

HEALTH SERVICES COMMITTEE

July 22, 2021

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

CONSENT AGENDA

A. *Approval for Participation in a Cancer Care Joint Venture with a Bay Area Health System, San Francisco Campus*

The Committee recommends:

- (1) Approval of UCSF Health's (UCSFH) establishment, with John Muir Health (JMH), of a joint venture (Walnut Creek Cancer Program, LLC, the Joint Venture) dedicated to operating an outpatient comprehensive cancer center in Walnut Creek, California (the Cancer Center), with UCSFH and JMH as its two corporate members, in furtherance of the charitable and educational purposes of UCSFH and JMH, including promoting health and providing or expanding access to healthcare services for a broad cross-section of the community. The investment of up to \$40 million shall be an exchange for up to a 49 percent stake in the Joint Venture.
- (2) That the following be required, in connection with the above arrangements:
 - a. Purposes/Mission: UCSFH's participation in the Joint Venture shall be in furtherance of its non-profit purposes and consistent with its clinical and academic missions.
 - b. Capital Calls/Additional Investment: Concurrence of the Chair of the Health Services Committee shall be required for any investment (e.g., in response to a capital call) beyond the above amounts, as well as any mergers, acquisitions, joint ventures, or sales of all or substantially all of the assets of the Joint Venture.
 - c. Exclusivity: Nothing in any agreement signed in connection with the Joint Venture will bind the University as a whole, UC Health, or any UC campus or UC medical center (other than UCSF); and all definitive agreements shall preserve UCSF Health's right at all times to participate directly or through the new companies where appropriate in systemwide initiatives notwithstanding any exclusivity agreements or policies otherwise adopted by the Joint Venture.
 - d. Use of University Name: UCSFH shall participate in a joint marketing arrangement for the Cancer Center, consistent with the requirements of California Education Code Section 92000. Any use of the UCSF or University of California name shall be subject to prior approval by the

campus and shall be consistent with University policies governing use of the University's names and marks and appropriate licensing agreements.

- e. Access to Records: UCSF Health shall have access to all legal and financial records maintained by the Joint Venture.
 - f. Termination: The definitive agreements shall include appropriate provisions for termination or dissolution.
- (3) That the President of the University or his designee be authorized, after consultation with the Office of the General Counsel, to approve and execute any agreements reasonably required to implement UCSF Health's participation in the Joint Venture, including any subsequent agreements, modifications, or amendments thereto, provided that such agreements, modifications, amendments, or related documents are materially consistent with the terms above, and do not otherwise materially increase the obligations of the Regents or materially decrease the rights of the Regents.

B. *Participation in a Joint Venture to Develop a Medical Office Building in Fremont, California, San Francisco Campus*

The Committee recommends:

- A. Approval of UCSF Health's establishment, with Washington Township Health Care District, of a joint venture (Warm Springs Health Center Partnership, LLC, the Joint Venture), with UCSF Health (UCSFH) and Washington Hospital Health System (WHHS) as its two corporate members, in furtherance of the charitable and educational purposes of UCSFH and WHHS, including promoting health and providing or expanding access to healthcare services for a broad cross-section of the community, and investment of up to \$31 million over five years and UCSFH's tenancy-in-common interest in the real estate parcel at 45388 Warm Springs Boulevard, Fremont, California, in exchange for a 49 percent stake in the company.
- B. That the following be required, in connection with the above arrangements:
 - (1) Purposes/Mission: UCSFH's participation in the Joint Venture shall be in furtherance of its non-profit purposes and consistent with its clinical and academic missions.
 - (2) Capital Calls/Additional Investment: Concurrence of the Chair of the Health Services Committee shall be required for any investment (e.g., in response to a capital call) beyond the above amounts, as well as any mergers, acquisitions, joint ventures or sales of all or substantially all of the assets of the Joint Venture.

- (3) Exclusivity: Nothing in any agreement signed in connection with the Joint Venture will bind the University as a whole, UC Health, or any UC campus or UC medical center (other than UCSFH); and all definitive agreements shall preserve UCSFH's right at all times to participate directly or through the new companies where appropriate in systemwide initiatives notwithstanding any exclusivity agreements or policies otherwise adopted by the Joint Venture.
 - (4) Use of University Name: Any use of the UCSFH or University of California name shall be subject to prior approval by the campus and shall be consistent with University policies governing use of the University's names and marks and appropriate licensing agreements.
 - (5) Access to Records: UCSFH shall have access to all legal and financial records maintained by the Joint Venture.
 - (6) Termination: The definitive agreements shall include appropriate provisions for termination or dissolution.
- C. That the President of the University or his designee be authorized, after consultation with the Office of the General Counsel, to approve and execute any agreements reasonably required to implement UCSFH's participation in the Joint Venture, including any subsequent agreements, modifications, or amendments thereto, provided that such agreements, modifications, amendments or related documents are materially consistent with the terms above, and do not otherwise materially increase the obligations of the Regents or materially decrease the rights of the Regents.

Committee vote: Regents Drake, Guber, Lansing, Makarechian, Park, Sherman, and Sures voting "aye."

Board vote: Regents Cohen, Drake, Elliott, Estolano, Guber, Lansing, Leib, Lott, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Torres, and Zaragoza voting "aye."