

Office of the President

TO MEMBERS OF THE HEALTH SERVICES COMMITTEE:

DISCUSSION ITEM

For Meeting of February 10, 2021

**UNIVERSITY OF CALIFORNIA SYSTEMWIDE ECONOMIC, FISCAL, AND SOCIAL
IMPACT ANALYSIS REPORT: UC HEALTH IMPACT**

EXECUTIVE SUMMARY

The University of California is an essential economic engine for the state, contributing roughly \$82 billion annually to California's economic output. Over a half-million jobs in California — or one in every 45 — are supported by the University, and UC-related spending generates nearly \$12 billion annually in federal, State, and local tax revenues. For the current item, Vice President Brown will brief the Committee on general findings and Executive Vice President Byington will brief the Committee on findings relevant to University of California Health (UCH).

BACKGROUND

The University's Economic and Fiscal Impact

A study by Beacon Economics revealed that every dollar invested in UC by the State of California generates over \$21 in economic output, including nearly \$10 in labor income. The University's total economic output is over \$82 billion annually. UCH is responsible for 45 percent of all University economic output. These figures reflect University spending as well as its direct and indirect economic impacts. Totals by entity are found on page 47 of the report (Attachment 1).

Key Takeaways:

- **Employment:** Every one job directly supported by UC-related spending supports roughly 0.7 indirect and induced jobs in California.
- **Labor Income:** Every \$1 of direct labor income produced by UC-related spending generates an additional \$0.60 in indirect and induced labor income in California
- **Value Added:** Every \$1 in direct value added produced by UC-related spending generates an additional \$0.80 in indirect and induced value added
- **Economic Impact:** Every \$1 in direct economic output produced by UC-related spending generates about \$1 in additional indirect and induced economic output

University of California Health's (UCH) General Economic Impact

UCH is an integral part of the state's health care delivery system, a driver of medical breakthroughs, the leading source of California health care professionals, and an economic engine in its own right. UCH contributes relatively high proportions of UC's systemwide impacts in California, accounting for:

- 37 percent of jobs supported
- 49 percent of labor income
- 46 percent of value added (UC's contribution to Gross State Product)
- 45 percent of economic output

Further information on the impact UCH's Economic Impact begins on page 40 of the report.

UCH's COVID-19 Response

At the onset of the pandemic, UCH hospitals quickly began in-house testing for SARS-CoV-2, implemented surge plans that increased capacity by nearly 40 percent, and initiated hundreds of research projects and clinical trials focused on COVID-19. By the end of 2020, UCH had performed more than 400,000 tests for its patients and hundreds of thousands more for public health agencies, nursing homes, first responders, and other hospitals. UCH participation in clinical trials led to emergency use authorization of two vaccines. Further information on the impact of COVID-19 on the University begins on page 28 of the report.

UCH's Academic Health Sciences Impact

UCH also operates the nation's largest health sciences instructional program. Nearly 15,000 students and trainees attend UC's 20 professional schools and more than 70 percent of graduates remain in California.

UCH's Community Benefit Impact

In 2018-19, UCH hospitals contributed approximately \$1.7 billion in unreimbursed expenses to serve Medicare, Medi-Cal and uninsured patients, demonstrating UC Health's commitment to serving the most vulnerable populations. Additionally, UCH provided nearly a billion dollars in community benefits in the form of free health services and health professions education. Further information on UCH's Community Benefit Impact begins on page 87 of the report.

UCH Addresses Disparities in Accessibility

UCH prepares its graduates for the cultural and socioeconomic factors that affect health outcomes through its Programs in Medical Education (PRIME). PRIME's goal is to meet the health needs of historically underserved populations in California.

Attachment 1: The University of California Systemwide Economic, Fiscal, and Social Impact Analysis – January 2021