

The Regents of the University of California

COMMITTEE ON HEALTH SERVICES

September 18, 2014

The Committee on Health Services met on the above date at UCSF–Mission Bay Conference Center, San Francisco.

Members present: Regents Blum, De La Peña, Island, Makarechian, Pattiz, Ruiz, Sherman, and Zettel; Ex officio members Napolitano and Varner; Advisory members Davis, Gorman, and Hare; Staff Advisors Acker and Coyne

In attendance: Regents Engelhorn, Gould, Leong Clancy, Lozano, Newsom, Reiss, and Saifuddin, Regent-designate Oved, Faculty Representative Gilly, Secretary and Chief of Staff Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Chief Investment Officer Bachher, Executive Vice President and Interim Chief Financial Officer Brostrom, Senior Vice Presidents Dooley and Stobo, Vice Presidents Budil, Duckett, Lenz, and Sakaki, Chancellors Block, Blumenthal, Gillman, Katehi, Leland, and Wilcox, and Recording Secretary McCarthy

The meeting convened at 10:15 a.m. with Committee Chair De La Peña presiding.

Committee Chair De La Peña updated the Committee on progress in establishing systemwide consistent reporting in UC's student health centers. All UC student health centers began using the same software platform two years prior. Since that time, templates were developed with standard fields and semantics that would yield consistent reporting from all the student health centers. Progress had also been made on achieving a systemwide approach to medical center agreements.

Regarding the Ebola epidemic in Africa, Committee Chair De La Peña reported that the travel of UC students who study in western Africa can be tracked. Medical Director of the Student Health Insurance Program Regina Fleming reported that work had begun the prior summer collecting plans regarding Ebola from UC's student health centers. All campuses have updated their websites regarding risk, and have offered provider training regarding the risks of Ebola and how to triage patients properly. All UC student health centers have partnered with their local public health departments and nearby medical centers regarding emergency preparedness plans. The student health centers have also coordinated with risk services and their travel programs to identify students, faculty, and staff who have travelled to the affected regions; Dr. Fleming was disseminating this information to the campuses weekly so the campuses can do outreach and risk assessment screening. A systemwide template has been developed for the student health centers to help assess travel risk when students call in with cold symptoms. Coordination has also occurred with the UC Education Abroad Program (EAP).

President Napolitano added that a number of UC physicians, nurses, and other staff were interested in responding to President Obama's call for additional help with the Ebola epidemic in Africa. A plan is being developed for the appropriate way UC can contribute.

Regent Makarechian asked whether UC personnel were being prohibited from non-essential travel to areas in Africa affected by the Ebola epidemic. Dr. Fleming responded that her office had coordinated with the UC Office of Risk Services and the EAP to communicate to students that all travel to high-risk areas should be postponed. Committee Chair De La Peña reported that Chancellor Hawgood was developing guidelines for a program through which some UC professionals might assist with the Ebola outbreak.

Committee Chair De La Peña stated that the meeting's discussion items would include an important presentation about the need for increased student mental health services which directors of the student health centers had identified as their top priority.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of July 17, 2014 were approved.

2. UCSF CLINICAL ENTERPRISE STRATEGIC PLANNING UPDATE

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Senior Vice President Stobo said that UCSF Chief Executive Officer Mark Laret would provide an update on UCSF's clinical strategic plan. Chancellor Hawgood could not attend this meeting because he was in New York for the presentation of the prestigious 2014 Lasker Basic Medical Research Award to UCSF chemist Peter Walter for his work on the important function of the folding and unfolding of proteins in cells. This award exemplifies UCSF's role as a national and international leader in academic programs and research. All four of UCSF's health professional schools were ranked first among their national peers, an accomplishment Dr. Stobo called remarkable. UCSF's clinical program was ranked in the top ten in the nation by *U.S. News and World Report*. The success of UCSF's clinical program is important because its revenue provides the capital necessary to support its outstanding clinical care and also provides \$100 million annually to support UCSF's academic enterprise. UCSF's clinical enterprise cannot continue to thrive without a strategic plan.

Mr. Laret expressed UCSF's strong support for the recent selection of Chancellor Hawgood. UCSF has a storied history of innovation in diagnosing illnesses and treating patients. In the last decade UCSF had focused on achieving the safest and highest quality delivery of care. Dramatic improvements had been made in reducing hospital-acquired conditions, such as pressure ulcers and deaths from sepsis. In addition, UCSF's entire staff had focused on improving its patients' experience. As a result of its strong financial performance over the past decade, UCSF had been able to invest more than \$1 billion in

renewal and replacement of aging facilities and equipment at its locations other than Mission Bay, and another \$500 million in support of its academic enterprise, making up for reduced State support.

UCSF's most significant project of the past decade was its purchase of land in Mission Bay and the building of a new \$1.5 billion 289-bed women's, children's, and cancer hospital. The new hospital was developed to meet seismic requirements, upgrade UCSF's facilities, and expand its capacity for services at its other campuses. Mr. Laret reported that the new Mission Bay Hospital had received its Certificate of Occupancy from the State. The hospital was being stocked and staff was being trained for opening on February 1, 2015. The new hospital was completed eight days ahead of schedule and \$30 million below budget. Mr. Laret said the hospital was made possible by the generosity of the local community; the hospital currently had pledges for more than \$511 million of its \$600 million fundraising goal.

UCSF's strategic planning process began two-and-a-half years prior and involved anticipated lower payments from Medicare, Medi-Cal, and commercial insurance companies, and the Patient Protection and Affordable Care Act's (PPACA) desired business model of managing the health of a population. The planning process arrived at three strategies. The first strategy was developing destination programs, building on UCSF's longstanding position as a leader in providing highly specialized care. The need would remain for this type of care, including organ transplants, care for patients with brain tumors or neurodegenerative diseases, cancer, advanced cardiovascular disease, and complex children's services. Patients travel long distances to receive these services at UCSF. Kaiser Permanente currently contracts with UCSF to perform kidney and liver transplants and certain other services for Kaiser patients. While UCSF also provides primary and secondary care, these specialty services disproportionately drive UCSF's financial performance. In this area, UCSF's strategy is to increase capacity and make it easier for health plans like Kaiser to contract with UCSF. UCSF Benioff Children's Hospital's affiliation with Children's Hospital Oakland was part of this strategy and had already yielded cost savings to make UCSF's service more price competitive. Integrated clinical services have been developed in orthopedics, dermatology, and head and neck surgery. Marc and Lynne Benioff recently made an additional \$100 million gift to UCSF Benioff Children's Hospital, half of which was designated for use at the Children's Hospital Oakland site. The newly named UCSF Benioff Children's Hospitals in Oakland and San Francisco are examples of programs the campus hoped to replicate in the upcoming few years.

Mr. Laret stated that, like most academic medical centers, UCSF was a high-quality but also high-cost medical services provider. However, in the current healthcare environment buyers of healthcare services, including the government, companies, and private individuals, want high-quality, but low-cost services, and were often willing to compromise quality for cost. UCSF's second strategy focuses on developing a culture of continuous process improvement with appropriate, but frugal, use of resources. Value stream mapping exercises had demonstrated ample waste that could be removed from almost every process. Eliminating wasteful, time-consuming processes would benefit

patients and those who pay for their care. UCSF's immediate goal was to reduce its basic operating costs in the current year by \$28 million as part of the systemwide leveraging scale for value initiative to reduce UC Health's systemwide costs by \$50 million.

UCSF's third strategy was to build an accountable care organization (ACO) to manage the health of populations. The campus had some experience through its partnering with health plans such as Blue Shield and Health Net; UCSF was managing the total healthcare cost for a portion of the City and the County of San Francisco employees and UCSF's Blue and Gold Health Net employees. These plans were incentivized to keep patients well and out of the hospital, the centerpiece of the business model of the PPACA. The prior year UCSF convened 16 of the most highly regarded hospitals and physician organizations in the Bay Area to test their interest in participating in a bold experiment in accountable care: coming together as independent organization to build a new healthcare delivery system across the Bay Area with common clinical protocols, integrated information technology systems, and an overriding philosophy that patients should be kept healthy. After a year of hard work, UCSF now had a committed group of organizations prepared to take on this challenge. UCSF hoped to offer a new ACO to Bay Area businesses in January 2016. In the development of this business plan, UCSF worked most closely with John Muir Health, the highest ranked community hospital in the region. The leadership and board of John Muir Health wanted to form a new company with UCSF to capitalize the new ACO and begin collaboration on several other initiatives.

Mr. Laret remarked that UCSF Health was growing, with current revenues of nearly \$3 billion, and was comprised of the adult UCSF Medical Center, UCSF Benioff Children's Hospitals in Oakland and San Francisco, BayChildren's Physicians, which is a joint venture with Benioff Children's Hospital Oakland, the UCSF Faculty Group Practice, and the Langley Porter Psychiatric Hospital and Clinics. The prior year, then-Dean Hawgood and Mr. Laret reviewed UCSF Health's organizational structure with the goal of redesigning it around three objectives: first, to have decision-making processes be far less bureaucratic and to ensure that strategic choices were being made with the best interest of the entire UCSF system in mind; second, to strengthen UCSF Health's leadership team to take on the magnitude and complexity of challenges currently faced in the healthcare marketplace and to ensure continuity; and third, to achieve cost savings by eliminating duplicate functions across the enterprise wherever possible. A new organizational structure had been established that the campus believes would meet all of these objectives. Some personnel searches were underway, with more to follow in the near future, with the goal of filling as many positions as possible from within the organization to create a more robust career ladder. In addition, new senior-level talent would be recruited from outside the organization. Mr. Laret expressed confidence that UCSF Health was well-positioned to face the healthcare environment for the coming decades.

Dr. Stobo added that the ability of UCSF's clinical enterprise to achieve these goals was based entirely on revenue from its clinical services. No State general funds support UCSF Medical Center. Further detail on the ACO with John Muir and UCSF's Long Range Development Plan would be provided at a future meeting.

Committee Chair De La Peña stated that one challenge would be to balance individual medical centers' desires to function in their own areas of expertise and to take advantage of opportunities to create local ACOs, with their functioning as part of the systemwide UC Health. Mr. Laret agreed that no individual market agreements should compromise systemwide goals. On the other hand, UC medical centers' positions in their local markets should be strengthened to add to UC's systemwide strength.

Regent Zettel commented that a symposium on transplantation hosted and organized by UCSF the prior week focused on patient care and safety, improving clinical practice, and highlighting new technologies to ensure that every organ donation is successfully transplanted. She highlighted the extent of the need for organ donation, with 22,000 Californians currently waiting for organs to be donated, 84 percent of whom are waiting for kidneys. Regent Zettel thanked Mr. Laret for UCSF's making transplantation a priority. Mr. Laret added that UCSF had the longest waiting list in the nation for kidney transplants and donation is critical to meeting this need.

Regent Gould expressed appreciation for UCSF's work in developing ways to adapt to the changing healthcare environment created by the PPACA. He asked whether these types of partnerships with other healthcare organizations would be expanded to achieve the necessary scale. Mr. Laret responded that this emerging strategy was a response to the market reality. Smaller hospitals faced with insufficient patient base to support their services were searching for partnerships with larger hospitals like UCSF; UCSF needed these partnerships to establish a network with sufficient patient base. He envisioned Bay Area healthcare five to ten years hence having two or three large healthcare systems and expressed hope that UCSF would be central to one of them.

Regent Gould asked Dr. Stobo whether he saw this as the path forward for all of UC's medical centers. Dr. Stobo confirmed that the general strategy was for each UC medical center to take initiative to survive and thrive in its local market, in addition to the systemwide strategy to take advantage of the scale of UC Health. The challenge would be to ensure that local collaborations do not have a negative effect on systemwide efforts, and that UC Health's systemwide efforts do not impede individual medical centers' entrepreneurial strategies.

Regent Ruiz expressed support for UCSF's strategic plans, but asked whether there might be a conflict between being a provider of both high-quality, high-cost specialized procedures and low-cost, efficient services. Mr. Laret agreed that it would be difficult to focus on UCSF's historical strength in destination programs, which are specialized, high-cost, tertiary care programs, and also focus on population health management at the lowest possible cost. However, the reality of the healthcare environment dictated that UCSF had a responsibility to excel in both types of services. Should the ACO with John Muir Hospital succeed, it would become a very attractive affiliation for other hospitals and medical groups in the area. UCSF could be in the position of benefiting financially when a patient went to the most efficient healthcare provider, not necessarily UCSF, but part of UCSF's ACO. He agreed that succeeding in this environment over the upcoming years would be extremely challenging.

Regent Makarechian noted the significance of UCSF's building the new Mission Bay hospital on time and on budget, particularly given the complexities of hospital construction.

Regent Blum observed that UCSF was of far higher quality than any other hospital in the area. Having other hospital systems, such as Kaiser Permanente, refer patients to UCSF for specialty care that Kaiser cannot provide was a clear-cut referral. He cautioned that it would be important in any new ACO affiliations not to have an affiliate hospital of lesser quality deliver care and use UCSF's name. Mr. Laret agreed.

3. **BRIEFING ON PROPOSITION 46: MEDICAL MALPRACTICE LAWSUIT CAP AND DRUG TESTING OF DOCTORS INITIATIVE**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Senior Vice President Stobo informed the Committee that Proposition 46 had three provisions. First, to increase the cap on recovery for pain and suffering in medical malpractice lawsuits from \$250,000 to \$1.1 million, on both future and pending cases. UC's Office of the General Counsel estimated the current financial implications of this provision to the University to be \$6 million to \$21 million. Passage would also result in increased interest from plaintiffs' attorneys in filing medical malpractice claims that would have a further effect on the University.

Proposition 46's second provision involved routine and for-cause drug testing of physicians. Many details of this provision have not yet been provided so the financial effect on the University cannot be clearly determined. The third provision, intended to reduce drug abuse, would require use of a database yet to be developed prior to prescribing Schedule 2 and Schedule 3 drugs.

4. **UC HEALTH UPDATE: INCREASED STUDENT ACCESS TO MENTAL HEALTH SERVICES**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Senior Vice President Stobo stated that the need for student mental health services was outstripping the campuses' ability to provide those services. The campuses were attempting to provide services using existing resources. Dr. Stobo introduced Medical Director of the UC Student Health Insurance Program (UC SHIP) Regina Fleming and Executive Director of UCLA Counseling and Psychological Services Elizabeth Gong-Guy to present information about this problem, which was a national issue. Dr. Stobo stated that he would return to the Committee at a future meeting with proposed solutions. Dr. Fleming stated that access to mental health care on college campuses had been a concern for several years and was also the subject of the 2006 Report of the University of California Student Mental Health Committee (Report). As a result of that report,

\$12 million was allocated to UC's student health and counseling centers. However, that amount was less than one-third of the \$43 million that had been recommended by the Student Mental Health Committee, and the allocation had been subsequently reduced further by budget cuts between 2009 and 2010. The student counseling centers were fortunate to receive \$6.8 million in grant funding related to Proposition 63. This temporary funding was helpful in allowing hiring of additional staff to increase screening and outreach. This funding would come to an end in the current year.

The pattern of increased demand had continued unabated since 2006 and had impeded the campuses' ability to provide for UC students' health and well-being, which is essential to their academic success. Dr. Fleming stated that Dr. Stobo had asked her the prior spring to review mental health service patterns on UC campuses. While she was conducting that review, the shootings in Isla Vista of UC Santa Barbara students occurred, tragically bringing this issue to the forefront.

Three issues became apparent in the review of the status of student mental health care at UC. First, students were in fact having difficulty accessing mental health services. Students must wait longer for appointments; they have fewer appointments in the course of therapy; and more students need to be referred off campus. Off-campus referrals were problematic, because about half of students referred off campus did not follow up on the care, with an even lower rate of follow-up among students of color.

Dr. Fleming stated that the second issue revealed in her review was that care needed to be reconceptualized in order to make the best use of campuses' available resources. The skills of psychology and psychiatry staff needed to be supplemented by expanding the use of other types of caregivers such as case managers, social workers, primary care physicians, and nurse practitioners. Other innovative strategies such as telehealth delivery of mental health services should be considered. Third, additional resources were needed to ensure the success of the mission of supporting UC students so they can be successful academically.

Ms. Gong-Guy provided information about larger patterns in student mental health. Across the nation, colleges have reported steadily increasing numbers of students whose emotional distress and mental health complaints have impaired their academic functioning. In highly competitive universities, such as UC, the effects of compromised mental health were even more pronounced. An anxious student who has difficulty focusing can fall into a pattern of procrastination and avoidance that, if left unchecked, can develop into a spiraling depression. Self-medication with alcohol or other substances can result in more debilitating anxiety, hopelessness, and even suicidal thoughts. If this student cannot access counseling to reverse this spiral, the despair could become life-endangering.

Many of UC's most talented students have characteristics that leave them vulnerable to the stress and pressure of the University. Most UC students had outstanding records before college, and many had never experienced a previous academic setback. Increasingly, many students who seek help at UC student counseling centers are

perfectionists who have driven themselves with very little sense of balance or self-compassion. These students can have eating disorders, crippling obsessive-compulsive disorders, histories of cutting themselves, addictions, and illicit stimulant abuse. Ms. Gong-Guy displayed a chart showing national increases during the past three years in the percentages of students in counseling who report serious suicidal ideations, suicide attempts, self-injury, serious homicidal ideation, and incidents of violence.

Ms. Gong-Guy discussed the effects of this national pattern on UC students. Generally all UC students know a fellow student with a serious emotional illness. For UC faculty, these trends can mean engaging UC student crisis teams when a student explodes in anger at classmates. The effect of students' emotional crises are profound across UC campuses and throughout the living and learning community. Students and faculty are increasingly aware of students' mental health concerns.

The three-year Proposition 63 funding for the student mental health initiative aided mental health stigma reduction efforts across UC campuses, enabling UC's counseling centers to work with student peers to raise suicide prevention awareness, increase early identification of at-risk students, and reduce mental health stigma. These efforts naturally led to an increased utilization of student counseling centers. Proposition 63 funds also enabled counseling centers to increase direct student services. However, the funding from Proposition 63 was expiring. Ms. Gong-Guy displayed a chart showing the increased utilization of UC student counseling centers in each year since the 2006 Report, and a 37 percent increase from 2007 to 2013. The 2014 data were even more startling: UCLA's student counseling center reported a single year 23 percent increase in 2014; it treated 8,500 students the prior year, 21 percent of UCLA's student population. While this increase was alarming, early intervention and access to services could alter the emotional health trajectory of many of these students.

Dr. Fleming pointed out that UC students seek mental health care from campus counseling and psychological services; many also come to student health centers for care. In the past three years, there had been a 20 percent increase in the number of students who self-identified as seeking care from UC student health centers for anxiety or depression. Many other students come to the student health centers with complaints of physical symptoms such as insomnia, weight loss, or difficulty sleeping. Students were coming to campus with more severe pre-existing mental health issues, as evidenced by the large numbers of students taking psychiatric medications. According to information gathered by UC's counseling centers, 25 percent of students who utilized UC counseling and psychological services were taking psychotropic medications at the time of presentation. Data from insurance claims of students covered by UC SHIP show that the combined medications for attention deficit hyperactivity disorder and antidepressants account for the greatest number of prescriptions filled.

Ms. Gong-Guy discussed wait times for student mental health services in connection with the academic calendar. She cited the example of a mildly anxious procrastinating student who recognized that he needed help in week three of the academic quarter. A non-urgent intake appointment at the student counseling center would be scheduled in ten working

days, or week five of the quarter. If the intake counsellor found no urgent risk, the first follow-up appointment would be scheduled in four weeks, or week ten of the quarter. The student who sought help in week three, finally would begin treatment in week ten, right before finals week. A routine procrastination intervention could have developed into a full-blown academic crisis. The student counseling centers offer outstanding care and operate best for early intervention and crisis prevention care. However, the increased student utilization had seriously limited access to timely treatment that was needed to support students' success.

Dr. Fleming summarized that the campus counseling and student health centers have implemented several strategies to ensure that students with urgent needs are seen and cared for in a timely manner. Despite these efforts, student are having increasing difficulty accessing services both on and off campus. Additional resources are needed to fund efforts to increase the availability of coordinated on-campus care necessary to help students reach their full academic potential.

Committee Chair De La Peña stated that this matter was of such importance that it deserved a full discussion of available options at a future meeting. He asked Dr. Stobo to return to the Committee with potential solutions and information about how UC compared in this area with other universities.

Regent Makarechian asked that information in this presentation be forwarded to the Regents.

The meeting adjourned at 11:20 a.m.

Attest:

Secretary and Chief of Staff