

The Regents of the University of California

HEALTH SERVICES COMMITTEE

May 17, 2023

The Health Services Committee met on the above date at the UCLA Luskin Conference Center, Los Angeles campus and by teleconference meeting conducted in accordance with California Government Code §§ 11133.

Members present: Regents Park, Pérez, Reilly, and Sherman; Ex officio member Drake; Executive Vice President Byington; Chancellors Block, Gillman, and Hawgood

In attendance: Regents Cohen and Timmons, Regents-designate Raznick and Tesfai, Faculty Representatives Cochran and Steintrager, Secretary and Chief of Staff Lyall, General Counsel Robinson, Provost Newman, Executive Vice President and Chief Operating Officer Nava, Vice President Lloyd, Chancellors Khosla, May, and Muñoz, and Recording Secretary Johns

The meeting convened at 12:50 p.m. with Committee Chair Pérez presiding.

MARKET-BASED SALARY ADJUSTMENTS FOR MEDICAL CENTER CHIEF EXECUTIVE OFFICERS AT UCLA HEALTH, UC SAN DIEGO HEALTH, UC IRVINE HEALTH, AND UC DAVIS HEALTH; AND CHANGE TO ADDITIONAL ELEMENTS OF COMPENSATION FOR CHIEF EXECUTIVE OFFICER, UC DAVIS HEALTH

The Committee recommended approval of the following items in connection with the market-based salary adjustments for Medical Center Chief Executive Officers at UCLA Health, UC San Diego Health, UC Irvine Health, and UC Davis Health; and change to additional elements of compensation for the Chief Executive Officer, UC Davis Health:

- A. Per policy, a market-based salary adjustment of 16.8 percent (\$251,646), increasing Johnese Spisso's base salary from \$1,499,371 to \$1,751,017 as President, UCLA Health System and Chief Executive Officer, UCLA Hospital System, Los Angeles campus, at 100 percent time.
- B. Per policy, continued eligibility for Ms. Spisso to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Short Term Incentive (STI) component, with a target award of 20 percent of base salary (\$350,203) and a maximum potential award of 30 percent of base salary (\$525,305), subject to all applicable plan requirements and Administrative Oversight Committee approval. Any actual award will be determined based on performance against pre-established objectives.
- C. Per policy, continued eligibility for Ms. Spisso to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Long Term Incentive (LTI) component, with a target award of ten percent of base salary (\$175,102) and a maximum potential award of

- 15 percent of base salary (\$262,652) subject to all applicable plan requirements and Administrative Oversight Committee approval. The LTI uses rolling three-year performance periods, and any actual award will be determined based on performance against pre-established objectives over the three-year LTI performance period.
- D. Per policy, a market-based salary adjustment of 39.7 percent (\$398,913), increasing Patricia Maysent's base salary from \$1,005,789 to \$1,404,702 as Chief Executive Officer, UC San Diego Health System, San Diego campus, at 100 percent time.
- E. Per policy, continued eligibility for Ms. Maysent to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Short Term Incentive (STI) component, with a target award of 20 percent of base salary (\$280,940) and a maximum potential award of 30 percent of base salary (\$421,410), subject to all applicable plan requirements and Administrative Oversight Committee approval. Any actual award will be determined based on performance against pre-established objectives.
- F. Per policy, continued eligibility for Ms. Maysent to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Long Term Incentive (LTI) component, with a target award of ten percent of base salary (\$140,470) and a maximum potential award of 15 percent of base salary (\$210,705) subject to all applicable plan requirements and Administrative Oversight Committee approval. The LTI uses rolling three-year performance periods, and any actual award will be determined based on performance against pre-established objectives over the three-year LTI performance period.
- G. Per policy, for Ms. Spisso and Ms. Maysent, continuation of the monthly contribution to the Senior Management Supplemental Benefit Program, subject to all applicable program requirements.
- H. Per policy, for Ms. Spisso and Ms. Maysent, continuation of an annual automobile allowance of \$8,916 each.
- I. Per policy, a market-based salary adjustment of five percent (\$47,438), increasing Chad Lefteris's base salary from \$952,570 to \$1,000,008 as Chief Executive Officer, UC Irvine Health System, Irvine campus, at 100 percent time.
- J. Per policy, continued eligibility for Mr. Lefteris to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Short Term Incentive (STI) component, with a target award of 20 percent of base salary (\$200,002) and a maximum potential award of 30 percent of base salary (\$300,002), subject to all applicable plan requirements and Administrative Oversight Committee approval. Any actual award will be determined based on performance against pre-established objectives.
- K. Per policy, continued eligibility for Mr. Lefteris to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Long Term Incentive (LTI) component, with a target award of ten percent of base salary (\$100,001) and a maximum potential award of 15 percent of base salary (\$150,001), subject to all applicable plan requirements and

- Administrative Oversight Committee approval. The LTI uses rolling three-year performance periods, and any actual award will be determined based on performance against pre-established objectives over the three-year LTI performance period.
- L. Per policy, a market-based salary adjustment of 45.1 percent (\$375,216), increasing Dr. David Lubarsky's base salary from \$831,492 to \$1,206,708 as Vice Chancellor – Human Health Sciences and Chief Executive Officer – UC Davis Health, Davis campus, at 100 percent time.
 - M. Per policy, continued participation for Dr. Lubarsky, until June 30, 2023, in the Health Sciences Compensation Plan (HSCP) with an increase to his HSCP “Y” component of \$200,700 to be paid out in two lump sums (\$100,350 each) for May 2023 and June 2023 in addition to his two remaining HSCP “Y” monthly payments for May 2023 and June 2023 (\$16,725 each), for a total of \$234,150 in remaining HSCP “Y” payments. After June 30, 2023, Dr. Lubarsky will no longer be eligible to participate in HSCP.
 - N. Per policy and starting in the 2023–24 plan year, eligibility for Dr. Lubarsky to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Short Term Incentive (STI) component, with a target award of 20 percent of base salary (\$241,342) and a maximum potential award of 30 percent of base salary (\$362,012), subject to all applicable plan requirements and Administrative Oversight Committee approval. The 2023–24 plan year starts on July 1, 2023, and ends on June 30, 2024, and the first possible short term incentive award will be distributed following the close of the 2023–24 plan year. Any actual award will be determined based on performance against pre-established objectives and may be prorated in his first year of participation.
 - O. Per policy and starting in the 2023–26 performance period, eligibility for Dr. Lubarsky to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Long Term Incentive (LTI) component, with a target award of ten percent of base salary (\$120,670) and a maximum potential award of 15 percent of base salary (\$181,006), subject to all applicable plan requirements and Administrative Oversight Committee approval. The 2023–26 performance period starts on July 1, 2023, and ends on June 30, 2026, and the first possible long term incentive award will be distributed following the close of the 2023–26 performance period. The LTI uses rolling three-year performance periods, and any actual award will be determined based on performance against pre-established objectives over the three-year LTI performance period.
 - P. Per policy, continuation for Dr. Lubarsky of eligibility to accrue sabbatical credits as a member of tenured faculty, consistent with academic personnel policy.
 - Q. Per policy, continuation for Dr. Lubarsky of a research allowance in connection with his tenured faculty appointment. This allowance is not compensation, and Dr. Lubarsky will continue to use it only for those expenses related to his research as allowed under University policy.

- R. Per policy, continuation for Ms. Spisso, Ms. Maysent, Mr. Lefteris, and Dr. Lubarsky of standard pension and health and welfare benefits and standard senior management benefits including eligibility for senior manager life insurance and executive salary continuation for disability (eligible after five or more consecutive years of Senior Management Group service).
- S. Per policy, continuation of eligibility for Ms. Spisso, Ms. Maysent, Mr. Lefteris, and Dr. Lubarsky to participate in the UC Employee Housing Assistance Program, subject to all applicable program requirements.
- T. Ms. Spisso, Ms. Maysent, Mr. Lefteris, and Dr. Lubarsky will continue to comply with the Senior Management Group Outside Professional Activities (OPA) policy and reporting requirements.
- U. These market-based salary adjustments will be effective July 1, 2023, and Ms. Spisso, Ms. Maysent, Mr. Lefteris, and Dr. Lubarsky will not be eligible for the 2023–24 systemwide salary program increase.
- V. Dr. Lubarsky’s eligibility to participate in the Health Sciences Compensation Plan will end on June 30, 2023, and his eligibility to participate in the Clinical Enterprise Management Recognition Plan will start on July 1, 2023.

The compensation described above shall constitute the University’s total commitment until modified by the Regents or President, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

[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.]

Associate Vice President Jay Henderson explained that the medical center chief executive officer (CEO) positions were classified as Level One positions in the Senior Management Group (SMG). These positions serve UC Health, and the compensation for each position would be paid solely from sources other than State General Fund support. The adjustments being proposed were consistent with guidelines in Regents Policy 7701, Senior Management Group Appointment and Compensation. The market-based salary adjustments would move the four CEOs from the range of the 28th to the 40th percentiles into the range of the 39th to the 50th percentiles of their respective Market Reference Zones. In addition, a change in compensation was being proposed for UC Davis Health Vice Chancellor and CEO David Lubarsky concerning his eligibility for the Health Sciences Compensation Plan (HSCP) and the Clinical Enterprise Management Recognition Plan (CEMRP).

Upon motion duly made and seconded, the Committee approved the recommendation and voted to present it to the Board, Regents Drake, Park, Pérez, Reilly, and Sherman voting “aye.”¹

The meeting adjourned at 12:53 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.