

The Regents of the University of California

HEALTH SERVICES COMMITTEE

July 21, 2022

The Health Services Committee met on the above date at the UCSF-Mission Bay Conference Center, 1675 Owens Street, San Francisco and by teleconference meeting conducted in accordance with California Government Code §§ 11133.

Members present: Regents Guber, Makarechian, Park, Pérez, Reilly, Sherman, and Sures; Ex officio members Drake and Leib; Chancellors Block, Gillman, and Hawgood

In attendance: Regents Anguiano, Blas Pedral, Cohen, Elliott, Ortiz Oakley, Pouchot, and Timmons, Regents-designate Ellis, Raznick, and Tesfai, Faculty Representatives Cochran and Horwitz, Regents Analyst Sheridan, General Counsel Robinson, Provost Brown, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Vice Presidents Brown, Leasure, and Lloyd, Chancellors Christ, Larive, Muñoz, Wilcox, and Yang, and Recording Secretary Johns

The meeting convened at 1:05 p.m. with Committee Chair Pérez presiding.

APPROVAL OF 2022 BENCHMARKING FRAMEWORK/MARKET REFERENCE ZONES FOR NON-STATE-FUNDED UC HEALTH SENIOR MANAGEMENT GROUP POSITIONS

The President of the University recommended that the Health Services Committee approve the 2022 benchmarking framework and resulting Market Reference Zones (MRZs) for the non-State-funded UC Health Senior Management Group positions as shown in Attachment 1. If approved by both the Health Services Committee and the Governance Committee, these MRZs will become effective on August 1, 2022.

[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.]

President Drake explained that, in April 2022, Chair Leib formed a Regents' working group to determine the methodology for updating the Market Reference Zones (MRZs) for the Senior Management Group (SMG). The working group was chaired by Regent Pérez and included Regents Elliott and Sherman and President Drake. The working group agreed that, in accordance with Regents Policy 7701, Senior Management Group Appointment and Compensation, it was indeed time to update the MRZs, which had not been updated since 2019. The University had taken a pause for the past three years due to the COVID-19 pandemic. The MRZs are the market reference-based ranges for the base salaries of the SMG positions. This item was not seeking approval for any individual SMG salary, but rather for an update of the salary ranges, so that UC has refined tools for recruiting new hires and to identify those SMG members whose salaries might

be under the 25th percentile in their MRZ. For the 40 non-State-funded UC Health SMG positions, the working group collected new market data for comparator institutions once it had realized how much the national healthcare market had changed in the past three years. The refreshed data represented an approximately 15 percent upward shift in the MRZs. In contrast to the non-UC Health SMG positions, which would be discussed by the Governance Committee, the working group aged the data for these UC Health SMG MRZs by an inflationary adjustment of about eight percent. For all SMG positions the working group also eliminated the somewhat artificial distinction that UC had been using to separate the health sciences campuses from the non-health sciences campuses. The University was now proposing a unified MRZ framework for all campuses. The working group believed that these modest adjustments would allow UC to continue attracting the talent that the University needs while ensuring that employees are fairly compensated for their important contributions.

Interim Executive Director Jay Henderson briefly summarized this item, the proposed 2022 benchmarking framework for MRZs. Following approval by the Health Services Committee and the Governance Committee, the 2022 MRZs would be effective August 1, with no further action by the Regents required.

Regent Cohen referred to information in the background materials which indicated that, since 2018–19, operating revenue at UC medical centers grew by over \$8 billion, an increase in revenue of between 58 percent and 107 percent for each UC Health location. He asked how this changed the set of market comparators used by UC, which were academic medical centers with 0.5 to two times the operating revenue of each UC medical center. Mr. Henderson confirmed that UC's comparators were other academic medical centers with revenue in this range. Therefore, when UC Health revenues increase, and they had increased dramatically, the comparator set shifts accordingly, so that UC is using like-sized comparators.

Regent Cohen asked which comparator institutions were removed from the set and which ones added. Mr. Henderson responded that he did not have these data at this moment.

Regent Cohen asked if the working group had reviewed this and was comfortable with the new set, such that new comparators were appropriate, and UC was not removing any comparators with lower revenues that should have been kept in the comparator set.

Committee Chair Pérez explained that the working group had a cursory discussion about the universe of appropriate comparators. The working group did not review the comparators institution by institution but reviewed the aggregate of list of comparators in the new pool and felt confident and comfortable that this was an appropriate set of comparators.

Regent Cohen requested a list of the comparator institutions that were removed from the group and added to the group. Mr. Henderson stated that this would be provided.

Regent Leib expressed confidence in the working group, which had looked at this matter closely and arrived at an appropriate conclusion.

Upon motion duly made and seconded, the Committee approved the President's recommendation, Regents Drake, Leib, Makarechian, Park, Pérez, Reilly, Sherman, and Sures voting "aye."¹

The meeting adjourned at 1:15 p.m.

Attest:

Secretary and Chief of Staff

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

2022 Market Reference Zones for Non-State Funded UC Health Senior Management Group Positions

\$ in thousands

MRZ Title	2022 MRZs - Effective 8/1/22 (Base Salary)					2022 MRZs - Effective 8/1/22 (Total Cash Compensation)				
	P25	P50	P60	P75	P90	P25	P50	P60	P75	P90
Level One SMGs - Medical Centers										
Chief Executive Officer (Medical Center) UCSF Health	\$1436.1	\$1751.0	\$1862.6	\$2030.0	\$2644.4	\$1779.3	\$2271.4	\$2696.8	\$3334.8	\$4462.9
Chief Executive Officer (Medical Center) UCLA Health	\$1436.1	\$1751.0	\$1862.6	\$2030.0	\$2644.4	\$1779.3	\$2271.4	\$2696.8	\$3334.8	\$4462.9
Chief Executive Officer (Medical Center) UCD Health	\$954.8	\$1404.7	\$1524.1	\$1703.2	\$1996.0	\$1153.7	\$1560.7	\$1819.6	\$2208.0	\$3022.6
Chief Executive Officer (Medical Center) UCSD Health	\$954.8	\$1404.7	\$1524.1	\$1703.2	\$1996.0	\$1153.7	\$1560.7	\$1819.6	\$2208.0	\$3022.6
Chief Executive Officer (Medical Center) UCI Health	\$802.8	\$1045.2	\$1167.2	\$1350.1	\$1531.3	\$868.8	\$1155.0	\$1278.3	\$1463.3	\$1839.1
Chief Executive Officer (Community Based Services) UCR Health	\$386.1	\$461.2	\$530.6	\$634.7	\$719.0	\$452.8	\$563.0	\$622.7	\$712.2	\$911.9
Level Two SMGs - Medical Centers										
Chief Financial Officer (Medical Center) UCSF Health	\$750.7	\$893.7	\$950.5	\$1035.7	\$1361.0	\$879.3	\$1078.5	\$1236.7	\$1474.0	\$1733.8
Chief Financial Officer (Medical Center) UCLA Health	\$750.7	\$893.7	\$950.5	\$1035.7	\$1361.0	\$879.3	\$1078.5	\$1236.7	\$1474.0	\$1733.8
Chief Financial Officer (Medical Center) UCD Health	\$551.4	\$712.4	\$768.1	\$851.7	\$992.9	\$621.8	\$833.4	\$917.7	\$1044.3	\$1405.0
Chief Financial Officer (Medical Center) UCSD Health	\$551.4	\$712.4	\$768.1	\$851.7	\$992.9	\$621.8	\$833.4	\$917.7	\$1044.3	\$1405.0
Chief Financial Officer (Medical Center) UCI Health	\$405.5	\$555.8	\$611.7	\$695.6	\$810.1	\$439.5	\$623.6	\$683.6	\$773.6	\$982.0
Chief Information Officer (Medical Center) UCSF Health	\$498.6	\$580.1	\$620.7	\$681.6	\$814.8	\$561.6	\$710.7	\$792.7	\$915.7	\$1032.5
Chief Information Officer (Medical Center) UCLA Health	\$498.6	\$580.1	\$620.7	\$681.6	\$814.8	\$561.6	\$710.7	\$792.7	\$915.7	\$1032.5
Chief Information Officer (Medical Center) UCD Health	\$458.7	\$522.6	\$558.1	\$611.4	\$713.6	\$505.8	\$588.2	\$637.2	\$710.7	\$919.7
Chief Information Officer (Medical Center) UCSD Health	\$458.7	\$522.6	\$558.1	\$611.4	\$713.6	\$505.8	\$588.2	\$637.2	\$710.7	\$919.7
Chief Information Officer (Medical Center) UCI Health	\$393.4	\$472.2	\$492.5	\$522.8	\$564.7	\$435.2	\$496.5	\$528.0	\$575.3	\$675.3
Chief Medical Officer (Medical Center) UCSF Health	\$627.1	\$738.9	\$849.0	\$1014.2	\$1185.8	\$749.6	\$997.2	\$1093.3	\$1237.3	\$1528.9
Chief Medical Officer (Medical Center) UCLA Health ¹	\$627.1	\$738.9	\$849.0	\$1014.2	\$1185.8	\$749.6	\$997.2	\$1093.3	\$1237.3	\$1528.9
Chief Medical Officer (Medical Center) UCD Health	\$574.9	\$663.9	\$719.0	\$801.7	\$1048.0	\$648.0	\$752.8	\$851.6	\$999.8	\$1277.2
Chief Medical Officer (Medical Center) UCSD Health	\$574.9	\$663.9	\$719.0	\$801.7	\$1048.0	\$648.0	\$752.8	\$851.6	\$999.8	\$1277.2
Chief Medical Officer (Medical Center) UCI Health	\$542.5	\$597.0	\$626.6	\$670.9	\$765.8	\$573.9	\$659.7	\$695.3	\$748.7	\$866.2

¹ New MRZ

2022 Market Reference Zones for Non-State Funded UC Health Senior Management Group Positions

\$ in thousands

MRZ Title	2022 MRZs - Effective 8/1/22 (Base Salary)					2022 MRZs - Effective 8/1/22 (Total Cash Compensation)				
	P25	P50	P60	P75	P90	P25	P50	P60	P75	P90
Chief Nursing Officer (Medical Center) UCSF Health ¹	\$442.5	\$486.0	\$521.6	\$574.9	\$648.4	\$533.9	\$635.0	\$674.8	\$734.7	\$800.4
Chief Nursing Officer (Medical Center) UCLA Health	\$442.5	\$486.0	\$521.6	\$574.9	\$648.4	\$533.9	\$635.0	\$674.8	\$734.7	\$800.4
Chief Nursing Officer (Medical Center) UCD Health	\$398.1	\$446.1	\$477.5	\$524.6	\$573.9	\$407.3	\$536.0	\$579.8	\$645.6	\$734.3
Chief Nursing Officer (Medical Center) UCSD Health ²	\$398.1	\$446.1	\$477.5	\$524.6	\$573.9	\$407.3	\$536.0	\$579.8	\$645.6	\$734.3
Chief Nursing Officer (Medical Center) UCI Health	\$327.3	\$392.0	\$413.6	\$446.1	\$530.9	\$365.6	\$408.2	\$455.4	\$526.3	\$628.5
Chief Operating Officer (Medical Center) UCSF Health	\$881.9	\$1032.1	\$1081.2	\$1154.7	\$1496.7	\$1028.4	\$1394.4	\$1505.5	\$1672.1	\$1834.2
Chief Operating Officer (Medical Center) UCLA Health	\$881.9	\$1032.1	\$1081.2	\$1154.7	\$1496.7	\$1028.4	\$1394.4	\$1505.5	\$1672.1	\$1834.2
Chief Operating Officer (Hospital Division and Chief Administrator) UCD Health ³	\$626.0	\$836.2	\$911.2	\$1023.8	\$1155.3	\$709.6	\$979.6	\$1103.3	\$1289.0	\$1643.2
Chief Operating Officer (Ambulatory Services) UCD Health ^{3,4}	\$376.0	\$452.9	\$477.4	\$514.1	\$632.8	\$432.8	\$529.5	\$568.3	\$626.5	\$860.1
Chief Operating Officer (Sr. Vice President, Clinical Practice and Ambulatory Care) UCSD Health ⁵	\$376.0	\$452.9	\$477.4	\$514.1	\$632.8	\$432.8	\$529.5	\$568.3	\$626.5	\$860.1
Chief Operating Officer (Physician Network) UCSD Health ⁵	\$279.1	\$411.2	\$448.4	\$504.2	\$596.3	\$359.0	\$467.3	\$550.5	\$675.3	\$775.9
Chief Operating Officer (Medical Center) UCI Health	\$518.0	\$626.9	\$691.0	\$787.0	\$992.9	\$579.4	\$718.6	\$801.1	\$924.9	\$1190.4
Chief Strategy Officer and President, Health Affiliates Network, UCSF Health	\$701.0	\$812.8	\$868.4	\$952.0	\$1154.5	\$808.2	\$1014.8	\$1092.8	\$1209.9	\$1471.1
Chief Strategy Officer, UCLA Health	\$642.6	\$745.0	\$796.1	\$872.6	\$1058.3	\$740.9	\$930.2	\$1001.8	\$1109.0	\$1348.5
Chief Strategy Officer, UCD Health ¹	\$499.8	\$616.9	\$652.7	\$706.5	\$799.5	\$599.7	\$727.8	\$795.5	\$897.0	\$1067.6
Chief Strategy Officer, UCSD Health ¹	\$499.8	\$616.9	\$652.7	\$706.5	\$799.5	\$599.7	\$727.8	\$795.5	\$897.0	\$1067.6
Chief Strategy Officer, UCI Health ¹	\$403.0	\$486.0	\$536.2	\$611.6	\$680.8	\$440.5	\$556.3	\$603.5	\$674.5	\$766.5
Sr. Vice President, Adult Services, UCSF Health	\$601.4	\$696.7	\$745.9	\$819.8	\$949.1	\$809.8	\$940.6	\$1003.0	\$1096.6	\$1265.7
Sr. Vice President, Children's Services, UCSF Health	\$724.0	\$840.4	\$892.4	\$970.5	\$1099.8	\$899.4	\$1060.2	\$1168.0	\$1329.5	\$1590.6