

HEALTH SERVICES COMMITTEE

October 20, 2020

1. APPROVAL OF APPOINTMENT OF AND COMPENSATION USING NON-STATE FUNDS FOR MATTHEW COOK AS SENIOR VICE PRESIDENT – CHILDREN’S SERVICES AND PRESIDENT OF BENIOFF CHILDREN’S HOSPITAL, UCSF HEALTH SYSTEM, SAN FRANCISCO 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 using non-State funds for Matthew Cook as Senior Vice President – Children’s Services and President of Benioff Children’s Hospital, UCSF Health System, San Francisco campus:

- A. Per policy, appointment of Matthew Cook as Senior Vice President – Children’s Services and President of Benioff Children’s Hospital, UCSF Health, San Francisco campus, at 100 percent time.
- B. Per policy, an annual base salary of \$995,000.
- 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 (\$149,250), and a maximum potential award of 25 percent of base salary (\$248,750), subject to all applicable plan requirements and Administrative Oversight Committee approval. Mr. Cook’s actual award will be determined based on performance against pre-established objectives.

If Mr. Cook’s hire date is on or before January 1, 2021, his eligibility to participate in the STI component of CEMRP would start in the 2020-21 plan year, and his award would be prorated in his first year of participation. If his hire date is on or after January 2, 2021, his eligibility to participate would start in the 2021-22 plan year.
- D. Per policy, a hiring bonus of 17.6 percent of base salary (\$175,000), which is intended to make the hiring offer market-competitive and assist in securing Mr. Cook’s acceptance of the offer. The hiring bonus will be paid in a lump sum subject to the following repayment schedule if Mr. Cook separates from the University within two years of his appointment: 100 percent if this occurs within the first year of employment and 50 percent if this occurs within the second year of employment, subject to the limitations under policy.
- E. Per policy, eligibility for 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 after five consecutive years of Senior Management Group service).

- F. Per policy, eligibility to participate in the UC Employee Housing Assistance Program, subject to all applicable program requirements.
- G. Per policy, reimbursement of actual and reasonable moving and relocation expenses associated with relocating Mr. Cook's primary residence, subject to the limitations under Regents Policy 7710, Senior Management Group Moving Reimbursement.
- H. Mr. Cook will comply with the Senior Management Group Outside Professional Activities (OPA) policy and reporting requirements.
- I. This action will be effective as of Mr. Cook's start date, estimated to be on or about December 31, 2020.

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.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: Upon hire date, estimated to be on or about December 31, 2020

Annual Base Salary: \$995,000

Clinical Enterprise Management Recognition Plan (CEMRP): Short Term Incentive (STI): \$149,250 (at 15 percent target rate)

Target Cash Compensation:* \$1,144,250

Funding: Non-State-Funded (UCSF Medical Center Revenue)

Prior Career Incumbent Compensation

Title: Senior Vice President – Children's Services and President of Benioff Children's Hospital

Annual Base Salary: \$994,608

Clinical Enterprise Management Recognition Plan (CEMRP): Short Term Incentive (STI): \$149,191 (at 15 percent target rate)

Target Cash Compensation:* \$1,143,799

Funding: Non-State-Funded (UCSF Medical Center Revenue)

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

COMPETITIVE ANALYSIS FOR SENIOR VICE PRESIDENT – CHILDREN’S SERVICES AND PRESIDENT OF BENIOFF CHILDREN’S HOSPITAL, UCSF HEALTH (MRZ TITLE: SR. VICE PRESIDENT, CHILDREN’S SERVICES/PRESIDENT OF BENIOFF CHILDREN’S HOSPITAL)

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	\$621.4k	\$742.9k	\$801.0k	\$888.1k	\$1050.9k	Market Data	\$773.5k	\$965.3k	\$1059.6k	\$1201.0k	\$1420.6k
% Difference	60.1%	33.9%	24.2%	12.0%	-5.3%	% Difference	47.9%	18.5%	8.0%	-4.7%	-19.5%

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.

Background to Recommendation

The President of the University recommends approval of the appointment of and compensation for Matthew Cook as Senior Vice President – Children’s Services and President of Benioff Children’s Hospital, UCSF Health, San Francisco campus, with a proposed base salary of \$995,000, effective upon his hire date which is estimated to be December 31, 2020. Additionally, approval is requested for a hiring bonus in the amount of \$175,000 which is 17.6 percent of the proposed base salary.

This is a Level Two position in the Senior Management Group (SMG) at 100 percent time. The proposed base salary is 12 percent above the 75th percentile (\$888,100) and 5.3 below the 90th percentile (\$1,050,900) of the Market Reference Zone for the position and is 0.04 percent above the previous incumbent’s salary (\$994,608).

Due to the position in the Market Reference Zone (MRZ), this action requires Regental approval. The Health Services Committee may approve this action with no further action needed by the full Board as the position serves UC Health and the compensation is paid solely from sources other than State General Fund support to the University.

Funding for this position will come entirely from non-State funds, specifically from UCSF Medical Center revenues.

Committee vote: Regents Drake, Lansing, Makarechian, Pérez, Sherman, and Zettel voting “aye.”

2. **APPROVAL OF INCENTIVE COMPENSATION USING HEALTH SYSTEM OPERATING REVENUES FOR FISCAL YEAR 2019-20 FOR CARRIE BYINGTON, M.D. AS EXECUTIVE VICE PRESIDENT – UC HEALTH, OFFICE OF THE PRESIDENT AS DISCUSSED IN CLOSED SESSION**

Recommendation

The President of the University recommends that the Health Services Committee approve the Clinical Enterprise Management Recognition Plan (CEMRP) incentive award for Carrie Byington, M.D., as Executive Vice President – UC Health, Office of the President, in the amount of \$136,061, which is comprised of a Short Term Incentive award for the 2019-20 CEMRP plan year. The total recommended incentive award is 23.4 percent of Dr. Byington's prorated base salary (\$581,455) as of June 1, 2020 (\$869,800 x 66.8493 percent).

The incentive compensation described shall constitute the University's total commitment regarding incentive compensation until modified by the Regents or the 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.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: Upon approval

Base Salary: \$869,800 (as of June 1, 2020)

Recommended CEMRP STI Award: \$136,061 (23.4 percent of prorated base salary of \$581,455)

Recommended CEMRP LTI Award: N/A (ten percent target rate with the first possible payment to occur after the end of the 2021-22 Plan Year)

Target Cash Compensation:* \$1,005,861 (Full salary plus prorated award), plus possible LTI awards starting after the end of the 2021-22 Plan Year

Funding Source for CEMRP Award: Recommended CEMRP awards are non-State funded (100 percent from UC Health System revenues).

As this is Dr. Byington's first CEMRP award, the comparison below is to the previous incumbent, Dr. John Stobo.

Prior Year Data (2018-19 plan year) – Previous Incumbent

Base Salary: \$652,800 (as of June 1, 2019)

CEMRP STI Award: \$152,102 (23.3 percent of base salary)

CEMRP LTI Award: \$65,280 (10.0 percent of base salary)

Target Cash Compensation:* \$870,182

Funding Source for CEMRP Awards: Recommended CEMRP awards are non-State funded (100 percent from UC Health System revenues).

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

Background to Recommendation

The President of the University seeks approval of a total Clinical Enterprise Management Recognition Plan (CEMRP) incentive award of \$136,061 for Dr. Carrie Byington as Executive Vice President – UC Health, Office of the President. Dr. Byington’s award for the 2019-20 plan year is comprised of a Short Term Incentive award. The Short Term Incentive award for the Plan Year from July 1, 2019 to June 30, 2020 has been prorated using Dr. Byington’s hire date of October 31, 2019.

Although Dr. Byington is eligible to participate in the Long Term Incentive (LTI) portion of CEMRP, the LTI uses rolling three-year performance periods, and therefore, based on her start date of October 31, 2019, Dr. Byington’s first possible LTI award payment would occur after the end of the 2021-22 plan year which would be comprised of the Long Term Objective for the period of 2019-20 to 2021-22.

Consistent with Regents Policy, this award has been approved by the CEMRP Administrative Oversight Committee, the members of which are prescribed in the CEMRP 2019-20 plan document.

No State funds are used to fund CEMRP incentive awards; funding is solely from UC Health system revenues.

Committee vote: Regents Drake, Lansing, Makarechian, Pérez, Sherman, and Zettel voting “aye.”