

Approved

HEALTH SERVICES COMMITTEE

January 23, 2025

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

**APPROVAL OF APPOINTMENT OF AND COMPENSATION FOR MICHAEL
CONDRIAN AS INTERIM CHIEF EXECUTIVE OFFICER, UC DAVIS HEALTH AS
DISCUSSED IN CLOSED SESSION**

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 Michael Condrian as Interim Chief Executive Officer, UC Davis Health, Davis campus:

- A. Per policy, the appointment of Michael Condrian as Interim Chief Executive Officer, UC Davis Health, Davis campus, effective February 15, 2025 through January 31, 2026 or until the appointment of a new Chief Executive Officer, UC Davis Health, Davis campus, whichever occurs first.
- B. Per policy, continued appointment of Michael Condrian as System Chief Operating Officer and Chief Administrator, UC Davis Medical Center, Davis campus.
- C. Per policy, an annual base salary of \$1,062,600 during Mr. Condrian's appointment as Interim Chief Executive Officer, UC Davis Health, Davis campus, during a transition period from January 27, 2025 through February 14, 2025, and during a second transition period for up to two months following the start date of a new Chief Executive Officer, UC Davis Health, Davis campus. At the conclusion of the second transition period, Mr. Condrian's annual base salary will revert to his annual base salary in effect as of January 26, 2025 (\$833,600) plus any adjustments made under the UC Davis salary program during the interim appointment and/or transition periods.
- D. Per policy, continued eligibility to participate in the Short Term Incentive (STI) component of the Clinical Enterprise Management Recognition Plan (CEMRP) remaining at the Chief Operating Officer position level with a target award of 15 percent of base salary (\$159,390 during the interim appointment) and a maximum potential award of 25 percent of base salary (\$265,650 during the interim appointment), subject to all applicable plan requirements and Administrative Oversight Committee approval. Mr. Condrian will not be eligible to participate in the Long Term Incentive (LTI) component of CEMRP. Any actual STI award will be determined based on performance against pre-established objectives.
- 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, after five consecutive years of Senior Management Group service, eligibility for executive salary continuation for disability.)

- F. Per policy, continued eligibility to participate in the UC Employee Housing Assistance Program, subject to all applicable program requirements.
- G. Mr. Condrin will continue to comply with the Senior Management Group Outside Professional Activities (OPA) policy and reporting requirements.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: January 27, 2025 through February 14, 2025 (first transition period); February 15, 2025 through January 31, 2026 or until the appointment of a new Chief Executive Officer (CEO), UC Davis Health, Davis campus, whichever occurs first; and for up to two months following the start date of a new CEO, UC Davis Health, Davis campus (second transition period)

Annual Base Salary: \$1,062,600

Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term Incentive (STI): \$159,390 (at 15 percent target rate)

Target Cash Compensation:* \$1,221,990

Funding: Paid solely from sources other than State general fund support to the University.

Current Career Incumbent Data

Title: Vice Chancellor – Human Health Sciences and Chief Executive Officer – UC Davis Health

Annual Base Salary: \$1,257,396

Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term Incentive (STI): \$251,479 (at 20 percent target rate)

Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term Incentive (LTI): \$125,739 (at 10 percent target rate)

Target Cash Compensation:* \$1,634,614

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

**COMPETITIVE ANALYSIS FOR INTERIM CHIEF EXECUTIVE OFFICER, UC DAVIS HEALTH
(MRZ TITLE: CHIEF EXECUTIVE OFFICER (MEDICAL CENTER)
(Tier 2 - \$3.8 Billion Median Operating Revenue))**

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	\$1062.6k	\$1511.9k	\$1703.1k	\$1989.9k	\$2568.8k	Market Data	\$1304.4k	\$1781.1k	\$2256.1k	\$2968.5k	\$3389.5k
% Difference	0.0%	-29.7%	-37.6%	-46.6%	-58.6%	% Difference	-6.3%	-31.4%	-45.8%	-58.8%	-63.9%

Survey Source: Sullivan Cotter Custom Academic Medical Center Manager and Executive Compensation Survey

The compensation described above shall constitute the University's total commitment until modified by the Regents or President, 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.

Background to Recommendation

The President of the University recommends approval by the Health Services Committee for the appointment of and compensation for Michael Condryn as Interim Chief Executive Officer (CEO), UC Davis Health, Davis campus, in addition to his existing appointment as System Chief Operating Officer and Chief Administrator, UC Davis Medical Center, Davis campus.

This is a Level One Senior Management Group interim appointment and therefore requires approval by the Regents. As this position serves UC Health and the compensation will be paid solely from sources other than State general fund support to the University, the Health Services Committee can approve this appointment and compensation action without further Regents' action.

Dr. David Lubarsky is the current Vice Chancellor – Human Health Sciences (VC-HHS) and CEO – UC Davis Health, and he will be leaving UC Davis on February 14, 2025. Therefore, the appointment of an Interim CEO is critical for continuity of executive oversight for UC Davis Health while the campus conducts an open competitive recruitment for a career appointee for the CEO position. An Interim VC-HHS will be appointed under the appropriate approval authority as the campus will return to the previous structure of two separate positions.

The proposed interim base salary for Mr. Condryn is \$1,062,600, effective February 15, 2025 through January 31, 2026, or until a new CEO is appointed, whichever occurs first. Additionally, this item proposes two transition periods for transfer of knowledge and responsibilities during which Mr. Condryn will receive compensation at the proposed interim base salary: from January 27, 2025 through February 14, 2025 and for up to two months following the start date of a new CEO. At the conclusion of the interim appointment, Mr. Condryn will continue in his current position as System Chief Operating Officer and Chief Administrator, UC Davis Medical Center, and following the second transition period, his base salary will revert to his base salary in effect as of January 26, 2025 (\$833,600) plus any adjustments made under the UC Davis salary program during the interim appointment and/or the transition periods.

The proposed base salary of \$1,062,600 is at the 25th percentile (\$1,062,600) of the Market Reference Zone (MRZ) for the CEO position at UC Davis. Additionally, the salary is 15.5 percent below the current VC-HHS and CEO – UC Davis Health's base salary (\$1,257,396). The proposed base salary and position in the MRZ are appropriate given Mr. Condryn's qualifications and experience. Mr. Condryn will maintain a 100 percent appointment.

Committee vote: Regents Batchlor, Chu, Drake, Park, Reilly, and Sures voting "aye."