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	− Hospital Bed Replacement Tower − South Placer Development
UC Irvine	− Irvine Campus Inpatient Specialty Hospital − Irvine Campus Outpatient Clinic and Ambulatory Surgery Center
UCLA	− Westwood Patient Tower Addition
UC Riverside	− School of Medicine Education Building
UC San Diego	− Hillcrest Outpatient Pavilion − Hillcrest Replacement Hospital − Hillcrest West Wing Replacement
UC San Francisco	− 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.

budget would be allowed to expand with proper oversight by the Health Services Committee, chancellors, chief executive officers, deans, the Executive Budget Committee, the President, and the Board of Regents. The UC Health budget would thus be divided into two parts – the UC Healthcare Collaborative, supported by medical center revenues, and the remainder of the divisional office activities, supported by State General Fund monies from UCOP. Premiums would continue to be used to support the self-funded health plans.

The activities of the UC Healthcare Collaborative would be guided by the strategic plan. Any activity not already included in the strategic plan would require a special exception and, in Dr. Stobo's view, would be unlikely to occur. The Collaborative's budget must be within the framework outlined by the strategic plan. The UC Health strategic plan had been developed about a year prior and recently revised. The strategic plan had been presented to chancellors and chief executive officers and would shortly be reviewed by the Executive Budget Committee.

The UC Health strategic plan had 12 goals. Goals One to Five and Goal 11 belonged to the UC Healthcare Collaborative, addressed systemwide issues for the clinical enterprise, and would be funded by the medical centers. Goal Six would be funded by health insurance premiums. Goals Seven to Ten and Goal 12 would be funded by State General Funds.

Goal One was to drive savings and efficiencies through the Leveraging Scale for Value program. It included six activities in the areas of procurement, revenue cycle, information technology, pharmacy, capital projects, and clinical laboratories. The goal was to eventually achieve, on a year-to-year basis, $500 million in value through cost reduction beginning in fiscal year 2021. In the past several years, Leveraging Scale for Value had achieved between $300 million and $400 million in cost reduction annually.

Chief Strategy Officer Elizabeth Engel drew attention to an overarching theme in all the goals, which was to allow the UC Health Division to facilitate coordination and collaboration among the campuses, leverage scale, increase efficiencies, improve patient outcomes, and reduce costs. Goal Two was to develop and launch systemwide strategic initiatives. UC Health had undertaken a number of initiatives to foster systemwide collaboration; however, various efforts had often occurred in isolation and were not coordinated. The goal would be to develop a small strategic planning function in UC Health to reach consensus with campus leadership on areas of future collaboration, and to support analysis and execution of agreed-upon projects and transactions. A current example would be the UC Cancer Consortium. An important question for the medical centers was how to work collectively and collaboratively to address competition.

Goal Three was to establish a small quality/population health management team with substantive expertise. This team would convene relevant stakeholders at the campuses to agree upon targeted efforts. Making use of systemwide claims and clinical data, this function would help UC medical centers and health plans to better identify best practices, manage care, improve outcomes, and reduce costs.

Goal Four was to improve systemwide financial analysis. Dr. Stobo noted that the medical centers currently had good financial bookkeeping and reporting functions, but there was not an ability to compare campuses and there was no systemwide dashboard to examine financial performance. The goal would be to standardize financial reporting to allow comparisons among the campuses and to create a systemwide dashboard. UC Health had made progress in standardizing expense and revenue categories across campuses, and Dr. Stobo hoped that the work on this goal would be finished within about a year.

Goal Five was to establish a small team at UC Health to leverage systemwide clinical and claims data to support a variety of goals and initiatives, especially the above-mentioned quality and population health management, but also the Leveraging Scale for Value program, strategic planning, research, and compliance efforts. The broad insights gained from these data would be applied locally at the campuses to improve efficiencies and would help UC Health as a system determine which initiatives to undertake and prioritize.

Goal 11 was to more effectively influence public policy as a system. A small policy team would be established to allow UC Health to engage proactively and strategically regarding health policy legislation and regulatory activity. The team would inform the campuses systematically about pending activity and to engage them in the development of policy positions. The work of this team would begin at the State level; there was an important opportunity to work with the new gubernatorial administration to identify areas of common ground, such as Medi-Cal and drug pricing.

Regent Park asked if this presentation would be made to the full Board. Dr. Stobo responded that this could be done although it had not been planned.

Regent Park asked about governance of the UC Healthcare Collaborative. Dr. Stobo responded that governance of this entity would be complex. Governance must include the chancellors of the six campuses with UC Health activities, the chief executive officers of the five medical centers, the Health Services Committee, the Executive Budget Committee, the President, and the full Board of Regents.

Besides approval of the UC Healthcare Collaborative's strategic plan and budget, Regent Park asked what form of governance would control decision-making, such as decisions to pursue specific goals like those described earlier. Dr. Stobo responded that this governance would be implemented by the UC Health Division office at UCOP. Decisions about whether goals had been met would be made by the governing individuals mentioned, and predominantly by the chancellors and chief executive officers.

Regent Park asked about the consensus among parties to determine goals and whether certain goals had been met. Dr. Stobo responded that regular progress reports would be provided so that chancellors, chief executive officers, and Regents can assess whether benchmarks are being met.

Regent Zettel remarked that Goals Three, Four, and Five would rely on data. She asked if the necessary software had been implemented or if more time and financial investment

would be required to pursue these goals and extract meaningful insights from UC Health data. Dr. Stobo responded that these activities should have begun earlier. UC Health had a valuable resource, the data in 16 million unique patient records that had been collected, stored, and were ready for analysis. UC Health needed to implement these goals as soon as possible.

Chair Kieffer reflected that as the University had grown, the Regents had delegated increasing authority to UCOP and, from there, to the campuses. The Regents have responsibility for the UC Health system. Historically, the medical centers operated largely independently. Changes in the world today required that the University function in a more coordinated manner. The proposal for the UC Health Division at UCOP reflected its responsibilities, assigned by the Regents. There was some tension between the medical centers and the central administration, and questions arose about the degree to which they would be independent or work in coordination. The Regents ultimately have authority, but much authority has been delegated. In this instance, the Regents were giving UCOP tools to do the job more properly. This was a slow process, working to create a system that could compete with large health systems like Kaiser Permanente.

Dr. Stobo and Chair Kieffer remarked on the role of the Health Services Committee, which can focus on UC Health more than the full Board can. Committee Chair Lansing expressed her view that authority had been delegated to the Health Services Committee even more than to UCOP to ensure that the chief executive officers can act nimbly and flexibly, without going through many levels of approval. Chair Kieffer responded that the Regents were putting a budget in place to allow UCOP to accomplish some of the work that the Regents assigned to it.

Advisory member Lipstein observed that if the Health Services Committee were the board of a leading healthcare system with a university affiliation, it would have the same goals that had been discussed. Every healthcare system of significant size in the U.S. was using its scale to pursue savings and efficiencies, launching strategic initiatives, and engaging in population health management and data-driven financial analysis. In some ways, the Health Services Committee was serving as a surrogate for the Board of Regents for the University's healthcare delivery system. The stated goals were wholly appropriate. Mr. Lipstein referred to the SWOT (strengths, weaknesses, opportunities, and threats) analysis included in the strategic plan, noting that it had an overwhelming number of strands; it was difficult to correlate these with the overarching goals of UC Health. He encouraged UC Health to extract from this list of strengths, weaknesses, opportunities, and threats those items it planned to address and act on, and to share this information with the Health Services Committee. UC Health was unlikely to address all the identified weaknesses and threats. Dr. Stobo responded that the SWOT analysis referred to the UC Health Division office at UCOP, not UC Health systemwide.

Mr. Lipstein asked if Goal Seven, "strengthen UC Health internal effectiveness," responded to the SWOT analysis. Ms. Engel responded that Goal Seven would not respond to every element of the SWOT analysis, but a certain set of these elements. The goal was to operate the divisional office as effectively as possible to support the UC Health system.

Dr. Stobo stated that, in future updates, UC Health could present which elements of the SWOT analysis had been addressed.

Dr. Stobo then discussed the UC Health Division office budget. He presented a chart with actual figures for fiscal years 2017-18 and 2018-19 and projected figures for 2019-20, 2020-21, and 2021-22. For fiscal year 2019-20, the annual cost total was estimated at approximately $21 million. UC Health had roughly $11 million on hand to apply toward this expense and was therefore asking the medical centers for an additional $10,287,722. This budget augmentation had been discussed with and approved by the chief executive officers and the chancellors. Chancellors raised questions about the use of these funds and how this expense would be allocated among the five campuses that have medical centers. The allocation could be divided evenly by five; the allocation could be based on the net revenue of a medical center as a percentage of the total net revenue of all the medical centers; or the allocation could be based on the return on investment of a medical center as a percentage of the total return on investment of all the medical centers. The allocation methodology for 2019-20 had not yet been determined and would be determined through discussions with the chancellors and chief executive officers.

Regent Sherman noted that the figures on this chart for estimated savings and new revenue did not include savings associated with managed care contracting or systemwide Medi-Cal work. He asked what amount of savings might be achievable in these areas. Dr. Stobo responded by presenting a chart with figures for estimated savings and/or revenue associated with certain Leveraging Scale for Value activities in fiscal year 2017-18 at each UC Health campus location. Contracting had produced incremental income of $74 million for UC Davis, a result of UC Health negotiating as a system for its managed care contracts with six commercial carriers—Health Net, Blue Shield, Anthem Blue Cross, Cigna, Aetna, and UnitedHealthcare. UC Health is able to calculate the difference between the amount an independent provider would receive and the amount UC Health can receive as a system. There is a value in UC Health negotiating contracts on a systemwide basis and the value was indicated by this figure. The chart also included figures for Medi-Cal, income that UC Health was fairly confident would come about in calendar year 2019 as a result of systemwide Medi-Cal activities, working with the State and with the Centers for Medicare and Medicaid Services. He stated his view that the UC Health Division office would provide a significant return on investment for the medical centers.

Regent Zettel referred to a difference in Medi-Cal income between UC Irvine, $27 million, and UC San Diego, $85 million. She asked if this disparity reflected the number of Medi-Cal patients. Dr. Stobo responded that these figures were not directly related to the number of patients seen at these hospitals.

Advisory member Spahlinger encouraged UC Health, in developing its allocation methodology, to think about its future activities as a system, such as a possible UC Health Plan, rather than in terms of the return on current initiatives. Dr. Stobo agreed, remarking that UC Health might engage in systemwide activities that would not immediately generate returns but might generate significant returns over time.

Regent Park referred to an earlier slide showing projected savings and new revenue through various UC Health strategic plan goals. The Leveraging Scale for Value program was projected to generate $500 million in 2021-22. She asked if UC Health expected this amount of savings to be achieved in the years following. Dr. Stobo responded that this amount would become smaller in later years. Maintaining this level would most likely depend on including new activities in the Leveraging Scale for Value program rather than increasing the return from existing activities.

Regent Park stated that Goal Three, to establish a quality/population health management function, and Goal Five, to establish a center to leverage systemwide data, should be pursued regardless of the savings they might yield. She asked about the basis for the projected savings shown on the chart for these activities. Ms. Engel responded that UC Health would be building some entirely new initiatives. Some basic modeling had been done based on campus experiences, but UC Health would have more specific information when these functions had been implemented. UC Health was actively recruiting a Chief Clinical Officer to lead one of these functions.

Regent Park noted that there is an expense for establishing these initiatives. She looked forward to receiving additional information as these activities are deployed. She asked about the basis for projections associated with another strategic plan goal, to "offer competitive and compelling UC-branded health plans," and if this had to do with getting employees who had been enrolled in commercial plans to enroll in UC plans. Dr. Stobo responded that this goal was to ensure that UC's existing health plans for its employees were more competitive, primarily with Kaiser Permanente. UC should offer an alternative to Kaiser more attractive than the one it was offering currently.

Regent Park asked if the University would spend less on Kaiser services than it currently spent. Dr. Stobo responded that he could not guarantee this. Currently, a significant amount of money spent on UC employee health plans did not return to UC providers. UC Health believed that if it offered health plans that were competitive in price and benefits, it should be able to increase the money that returns to UC.

Referring to an earlier question by Regent Park, Ms. Engel remarked that one concern of the quality/population health management function is to ensure that the right care is delivered to the right patient at the right time, while another concern is infrastructure and the medical centers' ability to increase their population health activities. UC Health was examining how this could be pursued as a system with collective purchasing. UC San Diego Health Chief Executive Officer Patricia Maysent confirmed that the medical centers were seeking to build a population health infrastructure together as a system in a more cost-effective way.

Mr. Lipstein drew attention to the question of how UC Health would achieve savings after 2021-22. At that point, UC Health would have drawn on all the savings associated with the scale of the existing academic medical centers. Currently, the only known means for achieving this was to pursue incremental scale, and this scale has come through establishing strategic relationships with entities not owned by UC and not previously

operated by UC. These relationships add scale, and Mr. Lipstein anticipated that development of these partnerships would increase during the 2020s. The Health Services Committee would be dealing continuously with the question of how to achieve scale without owning assets.

Committee Chair Lansing observed that the Health Services Committee struggles with certain issues, such as labor agreements and reputational risk, with each new affiliation, hoping that pursuing the affiliation has been the right decision. This raised the question of why UC Health could not achieve this scale on its own. She suggested that the Committee have a detailed discussion at a future meeting about this issue, about how UC Health could grow so that it would be less dependent on relationships with outside entities. This was an essential issue for UC Health. Dr. Stobo recalled that UC Health has quality benchmarks used to ensure that the other entity in any affiliation meets UC's standards, initially or within a given time period.

Committee Chair Lansing stated that UC Health should monitor this issue and regularly ask itself if UC Health could grow on its own. Dr. Stobo expressed agreement with the points raised by Committee Chair Lansing and Mr. Lipstein. UC Health had been pursuing measures and goals that were not difficult to achieve and was now beginning to address more difficult challenges.

Dr. Stobo then presented a chart with figures for full-time equivalent positions (FTE) for the UC Health Division for fiscal years 2017-18 and 2018-19, and projected figures for fiscal years 2019-20 to 2021-22. The growth in FTE would be divided evenly between positions in the divisional office at UCOP and positions on the campuses. Employees on campuses working on UC Health strategic plan goals and projects would be paid by UC Health depending on the percentage of their time spent on UC Health goals and projects. One FTE on a campus might represent one employee working full-time for UC Health or ten employees working ten percent time for UC Health. Dr. Stobo stressed that UC Health had been effective in expanding systemwide activities without building a large infrastructure and adding many employees at UCOP, but using the extensive expertise on the campuses.

Mr. Lipstein asked that the Health Services Committee be informed at subsequent meetings about progress made toward the goal of hiring 65 FTE for the UC Health Division. Dr. Stobo responded that this information would be provided, emphasizing that these hires must occur soon in order to implement the population health and data initiatives.

Advisory member Hetts remarked that the planned FTEs on campuses demonstrated that UC Health was using campus resources and expertise effectively.

Regent Park referred to educational goals in the strategic plan. One of these goals, to develop a systemwide enrollment plan and strategy, was targeted for completion by April 2020. She asked if completion in April would allow for changes to occur by fall 2020 and if there had been any consideration of undergraduate education. Dr. Stobo responded that there had not been much consideration of undergraduate education at this point. He

clarified that $4 million in UC Health's core budget had not been included in this discussion. The core budget is used predominantly to expand UC Health's academic activities. The strategic goals of advancing interprofessional health sciences education and developing a systemwide enrollment plan and strategy were not within the purview of the UC Healthcare Collaborative and would not be funded by the additional assessment from the medical centers. Regent Park asked when the strategic plan's educational goals could be discussed. Dr. Stobo responded that this could be a discussion item at a future Health Services Committee meeting.

President Napolitano noted that she had co-chaired the California Future Health Workforce Commission with Lloyd Dean, the chief executive officer of Dignity Health. Advisory member Hernandez and Regent Ortiz Oakley were also engaged in the work of the Commission. She suggested that the Committee receive a presentation on the report of that Commission, which included the issue of what the University's contribution should be in preparing the future healthcare workforce needed in California. Dr. Stobo responded that this could be discussed at the next meeting.

Faculty Representative May observed that there would shortly be a change in leadership at UC Health. He asked if there would be flexibility for the new leadership of UC Health to provide a vision for this process. The strategic plan established definite projects, and Mr. May asked if the new leadership would be able to revisit these ideas. Dr. Stobo responded that the strategic plan had been developed by the campuses through a process of consensus and was a mandate for the UC Health Division office. The divisional office may present proposals, but if these proposals were not accepted by the medical centers, they would not be incorporated in the strategic plan. The strategic plan goals were fundamental for remaining competitive in the healthcare marketplace and would be endorsed by any candidate for health system leadership. Committee Chair Lansing affirmed that the strategic plan goals would be accepted by any medical center or health system and that the strategic plan had been developed by the UC Health campus locations. If a new leader suggested a good idea, the medical center chief executive officers would respond positively.

President Napolitano suggested that the committee conducting the search for Dr. Stobo's successor could ask candidates how they would go about achieving these goals and for their thoughts on the strategic plan.

6. **UPDATE ON STUDENT MENTAL HEALTH SERVICES**

[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 introduced this item, noting that ensuring student access to mental health services was a continuing challenge for the University.

Chief Medical Officer Brad Buchman presented a chart with data over ten years showing an increase in use of campus counseling and psychological services centers. The data

indicated an almost 80 percent increase in utilization by unique patients. During the same period, student enrollment increased by 27 percent. Ten years earlier, only nine percent of students used the counseling centers, while in the last academic year, 13 percent of students came in for counseling visits. Both enrollment and the percentage of students using the counseling centers had increased markedly.

Dr. Buchman then presented a chart showing the UC systemwide average for the percentage of patients with urgent needs who are seen within two days. This percentage had declined slightly in the past three years, but about 96 percent of students with urgent needs were being seen within two days. Most students are seen on the same day that they call or come in, and very urgent situations are addressed immediately. Counseling centers only ask students to come in the following day if there is not an immediate urgency or imminent danger.

Regent Leib asked how the terms "immediate" or "imminent" were defined and who made the determination of urgency in these cases. Dr. Buchman responded that the definitions used by the counseling and psychological services centers were variable, but these terms referred to unscheduled, unplanned visits by students who walk in or call in and want to be seen urgently. Suicidal threats are seen immediately.

Faculty Representative May referred to another chart with the data on students seen within two days, broken down by campus. Since some campuses had been able to see 100 percent of these students within two days, he asked why all the campuses were not capable of this and why some campuses' performance in this category had declined over the last three years. Dr. Buchman responded that multiple factors were involved, such as enrollment growth and how many appointments the campuses typically schedule for students. Some campuses with greater enrollment growth might be falling behind despite UC Health's efforts to support them.

Mr. May stated that the best practices of campuses that have been able to see 100 percent of students should be implemented on all campuses. The University should be striving to achieve the 100 percent rate on every campus. Dr. Buchman responded that this was a worthwhile goal, that an important part of his job was to see that the campus student health and counseling centers learn from one another, and that he would communicate Mr. May's concern to the counseling center directors. Dr. Buchman stressed again that there were many variables in these data, and that some students who first express the need for an urgent appointment might postpone their appointment for various reasons and be seen a day or two later.

Regent Sherman asked about the meaning of a student being "seen" in these data; whether this meant in person, or by telephone or Skype. Dr. Buchman responded that this could mean being seen in person or a long triage telephone call with a clinical psychologist, not with an intermediary or support staff member.

Dr. Buchman then presented charts showing fiscal year-to-date accessibility for routine intake counseling appointments. Three years earlier, UC Health had been able to see about

80 percent of these patients within 14 calendar days. He noted that this was a very good rate, indicating ready accessibility and shorter wait times for mental health services than outside the University. The chart indicated that this rate had gradually declined in the two following years, and Dr. Buchman attributed this to student enrollment growth of about three percent per year. He noted that, when the University implemented increases in the Student Services Fee to support student mental health, it had assumed enrollment growth of one percent.

Other charts pertained to wait times for routine follow-up appointments and the percentage of students seen within 14 days. Dr. Buchman pointed out that not every patient needs to be seen within two weeks; some follow-up appointments are scheduled later. In this category there had also been a gradual decline over three years in the percentage of students seen within two weeks.

The percentages of students seen within 14 days for routine intake psychiatry appointments had slowly declined over three years, from 71 to 66 to 63 percent. The data for follow-up psychiatry appointments indicated that UC student health centers were only seeing about one-third of patients within 14 days. Dr. Buchman stated that not every psychiatry appointment would require a follow-up appointment within two weeks. While all these percentages pertaining to accessibility and wait times for appointments were close to those presented to the Committee at the August 2018 meeting, the most recent data indicated a downward drift in most indices.

Dr. Buchman then provided an update on the funding status of the Student Services Fee mental health funding initiative. He noted that funding through this initiative had allowed hiring of about 30 percent of the current counseling full-time equivalent positions (FTE) and 30 percent of the current psychiatry FTE at campus counseling and psychological services centers. The Long-Term Stability Plan for Tuition and Financial Aid, approved in November 2014, had led to the Student Services Fee initiative. He reiterated that the initiative had assumed enrollment growth of one percent per year, while in fact enrollment had grown by about three percent annually. Salaries and benefits were not included in the model.

In the current year, the State had made certain funds available to UC, including one-time monies for this initiative that would expire in June 2019, interrupting this five-year initiative after three years. UC Health had been able to maintain the staff it had hired thus far but not able to hire the remaining positions that were anticipated. The University had hired about 70 FTE counselors and ten FTE psychiatrists of 93 FTE planned under the initiative, or about 86 percent of the providers UC Health had hoped to hire. The Governor's fiscal year 2019-20 budget proposal included $5.3 million in ongoing funding, and Dr. Buchman hoped that this funding would be used to replace the fee revenues that were anticipated for this initiative. He stressed that completion of this initiative would not be enough to address future needs.

Dr. Buchman then presented data on changes in provider-to-student ratios that had been achieved through the Student Services Fee mental health funding initiative. He noted that

UC campuses previously had counselor-to-student ratios of one to 1,700 or 1,800, and this was the case in 2014. When the initiative was implemented, and in spite of enrollment growth, the ratio improved, reaching its lowest point in 2017-18 with one counselor to 1,123 students, and slightly increasing in 2018-19 to one counselor to 1,168 students. The International Association for Counseling Services, an accreditation agency, recommends a ratio in the range of one counselor to 1,000-1,500 students. Some Ivy League institutions try to achieve a one-to-750 ratio. The recommended ratio of psychiatrists to students is about one to 6,500. The University was able to bring this ratio down to its lowest point in 2016-17, with some increases in the past two years.

Regent Sures asked about figures on another chart that indicated zero percent vacancy rates for counseling and psychiatry at UC Merced, while this campus had one of the highest counselor-to-student ratios. He asked if more counselors would be hired at UC Merced. Dr. Buchman responded that it was no doubt the campus' intention and wish to hire more counselors immediately. He stated that he could not account for the difference between the high ratio and the zero percent vacancy rate. UC Merced clearly needed funds over and above those provided by the initiative, most likely because the funds initially supplied for establishing the counseling and psychological services center on this campus were inadequate.

Regent Park asked if there were campus activities and funding for wellness efforts, separate from mental health needs per se. Dr. Buchman responded that the Student Services Fee initiative was specifically dedicated to provide funding for mental health providers. Since 2005, the Student Mental Health Oversight Committee had consistently expressed the desire for more funding for primary and secondary prevention as well as targeted prevention for higher-risk groups. He did not have figures for health promotion or wellness funding, but underscored that the University needed to place more emphasis on prevention and wellness. Many factors in the campus environment were leading to the escalating demand for mental health services. Chancellor Block agreed that this was true for a number of campuses. UCLA has a Healthy Campus Initiative and psychological well-being is part of this initiative. UCLA provides voluntary screening for any undergraduate, following which students may be referred to online cognitive therapy or to a counselor. Other campuses were considering this kind of screening and preventative care. Dr. Buchman confirmed that many campuses were conducting online screening and screening for anxiety, depression, and alcohol and drug use during primary care visits.

In response to a question by Committee Chair Lansing, Chancellor Block explained that the Healthy Campus Initiative at UCLA took a holistic approach including nutrition and psychological well-being.

Regent Park stated that it would be desirable to have an understanding of the impact of these wellness programs in the future. She referred to the downward trends for wait times and accessibility shown in the charts and asked what level of investment would be needed to raise these percentages to the levels experienced two years earlier. Dr. Buchman responded that if no action were taken and there were no further funding, there would be a further drift downward in the wait time benchmark. The University must develop a

sustainable model that takes actual campus enrollment growth into account, rather than an average for the UC system, and the actual increases in the cost of care. The Student Services Fee initiative was an attempt to move the University forward quickly to a better situation with more providers on campus. The prediction for enrollment growth was low, and there was no prediction for salary and benefit growth. This had been a successful stopgap move, but the University was beginning to see the deterioration of its good position. A more comprehensive plan would be needed from this point forward.

Regent Park asked about the ratios of students to psychiatrists at UC San Diego and UC Davis. Dr. Buchman explained that UC Davis had an arrangement with its Medical Center, and that a number of psychiatrists from the Medical Center are dedicated to students. UC San Diego Health had a very close relationship with the campus' student health and counseling center and a number of psychiatry positions devoted to students. Nuances at each campus accounted for some of the variability in ratios. At these two campuses, there was close collaboration between the medical centers and the student health centers. UC San Diego Health Chief Executive Officer Patricia Maysent reported that at UCSD, the Chancellor funded, and the Health System matched, annual funding of $500,000 for the expansion of psychiatric mental health services.

Regent Park asked if the ratio on the chart did not in fact reflect the service level available. Ms. Maysent confirmed that the number did not reflect the service level but noted that these positions were not easy to fill. It was also challenging to increase staff quickly enough to meet demand. Regent Park asked if particular workforce issues in the San Diego area accounted for this. Ms. Maysent responded that the challenge was competing with the local market and providing commensurate salaries and benefits.

Regent Park asked if student satisfaction surveys were available. Dr. Buchman responded in the affirmative. There were annual surveys at the student health centers, the centers perform satisfaction surveys within clinical areas, and there is an annual systemwide survey. Surveys of UC counseling and psychological services were not yet standardized at the systemwide level, but were performed at the campuses. Regent Park asked if these surveys were available. Dr. Buchman responded that he had access to the student health center surveys and could ask the campuses to forward the counseling center surveys.

Regent-designate Weddle reported that students had been raising concerns about the quality of counseling and whether there were enough culturally responsive counselors who are trained to meet the needs of specific student populations. She asked if a systemwide discussion was taking place about this need. Dr. Buchman responded that this was an ongoing topic of discussion. In terms of its diversity targets, the initiative had achieved 89 percent of it targeted hires in categories of gender, ethnicity, language, religion, sexual orientation, trauma-informed counseling, veterans' issues, and first-generation students. The University's counseling centers were keenly aware of the need to hire a highly diverse provider population. Under the initiative, most hires had been within the targeted groups.

Regent Zettel recalled that the Student Services Fee initiative allocated about 50 percent of the annual increase in the Fee for student mental health services. She asked why

100 percent had not been allocated to mental health services, since the need was so great. Dr. Buchman explained that President Napolitano had allocated approximately 50 percent of this annual increase to fund the hiring of direct service mental health providers after return to financial aid.

Regent Zettel stated that in retrospect, more should have been allocated. Dr. Buchman stated that he hoped the initiative was not over, but "interrupted" by the State providing one-time funding. He hoped that the University would find another way to fund the final two years of the initiative. He recalled that UC Health had hired 86 percent of the providers planned for under the initiative but only received 55 percent of the funding.

Regent Zettel remarked that ongoing funding from the Governor would help to fill some of this gap. Dr. Buchman stressed that, while the initiative was only planned to last five years, the University needed a more comprehensive plan tied to escalating costs and student enrollment growth.

Regent Leib observed that the $5.3 million in ongoing State funding was not yet assured and that other institutions were also hoping to receive some of these funds. He suggested that the University should seek Proposition 63 monies for mental health early intervention through the counties. Dr. Buchman responded that UC had received Proposition 63 monies in the past and was currently considering this potential source again.

In response to a question by Committee Chair Lansing, Regent Leib stated that former State Assemblymember and current Sacramento Mayor Darrell Steinberg, the author of Proposition 63, had offered to assist the University. Committee Chair Lansing asked that Regent Leib discuss this with Mr. Steinberg. Regent Leib noted that he and Regent Zettel had scheduled a meeting with Chancellor Khosla to discuss this specifically with regard to UC San Diego and mental health services for veterans.

Mr. May pointed out that performance benchmarks indicated that UC Santa Cruz was performing well, even though the campus had high vacancy rates for counseling and psychiatry. He asked how UCSC was achieving this result with limited resources. Dr. Buchman responded that he did not know, but that he would discuss this at a separate meeting later that day and the next day with UC campus counseling and psychiatry representatives.

Regent Sherman referred to the increase over ten years in unique patients seen as a percentage of enrollment, from nine percent to 13 percent, and asked about the reasons for this increase. Dr. Buchman responded that many possible reasons have been proposed in the professional literature. Current students have grown up in different kind of society, saturated with digital and electronic media, but with significant social isolation. The pressure to achieve good grades is high. He stated that his primary concerns were about students' social isolation and whether UC campuses promote the kinds of environments that students can thrive in. Students often feel that UC campuses can be impersonal. UC counselors engage in outreach activities and consultation with faculty. Dr. Buchman underscored that the rest of the campus must also participate in this work of nurturing

students and helping them thrive and be successful academically, socially, and developmentally. Even freshmen are arriving on campus with greater needs, and some of this is due to societal factors.

Regent Graves observed that mental health issues were less stigmatized than in the past and were discussed more openly and honestly on campus; this also contributed to the increase in student use of mental health services.

Regent Sherman stated that student health centers should have data on the problems or conditions students have. Dr. Buchman responded that the University has diagnosis data. The counseling centers were instituting a survey with mood disorder scales that can assess progress over time. Anxiety and depression were the top two diagnoses by far for UC students, and anxiety was escalating. He acknowledged that de-stigmatization and educating faculty about sending students to counseling centers had been successful and accounted for increased use of these services. There were also many students seen at counseling centers who may not need a licensed psychologist to address their problems. These students might need skill-building help, other help with academic and social issues, or need to feel that they belong on campus or to a group. Dr. Buchman stated that more people on campus needed to become involved in caring for students.

Regent Sherman asked how UC compared to other institutions in terms of unique patients seen as a percentage of the student population. Dr. Buchman responded that UC was similar to other institutions in this respect.

Regent Sherman asked if antidepressants were the most common drugs prescribed at student health centers. Dr. Buchman responded that contraceptives and generic, commonly used antidepressant drugs were the most common categories.

Committee Chair Lansing stressed how important de-stigmatization was and that students feel comfortable going to see a counselor.

Regent Makarechian asked about the co-pay for students and what happens if students do not have these funds. He noted that there had been a number of suicides by international students over the past year at UC Santa Barbara. He asked what efforts the University was making to reach international students and make them aware of the mental health services available. Dr. Buchman responded that there was no co-pay for counseling visits, while there might be a co-pay for a student health visit. In response to Regent Makarechian's second question, he stated that international students are at higher risk for suicide due to social isolation and language issues. Outreach efforts were ongoing. The University was aware of this issue and was trying to make targeted efforts to reach out to higher-risk groups. In response to another question by Regent Makarechian, Dr. Buchman stated that there is a student co-pay for telemedicine, typically in the range of $10 to $15.

Mr. May observed that many students receive care for short-term problems or needs, but there are also students with long-term issues. He asked if UC helps these students transition to the ongoing care they will need when they leave the University. Dr. Buchman responded

that UC clinicians know and accept the responsibility for transitioning care to another provider before students leave. He also noted that there are many students with high needs that the University cannot accommodate on campus, and UC campuses have networks of community psychologists and psychiatrists for referrals.

Dr. Buchman then discussed a chart showing percentages of clients with specified visit numbers. Of students who used mental health services from July 1, 2017 to June 30, 2018, 31.6 percent had only one visit, and 17.5 percent were seen for two visits; almost 50 percent of students seen at the campus centers are only seen once or twice. This indicated an opportunity to consider if certain services could be provided elsewhere on campus or in another way. Certain technology options were in use on many campuses. Screening was available on almost every campus counseling center website. A number of campuses were using digital programs to offer therapy. Dr. Buchman commented that there were no psychiatrists in Merced County. UC Merced has been using a telepsychiatry platform, and this accounted for its good provider-to-student psychiatry ratios. The UC Student Health Insurance Plan has a telemedicine platform with medical and behavioral health components. UC San Diego had put forward a proposal for telepsychiatry using UC faculty. This proposal would require about $500,000 in seed funding, and the University was eager to see if this approach could be used to further enhance psychiatry and counseling for UC students.

Dr. Buchman concluded by acknowledging that providing student mental health services was a vexing problem that UC was trying to address. One solution must be greater emphasis on prevention and wellness, as well as creating positive campus environments where students can thrive academically. Students were under intense pressure, and in Dr. Buchman's view, they were not as well equipped now as students had been ten or 20 years earlier to deal with these pressures. He had been engaged in discussions with the UC Health Advisory Committee about reporting lines for student health and counseling. Now more than ever it was critical to assemble a multidisciplinary leadership team and to ensure that campuses treat this as a priority. It was good that stigma had been reduced and that students were being referred at record levels; now the rest of the campus needed to consider what it could do to support UC students.

President Napolitano reflected on next steps. UC Health should envision a multidisciplinary approach uniting wellness activities with the provision of mental health services, a vision or model that President Napolitano could then discuss with the chancellors. The issue of funding needed to be addressed. The UC system should explore the option of Proposition 63 funding even as it advocates for funds in the Governor's budget. She asked that the University and the Regents make an energetic effort to pursue Proposition 63 funding, since these funds are dedicated for mental health.

Student Observer Ashraf Beshay referred to the "pause" in the five-year Student Services Fee initiative mentioned earlier. If this funding were not continued, a deficit of approximately $5.3 million would be created. Replacement funding must be identified. Funding for mental health services must keep pace with enrollment.

During the public comment period, a number of students spoke about the Campus Assault Resources and Education (CARE) program. The three-year funding for this program was now expiring, and CARE was an important resource for student survivors of sexual violence. The University should analyze and determine the mental health needs of undocumented students. Mr. Beshay welcomed the fact that mental health issues were being destigmatized; one should be proud of this. International students have stated that they have difficulty connecting with staff at the counseling and psychological services centers. It is important that therapists at the centers be culturally sensitive and able to meet the needs of these students. As it considers the funding model for student mental health, the University should be mindful of the variations among UC student communities and among the campuses. The University should pursue Proposition 63 funding, since 76 percent of UC students were California residents whose families pay taxes to the State. UC Health should be aware of the differences among the campuses in needs and vulnerability. Survey numbers do not always reflect the qualitative experience of UC students.

7. **THE UNIVERSITY OF CALIFORNIA COLLABORATIVE ON PHYSICIAN WELL-BEING**

[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.]

UCLA Health Chief Medical and Quality Officer Robert Cherry referred to the Clinical Quality Dashboard included in the background materials and recalled a discussion at the October 2018 meeting about hospital-acquired pressure ulcers and the variations among UC medical centers with regard to this benchmark. A group of chief nursing officers focused on this issue had discussed this and decided to change the benchmark from CALNOC to Vizient data. The University had more confidence in the Vizient measure's clearness and consistency. While the CALNOC benchmark was based on prevalence, measuring the number of ulcers on a particular day, the Vizient measure was based on incidence, the total number of ulcers over a quarter. The Vizient criterion resulted in less variability among institutions and allowed for more strategic discussions about best practices. Dr. Cherry also recalled that, at the December 2018 meeting, the Committee discussed disruptive behavior in healthcare settings. This topic would be discussed by UC Health at a retreat meeting in April.

Physician wellness is a significant issue in the U.S., and up to one out of two physicians may be suffering from some symptoms of burnout. This can lead to poor morale in hospitals and medical facilities, a high turnover rate, and impacts on safety and clinical outcomes. UC clinicians have had discussions about this issue, and a collaborative would be launched to focus on physician wellness. Associate Vice President Cathryn Nation and UCSF Executive Vice President – Physician Services Joshua Adler would serve as executive sponsors of the collaborative. The collaborative would be co-chaired by UC San Diego Health Chief Experience Officer Thomas Savides and UCSF Professor Diane Sliwka. Advisory member Hetts would also participate in the collaborative. This would be an opportunity for cross-campus discussions. Principal objectives were to assess the current state of physician wellness at UC medical centers, evaluate current practices for addressing

disruptive behavior, and to identify what kind of interventions can be successful and which best practices can be leveraged across UC Health. Medical school deans were interested in the implications of this work for medical student education and the training of medical residents and fellows.

The collaborative would produce an overall assessment of how UC measures physician wellness and what organizational structures are in place for dealing with burnout. Findings and recommendations would be drawn from this assessment. Ultimately, UC Health hoped to have a comprehensive toolkit for each campus to decrease disruptive behavior and enhance physician wellness.

Regent Zettel emphasized the importance of this work and hoped that stress and burnout among physicians would be reduced. Committee Chair Lansing noted that UC was not unique in facing this problem. The University recognized that this was a high priority. Dr. Cherry observed that physicians need to feel valued in their organization and that there should be recognition programs for physicians. Operational challenges contribute to burnout. Physicians must know how to take care of each other and themselves in order to reduce stress and maintain energy for their work.

UC Riverside School of Medicine Dean Deborah Deas reported that she was working with Physicians for a Healthy California, in conjunction with the California Medical Association, to assess physician burnout among women of color. A survey had been sent out to physicians, including women at UC, and these data were being analyzed. The results of this assessment might be helpful to the UC collaborative. Dr. Cherry responded that this would be helpful. Different experiences in the healthcare environment can lead to different outcomes, and there are different tools and means for measuring burnout and resilience.

Regent Park asked about a timeline for the collaborative's work. Dr. Cherry responded that the collaborative would be launched in the coming weeks. The collaborative would determine a timeline for deliverables. The first important task would be to provide guidance at the UC Health retreat meeting in April. He anticipated that a systemwide assessment of physician wellness and burnout might be delivered in about three months.

Regent Park asked when the Committee would receive a report on the collaborative. Dr. Cherry responded that this would occur following the UC Health retreat meeting.

Faculty Representative May asked about faculty and Academic Senate representation in the collaborative. Dr. Cherry responded that discussions of this issue have recognized the diversity of stakeholders involved. He would defer to the group and to the executive sponsors to facilitate open communication. Mr. May stated that there was a difference between communicating with faculty and having faculty representation in the collaborative.

8. **OVERVIEW OF PARNASSUS HEIGHTS PLANNING, SAN FRANCISCO CAMPUS**

[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.]

Chancellor Hawgood stated that this would be the first of several presentations over the next two years about UCSF's planning efforts for a major new hospital on the Parnassus Heights campus and for an overall revitalization of the campus site. The Parnassus campus was the oldest and largest UCSF site, home to four professional schools, various research programs, and adult specialty hospitals and clinics. Having gained widespread philanthropic, civic, and community support that enabled the development of the Mission Bay campus, UCSF was now turning its attention to revitalizing this campus. Half of the buildings on the Parnassus campus were at least 50 years old. Lack of investment in this campus had led to a deterioration of the physical infrastructure and concern among faculty.

The Parnassus campus has grown incrementally over more than a century and lacks a cohesive identity, with no recognized campus heart. The current clinical facilities were outdated and required expensive maintenance and repair. The Moffitt Hospital must be seismically retrofitted or decommissioned for inpatient acute care by 2030 to comply with State seismic regulations.

UCSF had embarked on two major parallel and coordinated planning processes to ensure that the Parnassus campus site remains a flagship site for UCSF for generations to come. These two efforts were the planning for a brand new hospital on the campus and a comprehensive site plan. About a year earlier, UCSF launched a planning process to re-envisage and revitalize the campus as a whole. The resulting Comprehensive Parnassus Heights Plan would be an essential tool to guide decisions regarding new construction, demolition, and renovation over at least the next two decades. The Comprehensive Parnassus Heights Plan was intended to provide flexibility to allow UCSF to adapt and respond to unanticipated future opportunities and needs. This could include the incorporation of a larger hospital.

Scenarios for an initial phase of Parnassus Heights improvement were being developed along with a framework for future phases of revitalization. One of the guiding principles of the Plan is to form complementary districts that can help organize functions to reinforce identity, improve operational efficiency, and facilitate collaborations. Districts would be supported by a series of concourses to provide clear connections and strengthen way-finding. These Plan concepts foster a convergence of the academic, clinical, and research missions of UCSF.

A major element of UCSF's long-range renewal planning is the construction of a new hospital. UCSF had received a generous $500 million commitment from the Hellen Diller Foundation for the planning, design, and construction of a new world-class hospital on Parnassus Heights. UCSF planned to construct the new hospital in the current location of the Langley Porter Psychiatric Institute. This location would provide critical connections

to the Long and Moffitt Hospitals, optimizing the delivery of patient care and fostering connections to research and academic communities on the campus.

Outpatient psychiatric services currently located in the Langley Porter Psychiatric Institute would be relocated to the Child, Teen and Family Center and the Department of Psychiatry building at 2130 Third Street, one block south of the Mission Bay campus site. That building was currently under construction. The inpatient and partial hospitalization programs would be relocated to an alternative space. Discussions were under way to identify an appropriate location for these inpatient programs.

The Parnassus Heights campus was critical to UCSF's future, and this planning process was intended to ensure UCSF's excellence in research, education, and patient care well into the future. Over the last ten years, the San Francisco Bay Area population had grown approximately one percent annually, and similar growth was expected for the next five years. With national Medicare enrollment projected to increase over the next ten years, UCSF also expected the acuity of patient conditions and the length of stay of patients to increase.

UCSF was planning to accommodate more complex cases in the new hospital as less complex cases continue to migrate to outpatient care facilities. This would mean a longer length of stay for each admission and an increase in bed needs. UCSF continues to work closely with its regional network partners and affiliates who rely on UCSF to take care of patients with complex conditions. The demand for patient transfers to UCSF was continuing to grow. In 2017-18, UCSF undertook a strategic clinical facilities planning process to develop achievable and affordable facility options that would align with patient volume projections, the long-term strategy for UCSF Health, UCSF's business plans, and UCSF's financial capabilities. The conclusion of this planning process was that a larger hospital is needed on the Parnassus Heights site than was envisioned in the 2014 Long Range Development Plan (LRDP).

Chancellor Hawgood presented a chart with hospital census figures for January 31, 2019 indicating that the current hospital was operating at full capacity. Of the 456 available beds, 97 percent were occupied at midnight on January 31, and, with the planned admissions and discharges, there were no empty beds planned for the following day, leaving 14 patients in the Emergency department waiting to be admitted. The census reflected the care that UCSF provides and strongly indicated the need for a larger hospital.

The Parnassus campus is the center of most of UCSF's adult clinical care, and this would not change under UCSF's planning. Hospital discharges for many services such as neurosurgery and vascular surgery are expected to experience significant increases over the next ten years as a result of population growth and the percentage of Bay Area residents reaching the age of Medicare eligibility. It was critical for UCSF to replace and expand its inpatient adult care services on Parnassus Heights. The clinical facilities were aging, undersized, and functionally obsolete. Seismic considerations were also a factor in the hospital replacement. UCSF needs to remain competitive in a very competitive

marketplace, with Stanford Health, Sutter Health, and Kaiser Permanente recently replacing their clinical facilities.

In 2018, a vision and guiding principles for the planning and design of the new hospital were developed. Based on this work, master planning and functional and space programming would begin in spring 2019 and continue into the following year. Planning and programming for the new hospital would be developed in the context of functional needs across the Parnassus campus and would include future uses of Long and Moffitt Hospitals. UCSF was planning the architectural design to begin in 2020, with site clearance work in 2022 and subsequent construction and financing to begin in earnest in 2023. UCSF was targeting 2029 for the opening of the new hospital. UCSF planned to return to this Committee in December 2019 with more information about the proposed hospital project, followed by discussion and a request for preliminary plans funding at subsequent meetings of the Finance and Capital Strategies Committee. UCSF would provide updates as planning efforts continued.

Advisory member Lipstein asked if UCSF envisioned repurposing of all the old buildings or a serious program of demolition so that UCSF would not have to operate structures that were no longer efficient. Chancellor Hawgood responded that UCSF would do both. The comprehensive plan was not yet completed. For the hospital project, UCSF would be demolishing an existing building, the Langley Porter Psychiatric Institute, and building a much larger tower on that site. UCSF was in the planning stage for the decommissioned Moffitt Hospital, which can be seismically retrofitted for non-inpatient care at a relatively affordable cost. No work could take place on Moffitt Hospital until the new hospital is built, because UCSF must operate the Moffitt Hospital through the construction period. UCSF engaged an architectural planning firm to help design the entire site. There is community support for UCSF to maintain certain buildings, although they are not registered as historical landmarks, such as the oldest building on the site. UCSF was working with the community and balancing these issues.

Mr. Lipstein observed that facility and master planners are space planners. Moffitt and Long Hospitals were sources of space but would have to be paid for over the long term. Paying for a new hospital as well as for operating an old hospital would be costly. Chancellor Hawgood noted that Long Hospital meets 2030 seismic requirements and can remain open. Replacing the entire complex would probably be both physically impossible on this site and financially beyond UCSF's means, but UCSF was studying all options.

Advisory member Spahlinger requested the facilities condition assessment to see the costs of deferred maintenance. He observed that buildings may meet seismic requirements but be too costly to operate.

Advisory member Hetts anticipated that Moffitt Hospital could be used for non-clinical purposes and house functions that were currently in off-campus leased spaces. Chancellor Hawgood responded that some support spaces, such as diagnostics and the clinical pharmacy, could remain in Moffitt Hospital, while the new hospital would be dedicated to

patient care activities. UCSF was currently engaging the programming architects and would work through this planning in the next several months.

Regent Makarechian recalled that a space ceiling policy with limits on square feet of development had been set by the Regents in 1976. He asked if the Regents should reconsider this limit since the need for space had grown. He asked if UCSF was planning to add housing for students and staff, if residential space was not subject to that limit. Chancellor Hawgood responded that the Regents' 1976 action limited structures at the Parnassus Heights campus to a total of 3.55 million gross square feet. At that time, the total included residential student housing. Currently, UCSF had built about 3.665 million square feet, exceeding the limit. In 2014, the Regents amended the 1976 action to exclude housing from the calculated total. He anticipated that UCSF would present an item later that year concerning the space ceiling implications of the current 2014 LRDP in order to facilitate a larger hospital as well as academic expansion and growth. UCSF was working closely with the community and elected officials to prepare for this. Housing was a major focus of the site planning currently under way, envisioned on the west side of the site, close to the residential community.

Regent Makarechian asked if there was a limit to the square footage or number of units. Chancellor Hawgood responded that housing was no longer included in the space ceiling. Limitations would depend on the terms that UCSF could negotiate with the community and the City. This area of San Francisco is zoned for residential use.

Advisory member Hernandez asked about the beds to be moved from the Langley Porter Psychiatric Institute to the Mission Bay campus. Chancellor Hawgood responded that outpatient activity would move to Mission Bay, and there would be an almost threefold increase in space for outpatient psychiatry. The inpatient unit, which was relatively small, and the outpatient day hospital would be relocated from the Parnassus campus. UCSF was currently studying options for the new location, which would probably be somewhat larger. UCSF was working with the Mayor and City officials to determine the City's need. UCSF would not build inpatient beds at Mission Bay.

9. **CANOPY HEALTH PROGRESS REPORT AND STRATEGIC PLAN UPDATE, UCSF HEALTH, SAN FRANCISCO CAMPUS**

[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.]

This item was not discussed.

The meeting adjourned at 1:45 p.m.

Attest:

Secretary and Chief of Staff