The Regents of the University of California

COMMITTEE ON EDUCATIONAL POLICY
COMMITTEE ON HEALTH SERVICES
May 14, 2008

The Committees on Educational Policy and Health Services met jointly on the above date at Covel Commons, Los Angeles campus.

Members present: Representing the Committee on Educational Policy: Regents Allen, Blum, Dynes, Island, Lansing, Lozano, Marcus, Ruiz, and Varner; Advisory members Cole and Brown; Staff Advisors Brewer and Johansen
Representing the Committee on Health Services: Regents Blum, De La Peña, Dynes, Island, Lansing, and Pattiz; Advisory members Shewmake and Croughan

In attendance: Regents Brewer, Bugay, Gould, Hotchkis, Kozberg, Reiss, Schilling, and Wachter, Regent-designate Scorza, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Provost Hume, Executive Vice Presidents Darling and Lapp, Vice Presidents Broome, Foley, Lenz, and Sakaki, Chancellors Block, Blumenthal, Drake, Fox, Kang, Vanderhoef, and Yang, Acting Chancellor Grey, and Recording Secretary Smith

The meeting convened at 9:45 a.m. with Committee on Educational Policy Chair Marcus presiding.

1. **APPROVAL TO PROCEED WITH THE NEXT PHASE OF PLANNING FOR A PROPOSED SCHOOL OF MEDICINE, MERCED CAMPUS**

The President recommended that the Regents endorse continuing planning efforts leading to the development of a proposed new School of Medicine at the UC Merced campus. It was further recommended that the Regents give approval to proceed with planning in support of this goal, including the creation of a planning office; development of the curriculum, business plan, and full proposal; planning for the initial infrastructure; and seeking review and approval of the curriculum and the new school by the Merced Division of the Academic Senate as well as the Academic Council.

Upon completion of these and other activities, the formal proposal to establish a new medical school would be submitted to the President. The proposal would then be subject to all customary review and approval requirements of the University and State, including final approval by the Regents. The support and approval of the Regents for the steps outlined above would enable the campus to

continue this important planning effort and would facilitate fundraising efforts and discussions with regional and community partners.

[Background material was mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Associate Vice President for Health Sciences Dr. Cathryn Nation discussed the rationale for growth in medical education in the UC system, with a focus on milestones and highlights of the last 36 months. She recalled the June 2005 assessment of California health workforce needs, which focused on seven major health professions for which the University has primary responsibility for education and training. This work provided the foundation for a long range planning effort led by the President's Advisory Council on Future Growth in the Health Professions. This plan, completed in June 2007, recommended growth in five professions (nursing, medicine, public health, pharmacy, and veterinary medicine) across eight campuses by 2020.

Dr. Nation referred to the well known shortage of physicians, nurses, and other health professionals in California. Current shortages will increase as the state's population grows and ages. There are growing disparities in access to care, and rapidly increasing needs for improved cultural and linguistic competency. She noted studies which project statewide shortfalls in the physician workforce ranging from 8,000 to 17,000 doctors by 2015. Existing regional shortages will become aggravated in areas of the state that will experience significant growth over the next decade, notably the Central Valley and the Inland Empire. In addition, Dr. Nation reported that California now ranks first among all 50 states in the percentage of its clinically active physicians who are 60 years of age or older and planning to retire over the coming decade. Since 1980, California's population has increased by 50 percent. UC's undergraduate applicant pool has increased by approximately 70 percent, but medical school enrollments at UC have essentially shown no growth in nearly 30 years. California currently ranks 40th among those 45 states with medical schools in the number of medical student training opportunities per capita. UC turns away thousands of qualified applicants to its medical schools annually.

Dr. Nation stressed that there is a good case to be made for growth and investment in medical education. The University's five medical schools and four smaller programs train approximately two-thirds of all medical students and one-half of medical residents in California. In December 2007, the Association of American Medical Colleges reported that California ranks first among all states with medical schools in the number of doctors graduating from a medical school in the state who go on to practice in the same state. Dr. Nation described this as a record predictive of success for investment in California medical education for training and retaining doctors.

In its final report, the President's Advisory Council recommended a one-third increase in medical student training opportunities in the UC system by 2020, equivalent to approximately 865 students, and that this growth occur in steps, with new programs focused on the medical needs of underserved communities, growth at the existing medical schools, and development of new programs at new locations. Dr. Nation observed that the University's medical schools are on track with plans for growth in their Programs in Medical Education (PRIME) in spite of budgetary challenges. The first of these programs was launched at the Irvine campus, with a focus on the Latino community, in July 2004. In fall 2007, the medical schools at UCD, UCSF, and UCSD increased the sizes of their entering classes for the first time in 25 years and developed PRIME initiatives with a focus on rural health and telemedicine at UCD, on the urban underserved at UCSF, and on health equities and disparities at UCSD. Planning is under way for a PRIME program at UCLA focusing on disadvantaged groups. The University projects that approximately 70 new first-year positions will be added to its medical school enrollments, equivalent to the goal of a ten percent increase over 2004 enrollment levels.

Dr. Nation stated that UC's five schools of medicine will be unable to address California's needs. For this reason, the President's Advisory Council recommended that planning begin for one or more new programs in medical student education. She recalled the presentation made to the Regents in November 2007 on progress in the development of new teaching programs at UCR, UCM, and Charles Drew University.

Chancellor Kang provided an update on the status of planning for a medical school at the Merced campus. He first noted the significantly lower access to health care in the San Joaquin Valley, with 87 primary care physicians per 100,000 residents—30 percent fewer primary care doctors than the state average. The disparity in the number of specialists is even greater. The Valley has 43 specialists per 100,000 residents—51 percent less than the state average. Chancellor Kang quoted Dr. John Scholefield, chair of the pediatric residency program at UCSF Fresno, to the effect that the state of pediatric care in the Central Valley is like that of a third-world country.

The San Joaquin Valley, with 3.9 million residents, is growing at a rate twice that of the rest of the state. A growth rate of 184 percent is forecast for the Valley from 2000 to 2050, compared to statewide growth of 74 percent. UC projects a shortfall of up to 17,000 physicians in California by 2015. Further shortages of physicians will have an adverse and disproportionate impact on the Valley, which is already medically underserved. Chancellor Kang recalled that it takes seven years to train a practicing physician and stressed the urgency of beginning planning now for a UC-quality medical school in the Valley.

UCM Dean of the School of Natural Sciences Maria Pallavicini reviewed the last four years of planning for a medical school. She recalled that former Chancellor

Tomlinson-Keasey had convened an academic task force of faculty from UCM, UCD, UCSF Fresno, and UCSF, which recommended planning for a medical school. Further deliberations involved the UCM Academic Senate and the campus' long range development and strategic academic planning efforts. About a month ago, the UCM Academic Senate formally endorsed the decision to continue to plan for a medical school. During the planning period there was extensive community involvement in financial planning and consultation with the Office of the President (UCOP) and UC medical school leaders. In late 2006, following a meeting of the former Chancellor and Provost Hume, the Merced campus was included in UC long range enrollment planning for medical students.

Ms. Pallavicini then discussed the vision for the school, which strives for excellence in faculty, students, research, and clinical care. The school will aim to educate and retain diverse and multiculturally competent physicians who reflect California and the Valley. She referred to the currently diverse student body at UCM—including 29 percent Latino, 6 percent African American—which will provide an excellent pipeline of students wishing to pursue medical careers in the Valley. Past experience in the Valley indicates that 30 percent to 40 percent of physician residents who complete their residency in the region will remain in the Valley to practice. Ms. Pallavicini cited a recent report by the Association of American Medical Colleges stating the 70 percent to 80 percent of students who complete their medical education and residency in a region will remain there to practice.

Ms. Pallavicini noted the high incidence in the Valley of chronic diseases like diabetes and asthma. By linking education and high-quality care, the medical school will address the Valley's health care needs and elevate the quality of care in the longer term throughout the region.

The UCM medical school envisions providing signature research programs in population health. These programs will leverage the unique interdisciplinary environment on the Merced campus.

The new medical school will provide UC with the opportunity to develop new curricula and will be an economic engine, creating new jobs, increasing spending on goods and services, and generating revenue. Ms. Pallavicini called attention to the significant loss of revenue for the Valley when residents seek health care outside the region. Improvements in quality of care and increased access to physicians will help to keep funds in the region. The establishment of a medical school at UC Merced will demonstrate UC's commitment to the Valley to elected officials and community leaders.

The model for the school is a distributed community model used by a number of medical schools and similar to that proposed by UCR. Students will be trained at a number of sites in the Valley, with curriculum at the UCM campus, and a clinical campus at the Fresno location. Academic partnerships with UCSF Fresno

will provide a clinical infrastructure, and partnerships with UCD, UCSF, and UCB are also being developed. More than 20 of the Valley's largest hospitals and health care institutions have expressed interest in partnering with the UCM medical school. Selection of affiliates will be based on ensuring quality of training.

The medical school proposal enjoys the support of UCM faculty, UCSF Fresno faculty, the California Medical Association, and bipartisan leadership at federal, State, county, and city levels.

Ms. Pallavicini discussed how the medical school will promote excellence in scholarship, faculty, students, research, and curricula. She noted that UCM is characterized by excellent founding faculty with strong research programs. As the campus grows, faculty growth will be leveraged to create interdisciplinary programs. Ms. Pallavicini cited the large number of California medical students who matriculate in medical schools out of state, which indicates that there is an extensive pool of qualified medical students for UCM. She enumerated research areas in which UCM has excelled, such as stem cell research.

Plans for facilities for teaching, research, and patient care will be developed in the forthcoming planning period. The campus has examined various options, including creating a new building, leased space, and shared space with other UC campuses. The school will be funded by the State and philanthropy.

Chancellor Kang affirmed the Merced campus' commitment to developing a trajectory and milestones for the school, and a cost-effective plan. The campus will continue to consult with the Office of the President and the Regents and will initiate a development campaign. Chancellor Kang anticipated that UCM will seek approval for the medical school in the next 12 to 18 months. He presented a proposed timeline for the next six years. Consultation with faculty and UCOP, fundraising, and community involvement are continuous activities during the planning period. Development of partnership models and curriculum, and recruitment of a founding dean and staff will be carried out while securing campus and systemwide Academic Senate approval and provisional approval by the Liaison Committee on Medical Education (LCME), the nationally recognized accrediting authority for medical programs leading to the M.D. degree. Chancellor Kang stated that the campus will be rigorous in its planning and innovative in leveraging resources. He identified the proposed School of Medicine as a cornerstone of UCM's continuing success.

Committee on Educational Policy Chair Marcus discussed the question of how the Regents would like the Merced campus to develop. He emphasized that giving the campus the UC name does not make it a UC campus. He cautioned that the consideration of a proposed medical school could divert energy and minor resources, and suggested that the $1 billion or $2 billion cost of the proposal might be better distributed among UC's existing medical schools to increase their

capacity. Committee Chair Marcus advocated a clear set of standards or guidelines for the Merced campus to meet before it continues with this process. He stressed that UCM must become a full-fledged, functioning, high-quality campus before the next step is taken. He also expressed skepticism about the projection that a medical school in the San Joaquin Valley would produce more practicing physicians in the Valley.

Committee on Health Services Chair Lansing praised the Merced campus for its realistic approach to this challenge. She stressed the extraordinary need for a medical school, identified the essential question as funding, and praised the collaborative model for the school. She emphasized that the campus is taking responsibility for funding and urged the Regents to move forward with the next step.

Regent Island stated that the obvious need for a medical school would by itself justify the planning effort, but stressed the importance of training a diverse and multicultural core of physicians who will be part of the community they serve and remain in the community.

Regent Ruiz stressed the vital importance of this proposal to the Central Valley, calling attention to the numerous letters Regents have received in support of the proposal. He noted that it has brought the Valley together in support of the campus. Regent Ruiz observed that the Central Valley is sometimes referred to as the "other California" and identified the purpose of the Merced campus as bringing education and health care to the region. He opined that the medical school proposal is a good business decision. Regent Ruiz recalled former Regent Leo Kolligian, who played an important role in the establishment of the Merced campus and who would no doubt support the current effort. He asked that the Regents approve the planning process for the next twelve months, with the expectation that the campus will present a detailed business plan next year.

Committee Chair Marcus asked that the Regents consider a codicil, such that the requirements of the basic campus plan be met as a condition for proceeding with the planning for a medical school. He emphasized the importance of academic quality.

Regent Kozberg expressed the hope that the planning process will include an explanation of how the medical school funding will be assembled. She stressed that the University must be aware of the funding challenge facing it. Regent Kozberg expressed concern about funds possibly being diverted from creating high-quality undergraduate education and student life on campus, but concurred that the Valley is medically underserved and stated that ensuring adequate health care access in the Valley is part of the University's mandate. She suggested that the planning could include work with professional licensing boards to allow licensing of foreign-educated doctors to practice in California.

Regent De La Peña expressed support for the proposal, citing a grave health crisis in the region. He opined that this school could complement UC's other medical schools and include robust programs in public health and preventive medicine. There could be an advantageous economic coupling with UCD through telemedicine teaching capabilities. Regent De La Peña stated that there could be no more noble or necessary project than this medical school, and expressed optimism about securing funding.

Regent Pattiz stated that UCM leadership must have a master plan for the campus. He noted the $2 million gift to fund project planning in 2008-09, and a $7 million commitment and a $2 million gift in hand for 2009-11. He asked if the campus is confident that it will secure the remaining $5 million for 2009-11. Chancellor Kang responded that the campus has a $5 million grant from the United Health Foundation which will be used to support planning next year and the following year. He affirmed that the campus will seek to raise as much of the $5 million as possible and seek State support as well.

Regent Pattiz emphasized that the State has been an unreliable partner and expressed concern that not all the funds to cover operating costs for the planning phase have been obtained. He asked how the campus would ensure that it will retain medical professionals in the region. Chancellor Kang responded that outreach efforts to young people are necessary to implant the vision and dream of receiving a higher education at UCM. He cited the campus' Parent Empowerment Program, a 50 percent increase in freshman applications to UCM this year, and faculty support for the proposal, and expressed confidence in the campus' ability to achieve its goals for the medical school.

Regent Pattiz stressed that, in order to proceed, the University must have confidence in the success of this proposal; the funds used for the planning stages represent money that is greatly needed elsewhere in the University.

Regent Brewer observed that no one other than UC will build a medical school in the Central Valley. The state has experienced financial crises before, and when it emerges from this one, the University should be ready with planning for this project to seek some State assistance. Academic medical centers promote excellence in teaching and interdisciplinary research. Regent Brewer asked that Chancellor Kang work with the Valley medical community so that it welcomes medical students as they graduate and facilitates the successful building of their practice.

Regent Gould emphasized the compelling need for the medical school and the current precarious financial position, which is unlikely to improve soon. He expressed concern about how the Regents' and University community's position is characterized in the proposal and asked what authorization it gives the Chancellor and campus. He requested that the proposal be presented as part of an integrated campus plan with overall campus goals, and stated that there should be

an assessment of the University's financial capability for proceeding with the project, involving the Provost and the President. Chancellor Kang responded that planning will proceed using the current gift funds available and will set high standards to ensure that UC-quality education will be offered. He recalled the founding of new campuses at San Diego, Irvine, and Santa Cruz and their progress and achievements to date. He stated that UCM will carry out an intensive campaign to raise private funds and work with elected officials. Chancellor Kang emphasized that the project must be supported by new funding from the State and private gifts; it cannot siphon from existing UC budgets. Provost Hume pointed out that the current request is for approval to continue planning, not approval to begin a school. A UC-quality school cannot be created without ironclad funding.

Regent Gould stated that his support for the proposal is contingent on the campus plan and an explanation of the medical school's place in that plan, and on a clear statement that the current item authorizes only planning and assessment of the opportunity for a medical school; it does not represent a commitment of the Regents to proceed.

Chairman Blum stated that it would be irresponsible of the University not to proceed with the financial plan. He opined that the University relies too much on the State and that expectations that the State will assist the University financially will almost certainly be disappointed. He suggested the possibility of federal assistance, noting that there are Congressional representatives from the Central Valley who are supportive of the project.

Regent Hotchkis asked the Chancellor if he has communicated with wealthy farmers of the Valley. Chancellor Kang responded that, with the Regents' approval for continued planning, the campus would be able to develop relationships with potential donors. He added that the campus is seeking support not only in the Valley but nationwide.

Faculty Representative Brown noted community, regional, and State support for the medical school, but expressed concern about how long into the future this support will be sustained. He expressed the faculty's concern about a possible "launch and starve" phenomenon. He asked about campus plans to bring in new funds, not only for the medical school but also for core campus programs, so that the campus can be strong enough to support the medical school effort. Chancellor Kang responded that the establishment of a medical school at Merced will demonstrate UC's commitment to the people of California and increase support for the UC system and recognition of its importance.

Committee Chair Lansing addressed the concern that funds might be diverted. She stated that donors are usually very specific about their gifts, and that donors who wish to fund a medical school or a hospital are not likely to provide unrestricted funding, or funding for the arts. She emphasized that the Regents are

being asked to approve not the medical school, but the next step in the planning phase.

Regent Varner expressed confidence in the Chancellor and his team and in their ability to incorporate the Regents' concerns and comments in the next planning document, including creative financing ideas which might be applied in other areas of the University.

President Dynes underscored that the medical school planning must be part of the campus' academic plan. He acknowledged the financial challenges, but stated that without a plan, no funds will be secured.

Faculty Representative Croughan recalled that the UCM medical school plan is part of a long-term process, described earlier by Dr. Nation, following after expansion of existing medical schools. She opined that the retention of a health care workforce is determined more by where individuals train in residency than where they have attended medical school. Professor Croughan suggested that UCM create a graduate medical education site first, with a hospital and residency training, similar to UCSF Fresno, and subsequently develop a primary medical school education model. She anticipated that this approach would more quickly create a health care workforce, and requested more information on the graduate medical education component of the proposal. Dr. Nation responded that graduate medical education has been part of the systemwide discussions throughout the entire planning process. It is generally recognized that the predictive value of practice location is closely tied to residency training; Dr. Nation expressed confidence that this will be true for the Valley. She noted that there is a well-established infrastructure for graduate medical education at UCSF Fresno. The University is working with the Association of American Medical Colleges and holding discussions with the Centers for Medicare and Medicaid Services, which fund Medicare support for graduate medical education, to assess the feasibility of demonstration projects to allow states to receive federal support for starting graduate medical education programs at new medical schools. Ms. Pallavicini reported that UCM is developing a draft graduate medical education plan, and that it will be part of planning as it proceeds.

Upon motion duly made and seconded, the Committee approved the President's recommendation, with an amendment stating that "the Regents authorize UC Merced to continue the planning process for a proposed new School of Medicine at the UC Merced campus with the expectation (a) that UC Merced will present to the Regents a detailed business plan for the School of Medicine in May 2009, and (b) that a basic campus plan with established goals will be in place, as determined by the President, as a condition of proceeding beyond the planning process," and voted to present it to the Board.

The meeting adjourned at 11:00 a.m.

Attest:

Secretary and Chief of Staff