

**HEALTH SERVICES COMMITTEE**

May 18, 2023

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

From the meeting of April 12, 2023:

1. **APPROVAL OF APPOINTMENT OF AND COMPENSATION FOR TIM COLLINS AS CHIEF EXECUTIVE OFFICER, UC RIVERSIDE HEALTH, RIVERSIDE CAMPUS 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 Tim Collins as Chief Executive Officer, UC Riverside Health, Riverside campus:

- A. Per policy, appointment of Tim Collins as Chief Executive Officer, UC Riverside Health, Riverside campus, at 100 percent time.
- B. Per policy, an annual base salary of \$550,000.
- C. Per policy, a hiring bonus of 13.6 percent (\$75,000) of base salary, which is intended to make the hiring offer market-competitive and assist in securing acceptance of the offer. The hiring bonus will be paid in two equal lump sums of \$37,500 each. The first will be paid within 30 days of the initial hire date, and the second will be paid after completion of one year of service. The hiring bonus will be subject to the following repayment schedule if Mr. Collins separates from the University or accepts an appointment at another University of California location within two years of his appointment: \$37,500 if separation occurs within the first year of employment and \$37,500 if separation occurs within the second year of employment, subject to the limitations under policy. Any unpaid hiring bonus amounts will be forfeited at the time of separation if separation occurs for any reason.
- D. Per policy and starting in the 2023-24 plan year, eligibility to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Short Term Incentive (STI) component, with a target award of 20 percent of base salary (\$110,000) and maximum potential award of 30 percent of base salary (\$165,000), subject to all applicable plan requirements and Administrative Oversight Committee approval. The 2023-24 plan year starts on July 1, 2023 and ends on June 30, 2024, and the first possible short term incentive award will be determined following the close of the 2023-24 plan year. Any actual award will be determined based on performance against pre-established objectives and may be prorated in the first year of participation.

- E. Per policy and starting in the 2023-26 performance period, eligibility to participate in the CEMRP Long Term Incentive (LTI) component, with a target award of ten percent of base salary and a maximum potential award of 15 percent of base salary, subject to all applicable plan requirements and Administrative Oversight Committee approval. The 2023-26 performance period starts on July 1, 2023 and ends on June 30, 2026, and the first possible long term incentive award will be determined following the close of the 2023-26 performance period. The LTI uses rolling three-year performance periods, and any actual award will be determined based on performance against pre-established objectives over each three-year LTI performance period and may be prorated in the first three-year performance period by dividing the number of complete months employed during that three-year period by the number of months in the full performance period (36 months).
- F. Per policy, 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.
- G. Per policy, eligibility to participate in the UC Employee Housing Assistance Program, subject to all program requirements.
- H. 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.
- I. For any outside professional activities, Mr. Collins will comply with applicable Outside Professional Activity (OPA) policies and reporting requirements.
- J. This action will be effective on Mr. Collins's hire date which is estimated to be on or about May 1, 2023.

### COMPARATIVE ANALYSIS

#### **Recommended Compensation**

**Effective Date:** Date of hire, estimated to be on or about May 1, 2023

**Annual Base Salary:** \$550,000

**Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term Incentive (STI):** \$110,000 (at 20 percent target rate) with the first possible payment to occur after the end of the 2023-24 plan year

**Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term Incentive (LTI):** 10 percent target rate with the first possible payment to occur after the end of the 2023-26 performance period.

**Target Cash Compensation:\*** \$660,000, plus possible LTI awards starting after the end of the 2023-26 performance period

**Funding:** Non-State-Funded (UC Riverside Health System revenue)

**Current Incumbent Data**

**Title:** Chief Executive Officer, UC Riverside Health

**Annual Base Salary:** \$515,000

**Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term Incentive (STI):** \$103,000 (at 20 percent target rate)

**Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term Incentive (LTI):** 10 percent target rate

**Target Cash Compensation:**\* \$618,000, plus possible LTI awards

**Funding:** Non-State-Funded (UC Riverside Health System revenue)

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

**COMPETITIVE ANALYSIS FOR  
CHIEF EXECUTIVE OFFICER, UC RIVERSIDE HEALTH  
(MRZ TITLE: CHIEF EXECUTIVE OFFICER, (COMMUNITY-BASED SERVICES) – UCR HEALTH)**

	MARKET REFERENCE ZONE FOR BASE SALARY						MARKET COMPOSITE FOR TARGET CASH COMPENSATION*				
Percentiles	25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>	Percentiles	25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>
Market Data	\$386.1k	\$461.2k	\$530.6k	\$634.7k	\$719.0k	Market Data	\$452.8k	\$563.0k	\$622.7k	\$712.2k	\$911.9k
% Difference from Market	42.5%	19.3%	3.7%	-13.3%	-23.5%	% Difference from Market	45.8%	17.2%	6.0%	-7.3%	-27.6%

\* Base Salary plus 20% CEMRP STI Target award; Excludes one-time Hiring Bonus and 10% CEMRP LTI Target award  
**Survey Sources:** Mercer Integrated Health Networks (IHN) Compensation Survey, Integrated Health Care Strategies National Healthcare Leadership Compensation Survey and Sullivan Cotter 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.

Background to Recommendation

The President of the University recommends approval for the appointment of and compensation for Tim Collins as Chief Executive Officer, UC Riverside Health, Riverside campus, at 100 percent time, with a proposed base salary of \$550,000 effective on his start date which is estimated to be on or about May 1, 2023.

The current career incumbent, Donald Larsen, M.D., is stepping down as of April 30, 2023, and the campus has concluded a national competitive recruitment for the CEO position, identifying Mr. Collins as the top candidate from a broad and diverse applicant pool.

Additionally, a hiring bonus is being requested in the amount of \$75,000, which is 13.6 percent of the proposed base salary in compliance with the policy requirements for a hiring bonus.

The Chief Executive Officer position is classified as a Level One position in the Senior Management Group (SMG) and requires approval by the Regents. The position serves UC Health, and the compensation will be paid solely from sources other than State general fund support to the University. Therefore, the Health Services Committee may review and approve this item without further Regents' action.

Committee vote: Regents Guber, Leib, Makarechian, Park, Pérez, Reilly, and Sherman voting "aye."

**2. UCLA HEALTH PEDIATRIC AND CONGENITAL CARDIAC AFFILIATION WITH CHILDREN'S HOSPITAL OF ORANGE COUNTY, LOS ANGELES CAMPUS**

The Committee recommends that the Regents:

- A. Authorize UCLA Health to enter into an affiliation with Children's Hospital of Orange County (CHOC) to develop, support, and grow a premier, shared pediatric and congenital cardiac program (the "Cardiac Program"), as follows:
- (1) UCLA Health and CHOC each shall commit the operations of their existing Cardiac Program Services at their existing Cardiac Program Facilities (as defined in the Affiliation Agreement) to be operated as a collaborative endeavor of CHOC and UCLA Health under the Cardiac Program Affiliation Agreement and governed by the Cardiac Program Oversight Committee, including approval of the operating and capital budgets of the Cardiac Program.
  - (2) The definitive agreements will contain provisions that require approval by UCLA Health for any agreements with third parties directly relating to the provision of Cardiac Program Services (except payor agreements) that have a material and adverse economic impact on the Cardiac Program; incurring capital expenditures that are not included in the annual budget; the addition of any third parties to the Cardiac Program Affiliation; any changes to the Cardiac Program Facilities; the branding and marketing of the Cardiac Program including the use of the University's name; and the removal of any medical director of the Cardiac Program.
  - (3) The Regents, through UCLA Health, may commit up to an additional \$25 million in connection with the Cardiac Program.
- B. Authorize the Chancellor of UCLA and the Vice Chancellor, Health Sciences of UCLA, or their designee, upon satisfactory completion of appropriate business, regulatory, and compliance due diligence and after consultation with the Office of the General Counsel, to approve and execute any agreements and documents reasonably required to implement the foregoing, including any subsequent

agreements, modifications, or amendments thereto, provided that such agreements, modifications, amendments or related documents do not materially increase the obligations of the Regents.

Committee vote: Regents Guber, Leib, Makarechian, Park, Pérez, Reilly, Sherman, and Sures voting “aye.”

Board vote (May 18, 2023): Regents Anguiano, Batchlor, Blas Pedral, Chu, Cohen, Drake, Elliott, Hernandez, Kounalakis, Leib, Park, Pérez, Robinson, Sherman, and Timmons voting “aye.”

From the Committee’s meeting of May 17, 2023:

**APPROVAL OF MARKET-BASED SALARY ADJUSTMENTS FOR MEDICAL CENTER CHIEF EXECUTIVE OFFICERS AT UCLA HEALTH, UC SAN DIEGO HEALTH, UC IRVINE HEALTH, AND UC DAVIS HEALTH; AND CHANGE TO ADDITIONAL ELEMENTS OF COMPENSATION FOR CHIEF EXECUTIVE OFFICER, UC DAVIS HEALTH AS DISCUSSED IN CLOSED SESSION**

Recommendation

The Committee recommends approval of the following items in connection with the market-based salary adjustments for Medical Center Chief Executive Officers at UCLA Health, UC San Diego Health, UC Irvine Health, and UC Davis Health; and change to additional elements of compensation for the Chief Executive Officer, UC Davis Health:

- A. Per policy, a market-based salary adjustment of 16.8 percent (\$251,646), increasing Johnese Spisso’s base salary from \$1,499,371 to \$1,751,017 as President, UCLA Health System and Chief Executive Officer, UCLA Hospital System, Los Angeles campus, at 100 percent time.
- B. Per policy, continued eligibility for Ms. Spisso to participate in the Clinical Enterprise Management Recognition Plan’s (CEMRP) Short Term Incentive (STI) component, with a target award of 20 percent of base salary (\$350,203) and a maximum potential award of 30 percent of base salary (\$525,305), subject to all applicable plan requirements and Administrative Oversight Committee approval. Any actual award will be determined based on performance against pre-established objectives.
- C. Per policy, continued eligibility for Ms. Spisso to participate in the Clinical Enterprise Management Recognition Plan’s (CEMRP) Long Term Incentive (LTI) component, with a target award of ten percent of base salary (\$175,102) and a maximum potential award of 15 percent of base salary (\$262,652) 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.
- D. Per policy, a market-based salary adjustment of 39.7 percent (\$398,913), increasing Patricia Maysent's base salary from \$1,005,789 to \$1,404,702 as Chief Executive Officer, UC San Diego Health System, San Diego campus, at 100 percent time.
  - E. Per policy, continued eligibility for Ms. Maysent to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Short Term Incentive (STI) component, with a target award of 20 percent of base salary (\$280,940) and a maximum potential award of 30 percent of base salary (\$421,410), subject to all applicable plan requirements and Administrative Oversight Committee approval. Any actual award will be determined based on performance against pre-established objectives.
  - F. Per policy, continued eligibility for Ms. Maysent to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Long Term Incentive (LTI) component, with a target award of ten percent of base salary (\$140,470) and a maximum potential award of 15 percent of base salary (\$210,705) 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.
  - G. Per policy, for Ms. Spisso and Ms. Maysent, continuation of the monthly contribution to the Senior Management Supplemental Benefit Program, subject to all applicable program requirements.
  - H. Per policy, for Ms. Spisso and Ms. Maysent, continuation of an annual automobile allowance of \$8,916 each.
  - I. Per policy, a market-based salary adjustment of 5.0 percent (\$47,438), increasing Chad Lefteris's base salary from \$952,570 to \$1,000,008 as Chief Executive Officer, UC Irvine Health System, Irvine campus, at 100 percent time.
  - J. Per policy, continued eligibility for Mr. Lefteris to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Short Term Incentive (STI) component, with a target award of 20 percent of base salary (\$200,002) and a maximum potential award of 30 percent of base salary (\$300,002), subject to all applicable plan requirements and Administrative Oversight Committee approval. Any actual award will be determined based on performance against pre-established objectives.
  - K. Per policy, continued eligibility for Mr. Lefteris to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Long Term Incentive (LTI) component, with a target award of ten percent of base salary (\$100,001) and a maximum potential award of 15 percent of base salary (\$150,001), 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.

- L. Per policy, a market-based salary adjustment of 45.1 percent (\$375,216), increasing Dr. David Lubarsky's base salary from \$831,492 to \$1,206,708 as Vice Chancellor – Human Health Sciences and Chief Executive Officer – UC Davis Health, Davis campus, at 100 percent time.
- M. Per policy, continued participation for Dr. Lubarsky, until June 30, 2023, in the Health Sciences Compensation Plan (HSCP) with an increase to his HSCP “Y” component of \$200,700 to be paid out in two lump sums (\$100,350 each) for May 2023 and June 2023 in addition to his two remaining HSCP “Y” monthly payments for May 2023 and June 2023 (\$16,725 each), for a total of \$234,150 in remaining HSCP “Y” payments. After June 30, 2023, Dr. Lubarsky will no longer be eligible to participate in HSCP.
- N. Per policy and starting in the 2023-24 plan year, eligibility for Dr. Lubarsky to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Short Term Incentive (STI) component, with a target award of 20 percent of base salary (\$241,342) and a maximum potential award of 30 percent of base salary (\$362,012), subject to all applicable plan requirements and Administrative Oversight Committee approval. The 2023-24 plan year starts on July 1, 2023, and ends on June 30, 2024, and the first possible short term incentive award will be distributed following the close of the 2023-24 plan year. Any actual award will be determined based on performance against pre-established objectives and may be prorated in his first year of participation.
- O. Per policy and starting in the 2023-26 performance period, eligibility for Dr. Lubarsky to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Long Term Incentive (LTI) component, with a target award of ten percent of base salary (\$120,670) and a maximum potential award of 15 percent of base salary (\$181,006), subject to all applicable plan requirements and Administrative Oversight Committee approval. The 2023-26 performance period starts on July 1, 2023, and ends on June 30, 2026, and the first possible long term incentive award will be distributed following the close of the 2023-26 performance period. 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.
- P. Per policy, continuation for Dr. Lubarsky of eligibility to accrue sabbatical credits as a member of tenured faculty, consistent with academic personnel policy.
- Q. Per policy, continuation for Dr. Lubarsky of a research allowance in connection with his tenured faculty appointment. This allowance is not compensation, and Dr. Lubarsky will continue to use it only for those expenses related to his research as allowed under University policy.
- R. Per policy, continuation for Ms. Spisso, Ms. Maysent, Mr. Lefteris, and Dr. Lubarsky of standard pension and health and welfare benefits and standard senior management benefits including eligibility for senior manager life insurance and executive salary

- continuation for disability (eligible after five or more consecutive years of Senior Management Group service).
- S. Per policy, continuation of eligibility for Ms. Spisso, Ms. Maysent, Mr. Lefteris, and Dr. Lubarsky to participate in the UC Employee Housing Assistance Program, subject to all applicable program requirements.
- T. Ms. Spisso, Ms. Maysent, Mr. Lefteris, and Dr. Lubarsky will continue to comply with the Senior Management Group Outside Professional Activities (OPA) policy and reporting requirements.
- U. These market-based salary adjustments will be effective July 1, 2023, and Ms. Spisso, Ms. Maysent, Mr. Lefteris, and Dr. Lubarsky will not be eligible for the 2023-24 systemwide salary program increase.
- V. Dr. Lubarsky's eligibility to participate in the Health Sciences Compensation Plan will end on June 30, 2023, and his eligibility to participate in the Clinical Enterprise Management Recognition Plan will start on July 1, 2023.

**COMPARATIVE ANALYSIS**  
**PRESIDENT, UCLA HEALTH SYSTEM AND CHIEF EXECUTIVE OFFICER,**  
**UCLA HOSPITAL SYSTEM, LOS ANGELES CAMPUS**

**Recommended Compensation**

**Effective Date:** July 1, 2023 (Precludes eligibility for 2023-24 general increase)

**Annual Base Salary:** \$1,751,017

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

\$350,203 (at 20 percent target rate); 2022-23 CEMRP STI award will be calculated using salary effective June 30, 2023 (\$1,499,731 x 20 percent target rate = \$299,874)

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

\$175,102 (at 10 percent target rate); 2022-23 CEMRP LTI award will be calculated using salary effective June 30, 2023 (\$1,499,731 x 10 percent target rate = \$149,937)

**Target Cash Compensation after 7/1/23 Increase:\*** \$2,276,322 including possible LTI awards

**Funding:** UCLA Health System revenue

**Current Compensation**

**Title:** President, UCLA Health System and Chief Executive Officer, UCLA Hospital System, Los Angeles campus

**Annual Base Salary:** \$1,499,371

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

\$299,874 (at 20 percent target rate)

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



\$149,937 (at 10 percent target rate)

**Target Cash Compensation:**\* \$1,949,182 including possible LTI awards

**Funding:** UCLA Health System revenue

\* Target Cash Compensation consists of base salary and, if applicable, short-term and long-term incentives and/or stipends.

**COMPETITIVE ANALYSIS FOR  
PRESIDENT, UCLA HEALTH SYSTEM AND CHIEF EXECUTIVE OFFICER,  
UCLA HOSPITAL SYSTEM, LOS ANGELES CAMPUS  
(MRZ TITLE: CHIEF EXECUTIVE OFFICER,  
(MEDICAL CENTER) – UCLA HEALTH)**

Percentiles	MARKET REFERENCE ZONE FOR BASE SALARY					Percentiles	MARKET COMPOSITE FOR TARGET CASH COMPENSATION*				
	25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>		25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>
Market Data	\$1436.1k	\$1751.0k	\$1862.6k	\$2030.0k	\$2644.4k	Market Data	\$1779.3	\$2271.4k	\$2696.8k	\$3334.8k	\$4462.9k
% Difference from Market	21.9%	0.0%	-6.0%	-13.7%	-33.8%	% Difference from Market	27.9%	0.2%	-15.6%	-31.7%	-49.0%

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

\* Base Salary plus 20% CEMRP STI Target and 10% CEMRP LTI Target award

**COMPARATIVE ANALYSIS  
CHIEF EXECUTIVE OFFICER, UC SAN DIEGO HEALTH SYSTEM,  
SAN DIEGO CAMPUS**

**Recommended Compensation**

**Effective Date:** July 1, 2023 (Precludes eligibility for 2023-24 general increase)

**Annual Base Salary:** \$1,404,702

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

\$280,940 (at 20 percent target rate); 2022-23 CEMRP STI award will be calculated using salary effective June 30, 2023 (\$1,005,790 x 20 percent target rate = \$201,158)

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

\$140,470 (at 10 percent target rate); 2022-23 CEMRP LTI award will be calculated using salary effective June 30, 2023 (\$1,005,790 x 10 percent target rate = \$100,579)

**Target Cash Compensation after 7/1/23 Increase:**\* \$1,826,112 including possible LTI awards

**Funding:** UCSD Health System revenue

**Current Compensation**

**Title:** Chief Executive Officer, UC San Diego Health System, San Diego campus

**Annual Base Salary:** \$1,005,790

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

\$201,158 (at 20 percent target rate)

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

\$100,579 (at 10 percent target rate)

**Target Cash Compensation:**\* \$1,307,527 including possible LTI awards

**Funding:** UCSD Health System revenue

\* Target Cash Compensation consists of base salary and, if applicable, short-term and long-term incentives and/or stipends.

**COMPETITIVE ANALYSIS FOR**  
**CHIEF EXECUTIVE OFFICER, UC SAN DIEGO HEALTH SYSTEM,**  
**SAN DIEGO CAMPUS**  
**(MRZ TITLE: CHIEF EXECUTIVE OFFICER,**  
**(MEDICAL CENTER) – UCSD HEALTH)**

Percentiles	MARKET REFERENCE ZONE FOR BASE SALARY					Percentiles	MARKET COMPOSITE FOR TARGET CASH COMPENSATION*				
	25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>		25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>
Market Data	\$954.8k	\$1404.7k	\$1524.1k	\$1703.2k	\$1996.0k	Market Data	\$1153.7k	\$1560.7k	\$1819.6k	\$2208.0k	\$3022.6k
% Difference from Market	47.1%	0.0%	-7.8%	-17.5%	-29.6%	% Difference from Market	58.3%	17.0%	0.4%	-17.3%	-39.6%

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

\* Base Salary plus 20% CEMRP STI Target and 10% CEMRP LTI Target award

**COMPARATIVE ANALYSIS**  
**CHIEF EXECUTIVE OFFICER, UC IRVINE HEALTH SYSTEM,**  
**IRVINE CAMPUS**

**Recommended Compensation**

**Effective Date:** July 1, 2023 (Precludes eligibility for 2023-24 general increase)

**Annual Base Salary:** \$1,000,008

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

\$200,001 (at 20 percent target rate); 2022-23 CEMRP STI award will be calculated using salary effective June 30, 2023 (\$952,570 x 20 percent target rate = \$190,514)

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

\$100,001 (at 10 percent target rate); 2022-23 CEMRP LTI award will be calculated using salary effective June 30, 2023 (\$952,570 x 10 percent target rate = \$95,257)

**Target Cash Compensation after 7/1/23 Increase:**\* \$1,300,010 including possible LTI awards

**Funding:** UCI Health System revenue

**Current Compensation**

**Title:** Chief Executive Officer, UC Irvine Health System, Irvine campus

**Annual Base Salary:** \$952,570

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

\$190,514 (at 20 percent target rate)

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

\$95,257 (at 10 percent target rate)

**Target Cash Compensation:**\* \$1,238,341 including possible LTI awards

**Funding:** UCI Health System revenue

\* Target Cash Compensation consists of base salary and, if applicable, short-term and long-term incentives and/or stipends.

**COMPETITIVE ANALYSIS FOR**  
**CHIEF EXECUTIVE OFFICER, UC IRVINE HEALTH SYSTEM,**  
**IRVINE CAMPUS**  
**(MRZ TITLE: CHIEF EXECUTIVE OFFICER,**  
**(MEDICAL CENTER) – UCI HEALTH)**

Percentiles	MARKET REFERENCE ZONE FOR BASE SALARY					Percentiles	MARKET COMPOSITE FOR TARGET CASH COMPENSATION*				
	25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>		25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>
Market Data	\$802.8k	\$1045.2k	\$1167.2k	\$1350.1k	\$1531.3k	Market Data	\$868.8k	\$1155.0k	\$1278.3k	\$1463.3k	\$1839.1k
% Difference from Market	24.6%	-4.3%	-14.3%	-25.9%	-34.7%	% Difference from Market	49.6%	12.6%	1.7%	-11.2%	-29.3%

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

\* Base Salary plus 20% CEMRP STI Target and 10% CEMRP LTI Target award

**COMPARATIVE ANALYSIS**  
**VICE CHANCELLOR – HUMAN HEALTH SCIENCES AND CHIEF**  
**EXECUTIVE OFFICER – UC DAVIS HEALTH,**  
**DAVIS CAMPUS**

**Recommended Compensation**

**Effective Date:** July 1, 2023 (Precludes eligibility for 2023-24 general increase)

**Annual Base Salary:** \$1,206,708

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

\$241,342 (at 20 percent target rate) with the first possible payment to occur after the end of the 2023-24 plan year

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

\$120,670 (at 10 percent target rate) with the first possible payment to occur after the end of the 2023-26 performance period

**Target Cash Compensation after 7/1/23 Increase:**\* \$1,568,720 including possible LTI awards starting after the end of the 2023-26 performance period *(Proposed base salary (\$1,206,708) plus May/June 2023 HSCP Y payments (\$234,150) equals cash compensation of \$1,440,858 prior to first possible CEMRP award payout in 2024.)*

**Funding:** UCD Health System revenue

**Current Compensation**

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

**Annual Base Salary:** \$831,492

**Health Sciences Compensation Plan:** Negotiated “Y” component in the amount of \$200,700

**Total Cash Compensation:** \$1,032,192 (Base Salary plus HSCP “Y”)

**Funding:** UCD Health System Revenue

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

**COMPETITIVE ANALYSIS FOR**  
**VICE CHANCELLOR – HUMAN HEALTH SCIENCES AND CHIEF**  
**EXECUTIVE OFFICER - UC DAVIS HEALTH, DAVIS CAMPUS**  
**(MRZ TITLE: CHIEF EXECUTIVE OFFICER,**  
**(MEDICAL CENTER) – UCD HEALTH)**

Percentiles	MARKET REFERENCE ZONE FOR BASE SALARY					Percentiles	MARKET COMPOSITE FOR TARGET CASH COMPENSATION*				
	25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>		25 <sup>th</sup>	50 <sup>th</sup>	60 <sup>th</sup>	75 <sup>th</sup>	90 <sup>th</sup>
Market Data	\$954.8k	\$1404.7k	\$1524.1k	\$1703.2k	\$1996.0k	Market Data	\$1153.7k	\$1560.7k	\$1819.6k	\$2208.0k	\$3022.6k
% Difference from Market	4.7%	-28.8%	-34.4%	-41.3%	-49.9%	% Difference from Market	36.0%	0.5%	-13.8%	-29.0%	-48.1%

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

\* Base Salary plus 20% CEMRP STI Target and 10% CEMRP LTI Target award

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 recommends approval for the following changes in compensation for four Medical Center Chief Executive Officers:

- A. A market-based salary adjustment of 16.8 percent (\$251,646) for Johnese Spisso as President, UCLA Health System and Chief Executive Officer, UCLA Hospital System, Los Angeles campus, increasing her base salary from \$1,499,371 to \$1,751,017. The proposed base salary for Ms. Spisso will be 21.9 percent above the 25th percentile (\$1,436,100) and equal to the 50th percentile (\$1,751,000) of the position's Market Reference Zone (MRZ).
- B. A market-based salary adjustment of 39.7 percent (\$398,913) for Patricia Maysent as Chief Executive Officer, UC San Diego Health System, San Diego campus, increasing her base salary from \$1,005,789 to \$1,404,702. The proposed base salary for Ms. Maysent is 47.1 percent above the 25th percentile (\$954,800) and equal to the 50th percentile (\$1,404,700) of the position's Market Reference Zone.
- C. A market-based salary adjustment of five percent (\$47,438) for Chad Lefteris as Chief Executive Officer, UC Irvine Health System, Irvine campus, increasing his base salary from \$952,570 to \$1,000,008. The proposed base salary for Mr. Lefteris is 24.6 percent above the 25th percentile (\$802,800) and 4.3 percent below the 50th percentile (\$1,045,200) of the position's Market Reference Zone, placing his salary at the 45th percentile of the MRZ.
- D. A market-based salary adjustment of 45.1 percent (\$375,216) for David Lubarsky, M.D., as Vice Chancellor – Human Health Sciences and Chief Executive Officer – UC Davis Health, Davis campus, increasing his base salary from \$831,492 to \$1,206,708. The proposed base salary for Dr. Lubarsky is 4.7 percent above the 25th percentile (\$954,800) and 28.8 percent below the 50th percentile (\$1,404,700) of the position's Market Reference Zone, placing his salary at the 39th percentile of the MRZ. In order to align his compensation components to his CEO peers, Dr. Lubarsky will begin eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP) as of July 1, 2023, which is the start of the CEMRP 2023-24 plan year. His target cash compensation will increase from \$1,032,200 (base salary plus fixed HSCP "Y" of \$200,700) to \$1,568,720 (base salary plus CEMRP Short Term and Long Term Incentives at target). His eligibility to participate in the Health Sciences Compensation Plan (HSCP) will end as of June 30, 2023. Possible CEMRP Short Term Incentive awards will start after the end of the 2023-24 plan year, and possible Long Term Incentive awards will start after the end of the 2023-26 performance period. Additionally, due to Dr. Lubarsky's HSCP eligibility ending as of June 30, 2023 and his first possible CEMRP award payment not occurring until after July 2024, an increase to his HSCP "Y" component of \$200,700 through June 30, 2023 is being proposed to be paid out in two lump sums (\$100,350 each) for May 2023 and June 2023 in addition to his two remaining HSCP "Y" monthly payments for May 2023 and June 2023 (\$16,725 each), for a total of \$234,150 in remaining HSCP "Y" payments.

The proposed effective date for the market-based salary adjustments is July 1, 2023, and if approved, the market-based salary adjustments will preclude eligibility for the 2023-24 general increase of 4.6 percent of base salary.

The market-based salary adjustments are being proposed in order to better align base salaries with the guidelines in Regents Policy 7701, Senior Management Group Appointment and Compensation, as these four CEOs have fallen below the comparative market for their clinical enterprise leadership positions. Additionally, the transition to CEMRP for Dr. Lubarsky aligns to the incentive compensation of his UC Health CEO peers in that they collectively and individually have responsibility for achievement of systemwide and location specific objectives.

The Medical Center Chief Executive Officer positions are classified as Level One positions in the Senior Management Group, therefore, Regents' approval is required. These positions serve UC Health, and the compensation for each position will be paid solely from sources other than State General Fund support to the University.

Committee vote: Drake, Park, Pérez, Reilly, and Sherman voting "aye."

Board vote: Regents Anguiano, Batchlor, Blas Pedral, Chu, Cohen, Drake, Elliott, Hernandez, Leib, Park, Pérez, Robinson, Sherman, and Timmons voting "aye" and Regent Kounalakis abstaining.