

HEALTH SERVICES COMMITTEE

October 11, 2023

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

APPROVAL OF APPOINTMENT OF AND COMPENSATION FOR MADELYN “MADDY” PEARSON AS CHIEF NURSING EXECUTIVE, UCSF HEALTH, 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 for Madelyn “Maddy” Pearson as Chief Nursing Executive, UCSF Health, San Francisco campus:

- A. Per policy, appointment of Madelyn “Maddy” Pearson as Chief Nursing Executive, UCSF Health, San Francisco campus, at 100 percent time.
- B. Per policy, an annual base salary of \$641,800.
- C. Per policy, a hiring bonus of 20 percent of base salary (\$128,360), which is intended to make the hiring offer market-competitive and to assist in securing Ms. Pearson’s acceptance of the offer. The hiring bonus will be paid in a lump sum subject to the following repayment schedule if Ms. Pearson separates from the University or accepts an appointment at another University of California location within two years of her appointment: 100 percent if separation occurs within the first year of employment and 50 percent if separation occurs within the second year of employment, subject to the limitations under policy.
- D. 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 (\$96,270) and maximum potential award of 20 percent of base salary (\$128,360), 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 may be prorated in Ms. Pearson’s first year of participation based on her hire date. If Ms. Pearson’s hire date is on or before January 2, 2024, she will be eligible to participate in the STI component of CEMRP starting in the 2023-24 plan year, which started on July 1, 2023 and ends on June 30, 2024. If Ms. Pearson’s start date is after January 2, 2024, she will be eligible to participate in the STI component of CEMRP beginning in the 2024-25 plan year, which starts on July 1, 2024 and ends on June 30, 2025. Ms. Pearson’s first possible STI award will be determined following the close of the plan year when she is first eligible to participate.
- E. Per policy, reimbursement of actual and reasonable moving and relocation expenses associated with relocating Ms. Pearson’s primary residence, subject to the limitations

under Regents Policy 7710, Senior Management Group Moving Reimbursement. If Ms. Pearson voluntarily separates from this position prior to completing one year of service or accepts an appointment at another University of California location within 12 months of her initial date of appointment, she will be required to pay back 100 percent of these moving and relocation expenses.

- F. Per policy, eligibility to participate in the UC Employee Housing Assistance Program, subject to all applicable program requirements.
- G. Per policy, standard pension and health and welfare benefits and standard senior management benefits, including eligibility for senior manager life insurance and eligibility for executive salary continuation for disability after five consecutive years of Senior Management Group service.
- H. For any outside professional activities, Ms. Pearson will comply with the Senior Management Group Outside Professional Activities (OPA) policy and reporting requirements.
- I. This action will be effective as of Ms. Pearson's hire date, estimated to be on or about December 27, 2023.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: Date of hire, estimated to be on or about December 27, 2023

Annual Base Salary: \$641,800

Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term Incentive (STI): \$96,270 at 15 percent target rate; with first possible payment to occur after the end of the plan year when Ms. Pearson is first eligible to participate.

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

Target Cash Compensation:* \$738,070 (annualized)

Funding: Other than general State funds

Prior Career Incumbent Data

Title: Chief Nursing Officer, UCSF Health (appointed into the Managers and Senior Professionals (MSP) Personnel Program)

Annual Base Salary: \$592,011 at 15 percent target rate

Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term Incentive (STI): \$88,802

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

Target Cash Compensation:* \$680,813 (annualized)

Funding: Other than general State funds

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

**COMPETITIVE ANALYSIS FOR CHIEF NURSING EXECUTIVE, UCSF HEALTH
(MRZ: CHIEF NURSING OFFICER (MEDICAL CENTER) – 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	90 th
Market Data	\$442.5k	\$486.0k	\$521.6k	\$574.9k	\$648.4k	Market Data	\$533.9k	\$635.0k	\$674.8k	\$734.7k	\$800.4k
% Difference from Market	45.0%	32.1%	23.0%	11.6%	-1.0%	% Difference from Market	38.2%	16.2%	9.4%	0.5%	-7.8%

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 15% CEMRP STI Target award; excludes one-time Hiring Bonus

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 Madelyn “Maddy” Pearson as Chief Nursing Executive, UCSF Health, San Francisco campus, at 100 percent time, with a proposed base salary of \$641,800 effective on her start date which is estimated to be on or about December 27, 2023.

The Chief Nursing Executive position is classified as a Level Two position in the Senior Management Group (SMG). The proposed base salary exceeds the 75th percentile of the Market Reference Zone (MRZ) for this position; therefore, this action 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.

The previous nursing leaders for UCSF Health have been appointed into Career Tracks positions in the Managers and Senior Professionals Personnel (MSP) program and the most recent MSP incumbent left the University in May 2023. UCSF determined that the position should be reclassified into the Senior Management Group, utilizing the Chief Nursing Officer – UCSF Health Market Reference Zone approved by the Regents in August 2022. The campus completed an open, national competitive recruitment, and Ms. Pearson was identified as the top candidate from a diverse applicant pool.

The proposed base salary is 11.6 percent above the 75th percentile (\$574,900) and one percent below the 90th percentile (\$648,400) of the position’s Market Reference Zone. As Ms. Pearson will be the first SMG level appointee into this role at UCSF Health, there is no previous SMG

career incumbent. The proposed placement in the MRZ is consistent with Regents Policy 7701, Senior Management Group Appointment and Compensation, and reflects an appropriate base salary, taking into account Ms. Pearson's highly specialized credentials, professional accomplishments, and expertise that set her apart from industry peers. There is a scarce talent pool and a very competitive market for nursing executives with the unique experience of integrating services across a system as complex and large as UCSF Health. Therefore, this role is highly complex and significantly broader in scope than that of the benchmark positions used in surveys of the applicable market.

Additionally, within policy, the President recommends approval of a hiring bonus in the amount of \$128,360 which is 20 percent of the proposed base salary in compliance with the policy requirements for a hiring bonus.

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