

The Regents of the University of California

HEALTH SERVICES COMMITTEE

February 11, 2019

The Health Services Committee met on the above date by teleconference at the following locations: Luskin Conference Center, Los Angeles campus; Lote H-4, Carretera Federal 200 Km. 19.5, Punta Mita, Mexico; Avenida Atlântica 1020, Rio de Janeiro, Brazil.

Members present: Regents Guber, Lansing, Makarechian, Park, Sherman, and Zettel; Ex officio members Kieffer and Napolitano; Executive Vice President Stobo; Chancellors Block and Hawgood; Advisory members Hernandez, Hetts, Lipstein, and Spahlinger

In attendance: Regents Graves, Leib, and Sures, Regent-designate Weddle, Faculty Representative May, Secretary and Chief of Staff Shaw, Deputy General Counsel Nosowsky

The meeting convened at 10:10 a.m. with Committee Chair Lansing presiding.

1. **PUBLIC COMMENT**

Committee Chair Lansing explained that the public comment period permitted members of the public an opportunity to address University-related matters. The following persons addressed the Committee.

- A. Sedina Velic, a UCLA student, spoke of food insecurity among students, which leads to academic underperformance and strains on mental health. Food insecurity disproportionately affected minority student populations. The UCLA Community Programs Office Food Closet did not have sufficient resources to assist all needy students.
- B. Amanda Nguyen, a UCLA student, urged the UCLA administration to provide more funding to sustain the Community Programs Office Food Closet. Money raised through UCLA's fundraising efforts should be used to promote student well-being.
- C. Ambika Verma, a UCLA student, discussed the prostate cancer drug Xtandi, which had been originally developed at UCLA and approved by the U.S. Food and Drug Administration in 2012. No alternative effective therapy was in use and the drug's licensees, Astellas Pharma and Pfizer, were receiving enormous profits. Universities Allied for Essential Medicines, along with other groups and individuals, was urging UC to drop a patent claim for Xtandi in India which prevented the development of a generic version of the drug. She stressed that global health should be a human right, not a commodity sold to the highest bidder.

- D. Tijana Temelkovska, a UCLA medical student, noted that the UCLA School of Medicine's stated values include the promotion of health equity and improvement of healthcare access globally. The patent appeal in India for the drug Xtandi contravened the University's mission, values, and licensing guidelines. She asked UCLA to drop this patent appeal.
- E. Neda Ashtari, a UCLA medical student, described her personal experience of her mother's death from cancer and her disputes with insurance companies over coverage. She urged the University to act so that Xtandi would be affordable for patients who need this drug.
- F. Arden Dressner Levy, a UCLA student, reported that the Campus Assault Resources and Education (CARE) office had inadequate resources to address sexual assault. CARE had only two advocates trained to advise survivors of sexual violence and each advocate had a caseload of over 400 students. She urged the Regents to increase financial support for CARE and similar offices on other UC campuses to allow hiring of more advocates.
- G. Claire Fieldman, a UCLA student, urged the Regents to dedicate more funding for student mental health care. She stated that UCLA students have to wait months for an appointment at Counseling and Psychological Services. The University should set an example for higher education nationwide in addressing student mental health and preventing sexual violence.
- H. Kamyar Feiz, a UCLA student, described the situation of his girlfriend, also a UCLA student, who could not afford the UC Student Health Insurance Plan and experienced food insecurity. He stressed that her situation was not an anomaly and that there were thousands of students like her in the UC system.
- I. Joshua Lyda, a UCLA student, noted that the proposed Thirty Meter Telescope was to be built on a site of religious significance to the Hawaiian people at Mauna Kea. By promoting this project, the University was being disrespectful to the native Hawaiian people, especially given the fact that UC is a land grant institution.
- J. Jamie Kennerk, a UCLA student, stated that the building of the Thirty Meter Telescope on native land was unacceptable. Jamie criticized the misuse of gender pronouns by faculty in the case of gender-fluid students.
- K. Sunney Poyner, a UCLA law student, expressed concern about the lack of quantitative research on sexual violence on UC campuses. Quantitative research would inform policy and help the University to understand this phenomenon, develop prevention measures, and care for victims of sexual violence. Surveys like the MyVoice survey at UC Berkeley should be undertaken at all campuses.
- L. Atreyi Mitra, a UCLA student, urged the University to provide more funding for the CARE office to hire more advocates in order to better support survivors of

sexual assault. She cited statistics indicating increasing numbers of clients for the CARE office from year to year.

- M. Michael Cahn, representing the UCLA Bicycle Academy, encouraged UC Health to focus on healthy, active, and sustainable transportation. The lease templates for new UC Health sites did not include bicycle parking or electrical vehicle charging points but, unfortunately, would include bundled parking. He noted a planned upcoming meeting of bicycle advocates, the Los Angeles County Medical Association, and UC Health to discuss how the Community Health Needs Assessment process could be used to support active and healthy transportation at UC locations.
- N. Robert Kadota, a UCLA employee and bicycle advocate, invited the University to examine Vision Zero, an international road traffic safety project. The Purple Line Extension and Expo Line Extension in Los Angeles represented opportunities for UCLA. He urged UC Health to make UC Health facilities bicycle-friendly.

Committee Chair Lansing welcomed two new members of the Committee, Regents Guber and Park.

2. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of December 11, 2018 were approved.

3. **REMARKS OF THE EXECUTIVE VICE PRESIDENT – UC HEALTH**

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

Executive Vice President Stobo presented a fiscal year 2019 December year-to-date financial summary for UC Health and briefly commented on modified operating income, modified earnings, days' cash on hand, and debt service coverage. Some of the changes in modified operating income from 2018 to 2019 were due to pension expenses. Overall, the medical centers were in a strong financial position.

Dr. Stobo recalled that, at the December 2018 Committee meeting, there had been discussion of a recommendation by the UC Health Advisory Committee that the Office of the President (UCOP) add specialized, health-related responsibilities and/or qualifications to its library of job standards under the Career Tracks program, because Career Tracks at UCOP did not take the healthcare marketplace into account and there were positions that required competitive salaries above those available in the existing UCOP Career Tracks program. A meeting had been held to discuss this issue. He reported that, by April 1, 2019 the UCOP Career Tracks program would include health-related positions. Special exemptions would be allowed in the interim before April 1.

Advisory member Lipstein noted that the UC Health strategic plan for the upcoming budget year included 65 full-time equivalent positions, 34 within UCOP, and 31 on the campuses. UC Health needed these 65 individuals in order to achieve its plan goals. He asked for assurance that these 65 individuals would be in place within the April time frame. Dr. Stobo stated his commitment that UC Health would do all it can to fulfill the plan outlined for fiscal year 2018-19. Obstacles in the Career Tracks arena had been removed.

4. UC HEALTH CAPITAL FINANCIAL PLAN

The President of the University recommended that the Health Services Committee waive its authority to review the UC Health-related projects included in the 2018-28 Capital Financial Plan approved by the Regents in November 2018, subject to the following conditions:

A. The Health Services Committee's waiver shall not apply to the following projects:

UC Davis	<ul style="list-style-type: none"> - Hospital Bed Replacement Tower - South Placer Development
UC Irvine	<ul style="list-style-type: none"> - Irvine Campus Inpatient Specialty Hospital - Irvine Campus Outpatient Clinic and Ambulatory Surgery Center
UCLA	<ul style="list-style-type: none"> - Westwood Patient Tower Addition
UC Riverside	<ul style="list-style-type: none"> - School of Medicine Education Building
UC San Diego	<ul style="list-style-type: none"> - Hillcrest Outpatient Pavilion - Hillcrest Replacement Hospital - Hillcrest West Wing Replacement
UC San Francisco	<ul style="list-style-type: none"> - Helen Diller Medical Center - Proton Therapy

B. The Health Services Committee's waiver shall apply only to the extent of UC Health-related projects at the medical centers and campuses occurring during fiscal years 2018-19 to 2023-24 (Waived Projects); and

C. Any Waived Project requiring review, approval, concurrence or other action by the Finance and Capital Strategies Committee shall require consultation with the Executive Vice President – UC Health.

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

Executive Vice President Stobo recalled that this item had been discussed at the December 2018 meeting. He briefly summarized the proposed action, noting that the Committee would not be relinquishing any prerogative. Health Services Committee members would be kept informed about any relevant capital project.

President Napolitano explained that the intent of this item was to streamline the approval process for capital items. The process of review and approval by both the Health Services Committee and the Finance and Capital Strategies Committee resulted in delays to projects. The proposed action would be a reasonable accommodation for this Committee and the Finance and Capital Strategies Committee.

Upon motion duly made and seconded, the Committee approved the President's recommendation, Regents Guber, Kieffer, Lansing, Napolitano, Park, Sherman, and Zettel voting "aye."¹

5. **STRATEGIC PLAN AND FISCAL YEAR 2019-20 BUDGET FOR UC HEALTH DIVISION, OFFICE OF THE PRESIDENT**

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

Executive Vice President Stobo began the discussion by adumbrating the challenges facing UC Health: a competitive financial environment with declining reimbursements, unpredictable health policy, and increasing market and payer expectations. Those who pay for health care, whether individuals, employers, or the federal government, were expecting health providers to demonstrate the value of services provided. Significant consolidation was taking place across the U.S. in the healthcare marketplace. The Mayo Clinic was expanding into Florida and Arizona. MD Anderson was establishing satellite locations, including one in San Diego. In UC Health's competition with these large systems, it was clear that size, solid financial performance, and increased emphasis on quality and accountability were the criteria for success. UC Health was expected to act as a system in the marketplace. This new environment required scale, systems integration, agility, and rapid strategic innovation; doing nothing was not an option. The UC Health Division office in the Office of the President (UCOP) was the catalyst necessary to meet these challenges while remaining faithful to the mission of clinical service, research, and education.

The UC Health Advisory Committee had recommended that the divisional office needed to grow in order to meet these challenges. Currently, the divisional office was supported by funds from UCOP, the medical centers, and health insurance premiums. With the exception of Kaiser Permanente, all UC health plan options were self-funded or plans in which UC shared financial risk. Given the constraints on UCOP, the UC Health Advisory Committee had recommended the creation of a separate unit, the UC Healthcare Collaborative. The Collaborative's activities would support the clinical mission of UC Health and would be supported by health system funds from the campuses. This part of the

¹ Roll call vote required by the Bagley-Keene Open Meeting Act [Government Code § 11123(b)(1)(D)] for all meetings held by teleconference.

