SAN FRANCISCO CAMPUS**

Recommendation

The President of the University recommends that the Health Services Committee approve the following items in connection with the market-based salary adjustment for Mark Laret as President and Chief Executive Officer, UCSF Health, San Francisco Campus:

- A. Per policy, a market-based salary adjustment of 29.4 percent, increasing Mark Laret's base salary from \$1,104,965 to \$1,430,000, as President and Chief Executive Officer, UCSF Health, San Francisco Campus, at 100 percent time. This will be funded by Health Enterprise revenues. No State funds will be used.
- B. Per policy, continued eligibility to participate in the Clinical Enterprise

Management Recognition Plan (CEMRP) annual Short Term Incentive (STI) component, with a target award of 20 percent of base salary (\$286,000) and maximum potential award of 30 percent of base salary (\$429,000), subject to all applicable plan requirements and Administrative Oversight Committee approval. Any actual award will be determined based on performance against pre-established objectives. CEMRP incentive awards are funded by Health Enterprise revenues. No State funds will be used.

- C. Per policy, continued eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP) Long-Term Incentive (LTI) component, with a target award of ten percent of base salary (\$143,000) and maximum potential award of 15 percent of base salary (\$214,500), subject to all applicable plan requirements and Administrative Oversight Committee approval. The LTI uses rolling three-year performance periods, and any actual award will be determined based on performance against pre-established objectives over the three-year LTI performance period. CEMRP incentive awards are funded by Health Enterprise revenues. No State funds will be used.
- D. Per policy, continued eligibility to participate in the UC Employee Housing Assistance Program, subject to all program requirements.
- E. Per policy, continuation of standard pension and health and welfare benefits and standard senior management benefits, including eligibility for senior management life insurance and executive salary continuation for disability (eligible and vested as a result of five or more consecutive years of Senior Management Group service).
- F. Per policy, continuation of a monthly contribution to the Senior Management Supplemental Benefit Program.
- G. Per policy, continued annual automobile allowance of \$8,916.
- H. For any outside professional activities, Mr. Laret will continue to comply with applicable Outside Professional Activity (OPA) policies.
- I. This action will be effective upon approval.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: Upon Approval

Annual Base Salary: \$1,430,000

Clinical Enterprise Management Recognition Plan (CEMRP): Short Term Incentive (STI):

\$286,000 (at 20 percent target rate)

Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term Incentive (LTI):

\$143,000 (at 10 percent target rate)

Target Cash Compensation:* \$1,859,000

Funding: Non-State funded (UCSF Health revenue)

Current Compensation Data

Title: President and Chief Executive Officer

Annual Base Salary: \$1,104,965

Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term Incentive (STI):

\$220,993 (at 20 percent target rate)

Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term Incentive (LTI):

\$110,496 (at 10 percent target rate)

Target Cash Compensation:* \$1,436,454

Funding: Non-State funded (UCSF Health revenue)

* Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend.

**COMPETITIVE ANALYSIS FOR
PRESIDENT AND CHIEF EXECUTIVE OFFICER, UCSF HEALTH
(MRZ TITLE: CHIEF EXECUTIVE OFFICER, UCSF HEALTH)**

	MARKET REFERENCE ZONE FOR BASE SALARY						MARKET COMPOSITE FOR TARGET CASH COMPENSATION					
	Percentiles	25 th	50 th	60 th	75 th		90 th	Percentiles	25 th	50 th	60 th	75 th
Market Data		\$1051.8k	\$1215.2k	\$1322.7k	\$1484.0k	\$1651.6k	Market Data	\$1178.2k	\$1450.6k	\$1743.6k	\$2183.2k	\$2698.6k
% Difference from Market		35.96%	17.68%	8.11%	-3.64%	-13.42%	% Difference from Market	45.65%	18.30%	-1.58%	-21.40%	-36.41%

Survey Source: Mercer Integrated Health Networks (IHN) Compensation Survey, Integrated Health Care Strategies National Healthcare Leadership Compensation Survey and Sullivan Cotter Manager and Executive Compensation Survey

The compensation described above shall constitute the University’s total commitment until modified by the Regents, the President, or the Chancellor, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by: UCSF Chancellor Hawgood
Reviewed by: Health Services Committee Chair Lansing
Office of the President, Human Resources

Background to Recommendation

The President of the University recommends approval of a market-based salary adjustment for Mark Laret as President and Chief Executive Officer, UCSF Health. He has been with the University of California for his full career spanning almost 40 years of increasing responsibility culminating in his appointment as Chief Executive Officer for UCSF Health in 2000. Since that time, UCSF Health has seen significant growth.

The President endorses the campus's proposal to place Mr. Laret's salary near the 75th percentile of his position's Market Reference Zone (MRZ). The increase requested is a 29.4 percent (\$325,035) market-based salary adjustment bringing Mr. Laret's salary from \$1,104,965 to \$1,430,000, which is 3.64 percent below the 75th percentile of the corresponding MRZ (\$1,484,000).

As this is a Level One Senior Management Group position, approval by the Regents is required. This position is entirely funded through Health Enterprise revenues, and no State funds will be used.

UCSF Health is the largest financial entity in UC Health. Over the past six years, UCSF Health has grown from a \$1.7 billion single licensed facility to a very large \$4.5 billion multi-entity health system through various affiliations in an effort to compete in the rapidly changing healthcare market. UCSF Health now comprises UCSF Medical Center including UCSF Benioff Children's Hospital San Francisco, the UCSF faculty practice group, the separately licensed UCSF Langley Porter Psychiatric Hospital and Clinics, UCSF Benioff Children's Hospital Oakland, the Bay Children's Physician Foundation, joint ventures with John Muir Health and Hospice by the Bay, and the recent affiliation with Dignity Health Bay Area hospitals – Sequoia Hospital, Saint Francis Memorial Hospital, and St. Mary's Medical Center.

Mr. Laret has overseen UCSF Health's substantial growth into a \$4.5 billion health system that includes multiple hospitals, other affiliates including a new accountable care organization, Canopy Health, as well as the opening of the new Mission Bay hospitals that included significant philanthropic contributions that Mr. Laret cultivated and brought to fruition.

He was appointed as the Chief Executive Officer for UCSF Health in April 2000 and has served in several leadership roles throughout his 38-year career with the University of California. He has the longest overall tenure among the five Health System Chief Executive Officers. Importantly, he has almost 25 years of combined experience at the Chief Executive Officer level in his current position with UCSF Health and in his previous role as Chief Executive Officer of UC Irvine Health.

Mr. Laret is recognized as a national leader in healthcare, having chaired the Association of American Medical Colleges (AAMC) as well as the California Hospital Association.

UCSF Health would suffer a severe impact if Mr. Laret were to leave. The campus notes that the cost of recruitment for a new Chief Executive Officer could be quite high due to extended recruitment efforts, salary costs, and strategic initiative lapses during the transition to new leadership for UCSF Health's substantial organizational and strategic efforts.

The campus also states that experiencing a leadership transition through the loss of Mr. Laret would be particularly difficult at this time for a number of reasons. UCSF Health is embarking on a \$2.5 billion hospital replacement project that will require support from community leaders and donors. Mr. Laret has earned the respect and trust of community leaders and donors who will be key to the feasibility of the hospital replacement project. Mr. Laret is leading a review and renewal of UCSF Health's strategic plan, and his leadership and credibility are essential to cementing and expanding regional healthcare partnerships as part of that plan.

Mr. Laret's current salary is below the 50th percentile of the MRZ for his position as Chief Executive Officer, UCSF Health. Based on Mr. Laret's breadth and depth of experience, his unique skill set in relation to leading the expansion of the health system and building strong relationships with key stakeholders, and his contributions, the President endorses the campus's request for a base salary near the 75th percentile of the MRZ to better align his base salary with the criteria described in policy. Additionally, the talent pool to replace Mr. Laret is limited and very competitive.

UCSF Health competes continually for high-quality talent at all levels of the organization and needs to remain competitive for retention purposes. Competition comes from Stanford, Kaiser Permanente, Sutter Health, the University of Southern California, and other public and private academic medical centers nationally. While the organization is conscious of managing the operating costs of UCSF Health, the long-term success of UCSF Health is highly dependent on the level of talent the organization is able to retain.

Funding for this position will continue to come exclusively from Health Enterprise revenues. No State or UC general funds will be used.

Committee vote: Regents Kieffer, Lansing, Makarechian, and Sherman voting "aye."

3. **MARKET-BASED SALARY ADJUSTMENT FOR PAUL STATON AS SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER, UCLA HEALTH, LOS ANGELES CAMPUS**

Recommendation

The President of the University recommends that the Health Services Committee approve the following items in connection with the market-based salary adjustment for Paul Staton as Senior Vice President and Chief Financial Officer, UCLA Health, Los Angeles campus:

- A. Per policy, a market-based salary adjustment of 14.2 percent (\$97,684), increasing Paul Staton's base salary from \$689,371 to \$787,055, as Senior Vice President and Chief Financial Officer, UCLA Health, Los Angeles campus, at 100 percent time. This will be funded by Health Enterprise revenues. No State funds will be used.
- B. Per policy, continued eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP) Short Term Incentive (STI) component, with a target award of 15 percent of base salary (\$118,058) and maximum potential award of 25 percent of base salary (\$196,764) subject to all applicable plan requirements and Administrative Oversight Committee approval. Any actual award will be determined based on performance against pre-established objectives. CEMRP incentive awards are funded by Health Enterprise revenues. No State funds will be used.
- C. Per policy, continued eligibility to participate in the UC Employee Housing Assistance Program, subject to all program requirements.
- D. Per policy, continued standard pension and health and welfare benefits and standard senior management benefits (including eligibility for senior management life insurance and executive salary continuation for disability).
- E. Per policy, continued monthly contribution to the Senior Management Supplemental Benefit Program.
- F. For any outside professional activities, Mr. Staton will continue to comply with applicable Outside Professional Activity (OPA) policies.
- G. This action will be effective as of January 1, 2019.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: January 1, 2019

Annual Base Salary: \$787,055

Clinical Enterprise Management Recognition Plan (CEMRP): Short Term Incentive (STI): \$118,058 (at 15 percent target rate)

Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term Incentive (LTI): N/A

Target Cash Compensation:* \$905,113

Funding: Non-State funded (UCLA Health revenue)

Current Compensation Data

Title: Senior Vice President and Chief Financial Officer

Annual Base Salary: \$689,371

Administrative Stipend: \$68,937

Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term Incentive (STI): \$103,405 (at 15 percent target rate)

Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term Incentive (LTI): N/A

Target Cash Compensation:* \$861,713

Funding: Non-State funded (UCLA Health revenue)

* Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend.

**COMPETITIVE ANALYSIS FOR
SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER, UCLA HEALTH
(MRZ TITLE: CHIEF FINANCIAL OFFICER, UCLA HEALTH)**

Percentiles	MARKET REFERENCE ZONE FOR BASE SALARY					Percentiles	MARKET COMPOSITE FOR TARGET CASH COMPENSATION*				
	25 th	50 th	60 th	75 th	90 th		25 th	50 th	60 th	75 th	90 th
Market Data	\$567.0k	\$692.5k	\$730.4k	\$787.1k	\$900.6k	Market Data	\$686.1k	\$788.3k	\$902.9k	\$1,074.9k	\$1,349.0K
% Difference	38.81%	13.65%	7.76%	-0.01%	-12.61%	% Difference	31.92%	14.82%	0.25%	-15.80%	-32.90%

Survey Source: National Healthcare Leadership Compensation Survey, Mercer Integrated Health Networks Compensation Survey, Sullivan Cotter Survey of Manager and Executive Compensation

The compensation described above shall constitute the University's total commitment until modified by the Regents, the President, or the Chancellor, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by: UCLA Chancellor Block
Reviewed by: Health Services Committee Chair Lansing
 Office of the President, Human Resources

Background to Recommendation

The President of the University recommends approval for a 14.2 percent (\$97,684) market-based salary adjustment for Paul Staton, Senior Vice President and Chief Financial Officer (SVP-CFO), UCLA Health, which would change his base salary from \$689,371 to \$787,055. The adjustment will place the proposed new base salary just below the 75th percentile (\$787,100) and 7.6 percent above the 60th percentile (\$730,400) for the UCLA Chief Financial Officer position's Market Reference Zone. Because the adjusted salary is over the 60th percentile and the increase is more than ten percent of Mr. Staton's current base salary, this action requires Regental approval. The salary and incentive are funded by Health Enterprise revenues, and no State or UC general funds will be used.

The campus has expressed concern about ensuring equity with the comparable Chief Financial Officer position at UCSF Health; the appointment of and compensation for the new incumbent was approved at a base salary of \$785,000.

Mr. Staton is currently receiving a ten percent administrative stipend (\$68,937) effective for 12 months beginning in January 2018. The stipend was requested due to Mr. Staton's continuing leadership of the Revenue Cycle Steering Committee on behalf of UC Health, Office of the President to optimize and standardize processes and reports across the UC Health System to positively affect revenue and cash flow. This work has resulted in systemwide savings of \$800 million in the last five years. An annual retention payment was previously approved for Mr. Staton, originally effective from January 2015 to December 2017 and paid out in January 2016, January 2017, and January 2018.

The retention payments and administrative stipend constitute four years of payments in addition to Mr. Staton's base salary and incentive awards. UCLA Health reports that Mr. Staton will continue to lead the Revenue Cycle Steering Committee and maintain his responsibilities in relation to the Committee in addition to his membership on the UCOP Debt Advisory Committee and the Leveraging Scale for Value Supply Executive Oversight Committee.

UCLA Health reports that Mr. Staton plays an integral role in the oversight of financial operations and the development of business planning in alignment with organizational strategy for UCLA Health. Mr. Staton has served as Chief Financial Officer at the UCLA Hospital System since 2004. As Chief Financial Officer, Mr. Staton is responsible for the integrity and successful financial performance of the entities within the Hospital System, as well as for collaboration and ensuring compliance and alignment with the David Geffen School of Medicine, campus and systemwide budget and finance offices, and external agencies and network organizations.

Mr. Staton is currently responsible for approximately \$5 billion of net revenue, which includes 42,000 inpatient admissions, 2 million outpatient encounters, 3,000 full-time faculty physicians, and four hospitals: Ronald Reagan UCLA Medical Center, Santa Monica Orthopedic Hospital, Resnick Neuropsychiatric Hospital, UCLA Mattel Children's Hospital, and the Faculty Practice Group comprised of 170 ambulatory clinics. He also provides financial oversight for the UCLA David Geffen School of Medicine.

Mr. Staton has been integrally involved in the acquisition and/or establishment of more than 170 ambulatory clinics, proposed affiliations with local area hospitals, and provided the supporting infrastructure for these areas. As a key leader, Mr. Staton also oversees Contracting on behalf of the organization, which directly determines the rates of reimbursement and participation for insurance companies and third-party payers. Risk Management also reports to Mr. Staton in addition to Procurement and Strategic Sourcing. He is a key member of the executive leadership team and serves on a variety of University and campus-wide committees, including service as a representative to external agencies and professional organizations. Additionally, he will maintain his

responsibilities for systemwide UC Health System initiatives as he maintains his current set of responsibilities as SVP-CFO, UCLA Health.

Mr. Staton's current salary is below the 50th percentile of his position's corresponding Market Reference Zone. The campus states that due to Mr. Staton's knowledge, expertise and performance, it is imperative that his salary remain market-competitive. Mr. Staton is a long-term UC employee, and his salary has fallen behind the recently hired Chief Financial Officer, UCSF Health System, who was hired at a base salary of \$785,000. The UCLA and UCSF Health Systems are the two largest UC Health Systems, and have the same peer comparator institutions; therefore, the CFO Market Reference Zone percentiles are the same for both campuses. In order to provide equity between the newly hired UCSF CFO (11 years of hospital-based experience as CFO) and Mr. Staton (14 years of experience for the UCLA health system as CFO), a market-based salary adjustment is being requested to place Mr. Staton's salary at an appropriate level within the position's Market Reference Zone.

Committee vote: Regents Kieffer, Lansing, Makarechian, and Sherman voting "aye."

4. **AMENDMENT OF REGENTS POLICY 3401 – POLICY ON STUDENT HEALTH AND COUNSELING CENTERS**

The President of the University recommends that the Health Services Committee recommend that the Regents amend Regents Policy 3401, Policy on Student Health and Counseling Centers, as shown in Attachment 1.

Committee vote: Regents Kieffer, Lansing, Makarechian, and Sherman voting "aye."

Additions shown by underscoring; deletions shown by strikethrough

Regents Policy 3401: Policy on Student Health and Counseling Centers

POLICY SUMMARY/BACKGROUND

The Regents are committed to delivering high quality health and counseling services to the students of the University of California in a coordinated, consistent and integrated fashion, including through the University of California Student Health Insurance Plan (UC SHIP), and adopt the following in furtherance of that goal.

POLICY TEXT

- A. Each Student Health and Counseling Center (“Center”) shall have a governing body, ultimately reporting to and acting under the direction of the Chancellor, which body shall include no fewer than three members, at least one of whom shall be a licensed physician (or for counseling centers, a licensed psychologist), at least one member who has a health care administrative background and, for counseling centers, at least one member who is a licensed psychologist. Exceptions for members other than the licensed physician (or for counseling centers, a licensed psychologist) may be approved by the ~~Senior~~ Executive Vice President, UC Health Sciences and Services.
- B. ~~Each Center shall have a written set of~~ The Executive Vice President for UC Health, after consultation with the Center governing bodies, the Chancellors, the Vice President for Student Affairs, and the Health Services Committee, shall establish (and amend as necessary) a set of minimum standards for bylaws, policies or other comparable governing documents under which the Centers operate. which shall be reasonably consistent for all Centers.
- C. The credentials of each health care practitioner employed at each Center shall be verified by the University before such practitioner begins ~~working~~ providing care at the University or to its students at other locations in connection with University programs, and at an interval of no more than every three years thereafter. Initial primary source verification of practitioner credentials shall be performed on the University’s behalf by a single credentialing verification organization approved selected by the Senior Executive Vice President, UC Health. Sciences and Services in consultation with the Chair of the Committee on Health Services.
- D. All Centers shall employ one electronic medical records health information system that meets interoperability standards established by the Office of the National Coordinator for Health Information Technology or by other applicable government agencies or accreditation bodies, is capable of securely sharing data across all locations, and is shared across all locations and managed in compliance with University policy. With a Chancellor’s approval, following consultation with the Office of General Counsel and the Office of Ethics, Compliance and Audit Services to confirm compliance with applicable law and University policies, a Center may instead utilize a University hospital’s

~~electronic medical record. The use of any third-party application or service shall have a unified administration, common templates, nationally standardized coding systems as specified in the Health Insurance Portability and Accountability Act and implementing regulations (HIPAA), and standard billing practices for patient services, and shall be selected require approval by the Senior Executive Vice President, UC Health, in consultation with the Chief Risk Officer and the Chief Information Security Officer. Sciences and Services in consultation with the Chair of the Committee on Health Services.~~

- E. ~~The results of any audits or management advisories issued by the University's Internal Auditors, and of any investigations performed by the University's compliance officers, related to this policy shall be reported to the members of the Health Services Committee. The Senior Vice President, Health Sciences and Services, in consultation with the Chair of the Committee on Health Services, shall direct an external organization to conduct an annual audit and/or risk review of the services provided at the Centers, the results of which shall be reported to the Committee on Health Services. The Senior Vice President, Health Sciences and Services shall also meet on a regular basis, but no less than biannually, with the Center Directors.~~

COMPLIANCE/DELEGATION

Implementation and compliance with this policy shall be administered by the Office of the Executive Vice President, UC Health (or any successor position based on a change of title), in consultation with the Vice President of Student Affairs.

NO RIGHT OF ACTION

This policy is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the University of California or its Board of Regents, individual Regents, officers, employees, or agents.

PROCEDURES AND RELATED DOCUMENTS

Procedures, guidelines, and related documents implementing this policy are posted online at <https://www.ucop.edu/uc-health/initiatives/studenthealth.html>. Changes to these documents do not require Regents approval, and inclusion or amendment of references to these documents can be implemented administratively by the Office of the Secretary and Chief of Staff upon request by the unit responsible for the linked documents.