

Office of the President

TO MEMBERS OF THE HEALTH SERVICES COMMITTEE:

DISCUSSION ITEM

For Meeting of May 5, 2026

REVIEW OF THE UC HEALTH DIVISION 2025 – 2028 STRATEGIC PLAN AND FISCAL YEAR 2026-27 BUDGET

EXECUTIVE SUMMARY

UC Health Executive Vice President Rubin will brief the Committee on the goals and progress of the UC Health strategic plan. The strategic plan is a one-year update of the 2025-2028 plan that was presented last year and focuses on five shared systemwide objectives and ten goals.

UC Health has advanced coordinated, systemwide efforts across its five strategic objectives to address growing pressures on the University's academic health system, including rising costs, workforce shortages, and increasing reliance on government payer programs. Through this work, UC Health is strengthening access to care, expanding workforce capacity in underserved regions, enhancing patient experience, and advancing data and research capabilities, demonstrating the value of a unified, systemwide approach.

The proposed FY2026–27 budget of \$36.7 million reflects disciplined growth (3.5 percent) and aligns targeted investments with key strategic priorities, while maintaining a focus on fiscal stewardship.

Together, these efforts position UC Health to deliver systemwide value and support the long-term sustainability of the University's health enterprise.

BACKGROUND

As the University of California academic health systems continue to grow, they face intensifying pressures driven by rising costs to deliver care, federal disinvestment in government payor programs that cover an increasing number of their patients, and continued fragmentation in their markets as community programs and hospitals close. Each of these systems is advancing improvements in its operations to mitigate these pressures, while managing unprecedented patient volumes in its hospitals, particularly in the emergency departments. Against this backdrop, UC Health leadership determined that the future of systemwide efforts requires more targeted and coordinated engagement across key priority areas, prompting the development of a unified systemwide strategic framework.

Initial planning work started in 2023 to help define a systemwide strategic framework that would inform the role and priorities of the incoming UC Health Executive Vice President. UC Health conducted one-on-one stakeholder interviews with the President, Regents who serve on

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the Health Services Committee, health location chancellors and vice chancellors, and UC Health division direct reports. UC Health also surveyed the health sciences deans and led four focus group discussions.

At the direction of then President Drake, UC Health formed a working group with chancellors and health executives to review the current challenges facing UC Health and the healthcare industry generally, the healthcare priorities of the State of California, and several components of the Division's portfolio, funding, and operations. The working group developed recommendations for the President's consideration which included systemwide priorities, investment considerations, and communication channels.

These recommendations became the basis for the recruitment of the UC Health Executive Vice President and development of the UC Health Division Strategic Plan.

The strategic framework was first presented in February 2024 and refined in 2025 to include a fifth objective focused on data and infrastructure. This annual update reflects progress made to date and continued alignment with systemwide priorities.

UC HEALTH DIVISION STRATEGIC PLAN 2025 – 2028

Scope: UC Health leadership defined and prioritized how the UC Health division plans to advance the five UC Health Systemwide Strategic Objectives in 2025 – 2028.

The plan does not attempt to reflect all efforts of the division nor to minimize those that are core to the work of the division and the system such as sharing and spreading effective practices and ensuring cohesion in systemwide policy. For this Strategic Plan, UC Health leadership focused on goals that further shared systemwide objectives to achieve desired outcomes from collaborative efforts with partners across the system.

Vision: *The University of California will remain the north star for improving the health of all people across the State of California, serving as a model for the nation and the world.*

Mission:

- Our ***clinical programs*** will provide high-quality care that is affordable, convenient, and navigable to our employees, students, and residents of California who are increasingly being left behind in the healthcare market.
- Our ***educational and training programs*** will expand an interdisciplinary workforce to address workforce shortages and improve health outcomes.
- Our ***translational and comparative research programs*** across the health sciences will develop the interventions, technologies, and solutions that will transform care and benefit all communities.

UC Health Systemwide Strategic Objectives and Goals

The UC Health Division Strategic Plan for 2025-2028 outlines the division level goals, activities, milestones, and governance that will advance the systemwide shared objectives.

Shared Objectives:

1. Develop a roadmap for the UC Health system to protect federal health programs and improve its safety net partnership with the State.
2. Sustainably position clinical services and training programs in geographic regions and neighborhoods that have been under-resourced.
3. Improve the ambulatory access, quality, and experience systemwide for our patients.
4. Coordinate across the Office of the President (UCOP), UC Health, and campuses to support the health of employees and students.
5. Leverage systemwide data resources and infrastructure to support patient care, research, and innovation.

Overview of Shared Objectives and Division-Led Goals

The UC Health leadership and supporting teams have been reorganized to support success in executing on the strategic plan. Efforts across the division are being assessed and streamlined where necessary to provide economy in integrating key fiduciary and operational functions that are shared across the locations and required for the effective fiduciary governance. Each of the systemwide goals, including opportunities, challenges, outcomes, measures for success, and high-level timelines are available in Attachment 1.

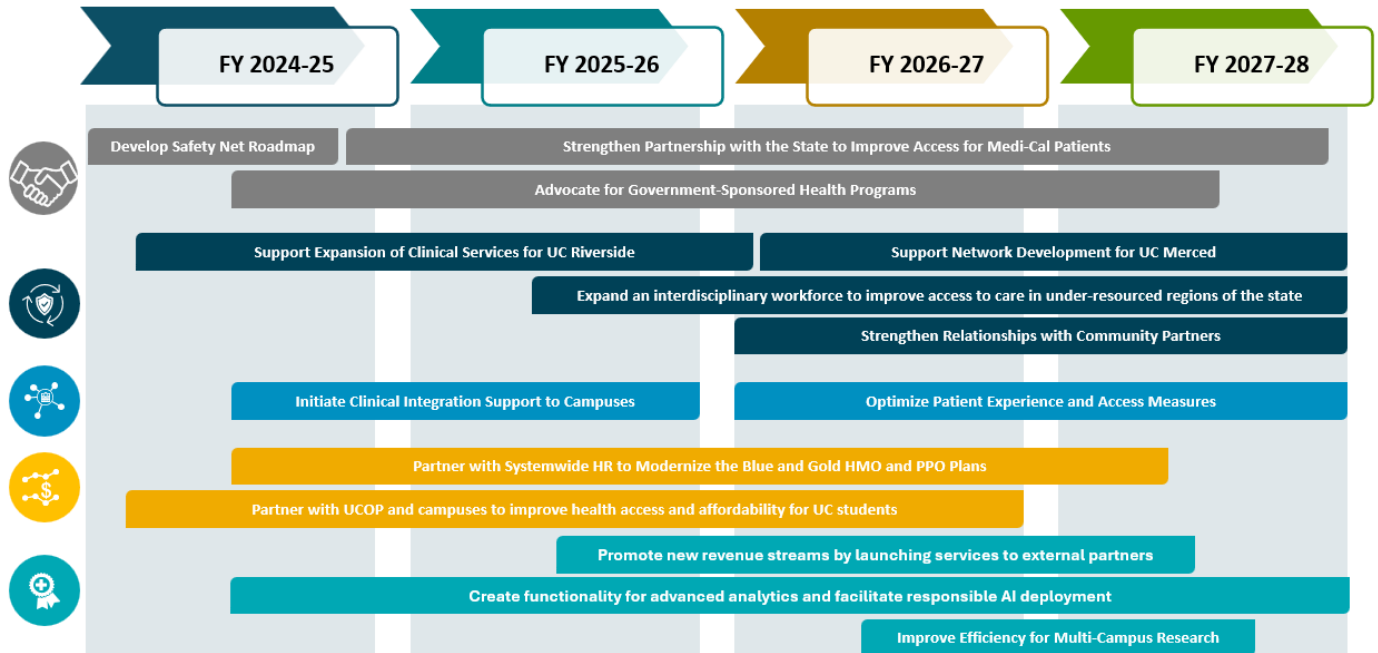
The table below summarizes the key strategic priorities, alongside implementation goals that have been mapped to key leaders within the UC Health team.

Shared Objective	UC Health Division-Led Systemwide Goals	Owner
State & Federal Engagement Develop a roadmap for the UC Health system to protect federal/state health programs and improve its safety net partnership with the state	1. Collaborate with UCOP and campus stakeholders to advocate for the protection of federal health programs	AVP Murray and AVP Ma
	2. Strengthen partnership with the state to enact policies that advance mutual goals with a focus on supporting UC’s ability to serve Medi-Cal patients	AVP Murray
	3. Collaborate with SGR and Communications to implement a strategic engagement plan to improve relationships with state legislators and officials	AVP Ma and Sr. Director Harper
Network Development Sustainably position clinical services and training programs in geographic regions and neighborhoods that have been under-resourced	4. Partner with campuses as they strategically develop medical education programs and clinical services in new geographic regions	Dr. Rubin and Dr. McRae
	5. Assist UC Health locations in navigating the potential impacts of Medi-Cal program changes on their strategies to improve care for under-resourced communities	AVP Murray
Ambulatory Access & Experience Improve ambulatory access, quality and experience systemwide for our patients	6. Align ambulatory care improvement efforts across medical centers, focusing on reducing waiting times for clinic appointments 7. Align ambulatory patient experience improvements across medical centers, supported by systemwide reporting on patient experience metrics across all UC academic health centers by FY 26-27	Dr. Cherry
Employee and Student Health Coordinate across UCOP, UC Health and campuses to support the health of employees and students	8. Partner with Systemwide Human Resources to improve and modernize UC Health’s participation in employee benefit plans 9. Partner with Academic Affairs, UC Finance, UC Health and campuses to improve health access and affordability for UC students	AVP Nelson
Data Science & Innovation Leverage systemwide data resources to support patient care, research, and innovation	10. Safely and responsibly position systemwide data resources to support patient care, research, and innovation	CHDO Han and Dr. Rubin

Multi-Year Timeline (FY25 – FY28):

To support the activities above, and to prepare for future improvement activities (e.g. improving community health programming, as well as research and innovation activities across UC Health), the following multi-year timeline contains specific workstreams that the leadership of UC Health is advancing to support key priorities across time.

FY25 – FY28 Timeline



UC HEALTH DIVISION STRATEGIC PLAN PROGRESS UPDATES

UC Health has made strides in advancing its strategic objectives and goals. Foundational investments in policy engagement, workforce expansion, access, affordability, and data infrastructure are enabling measurable progress toward improved health outcomes, patient experience, and system sustainability. Below is a summary of progress by UC Health systemwide strategic objective.

Summary of Progress as of May 2026

#	Objective	Key FY26 Milestone(s)	Status
1.	Federal and State Engagement	Advanced systemwide advocacy infrastructure, coordinated policy positions across academic health centers, and established new Strategic Partnerships centralized services.	●
2.	Network Development	Continued development of the UCR health enterprise and increased stabilization and improvements in residency funding for Graduate Medical Education.	●
3.	Ambulatory Access and Experience	Established Clinical Affairs team under UC Health Chief Health Officer and initiated a systemwide ambulatory operations collaborative to accelerate and advance improvements in access within and between locations.	●

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4.	Employee and Student Health	Advanced student health affordability initiatives, launched student health initiatives, and implemented several employee benefit reforms.	●
5.	Data Science and Innovation	Optimized and modernized UC Health's enterprise data infrastructure for enhanced clinical decision making, research, AI application development, and industry partnerships.	●

Progress and Outcomes by Objective as of May 2026

Objective 1: State and Federal Engagement (Goals 1–3)

- Established coordinated engagement across campuses and UCOP units, integrating policy, legal, clinical, financial, and academic expertise to position UC Health to strengthen relationships with key State and federal leaders and improve effectiveness of policy advocacy efforts.
- Coordinated key advocacy across campus and UCOP government relations programs to address imminent risks in federal and State funding and programmatic changes for Medicaid and Medicare.
- Achieved key improvements to supplemental funding to support care initiatives in the Medi-Cal Program.
- Deployed strategic communications tools that increased visibility and supported improved engagement with State and federal stakeholders.
- Completed a national search and initiated the Office of Strategic Partnerships to support federal, State, and local initiatives to improve care delivery to under-resourced populations.

Objective 2: Network Development (Goals 4–5)

- Advanced development of a UC Riverside health campus and expanded clinical footprint, a managed care network is now growing, land options have been secured for the Canyon Springs site, and the development of a specialty care center has commenced, with partnership of other UC health locations, increasing capacity to deliver care and train physicians in underserved regions.
- Secured \$28.4 million in funding through Propositions 35 and 56 to expand medical residency and fellowship programs aimed at directly increasing physician workforce capacity in high-need areas.
- Strengthened regional training pipelines and academic partnerships (UCSF-Fresno with UC Merced), supporting long-term physician retention and workforce sustainability.

Objective 3: Access, Clinical Integration and Care Delivery (Goals 6–7)

- Established a systemwide ambulatory leadership structure, enabling coordinated implementation of access improvement strategies across all academic health centers.
- Implemented a standardized ambulatory dashboard to track access metrics, enabling benchmarking and supporting data-driven reductions in patient wait times.
- Strengthened cross-campus collaboration to scale best practices and advance innovative approaches and improvements in ambulatory care for patients in high impact areas such as diabetes and hypertension care.
- Advanced data integration efforts to support identification of performance gaps and targeted interventions to improve patient experience across care settings.

Objective 4: Employee and Student Health (Goals 8–9)

- In partnership with Systemwide Human Resources, implemented structural and pricing reforms to employee health benefit plans, improving alignment between cost, coverage, and long-term financial sustainability while maintaining workforce access to care.

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- Successfully supported labor negotiations, ensuring continuity of benefits and reinforcing system stability for employees.
- Advanced student health affordability initiatives, including mental health funding, UC Student Health Insurance Plan (UC SHIP) restructuring, assessing third-party billing strategies, and identifying opportunities to strengthen financial sustainability of student health services.
- Invested in Epic infrastructure, improving care coordination, and access, and integration between student health and academic health systems.

Objective 5: Data Science and Innovation (Goal 10)

- Modernized UC Health’s enterprise data infrastructure enabling faster, more flexible access to systemwide data in support of clinical decision-making and research. Optimized the technology used in the new platform to advance data analytics and AI tools.
- Ingested clinical notes from all six academic health locations setting the stage for planned business use cases, including patient-reported outcomes and radiology screening results, and advanced de-identification of notes to support patient research.
- Significantly expanded research engagement and utilization of data platforms, contributing to increased publications, collaborations, and systemwide knowledge generation.
- Launched three revenue-generating Real-World Evidence partnerships, demonstrating the value of UC Health’s data assets and creating new opportunities for external collaboration.
- Advanced coordinated systemwide advocacy in State and federal forums to promote responsible health AI innovation and position UC Health as a leader in data-driven healthcare innovation.

As these key initiatives advance, UC Health will identify opportunities to share outcomes and progress updates on strategic priorities areas with the Health Services Committee.

UC HEALTH DIVISION FISCAL YEAR 2026–27 BUDGET

The UC Health Division’s FY2026–27 budget is designed to directly advance systemwide strategic priorities while maintaining strong fiscal discipline. The budget reflects a targeted investment approach, aligning resources to the areas where systemwide coordination delivers the greatest value, while taking a disciplined approach to identify offsetting tradeoffs where possible.

Under Executive Vice President Rubin, and in collaboration with leadership at UC Health campuses, the Fiscal Year 2026-27 (FY26-27) annual division budget totals \$36.7 million, an increase of approximately 3.5 percent over the FY2025-26 approved budget. In addition to cost of living increases for UC Health staff, key areas of investment include resources for health research in partnership with the UC Provost, systemwide strategic partnerships, and investment in modernizing data analytics for the health enterprise.

The proposed budget includes:

- \$436K increase to the Campus Assessment to support the systemwide research effort and strategic partnerships to navigate Medi-Cal strategies
- \$617K increase to Collaborative funding that is contingent upon the timing of strategic engagements and may be reduced
- \$130K increase to Other Designated funds, primarily reflecting support for a revenue-backed project
- \$41K increase to Restricted funds due to increase in the revenue source

Proposed UC Health FY26-27 Division Budget

	Campus Assessment	Collaborative	Other Designated	Restricted	Total
FY25-26 Approved Budget	\$ 5,820,462	\$ 24,338,519	\$ 276,795	\$ 4,994,710	\$ 35,430,486
FY26-27 Proposed Budget¹	\$ 6,256,843	\$ 24,955,630	\$ 407,033	\$ 5,035,924	\$ 36,655,430
Variance (\$)	436,381	617,111	130,238	41,214	1,224,944

¹ Collaborative total represents a 2.5% increase, which may adjust down to 1.2% contingent upon timing of engagements.

The UC Health Collaborative Budget

The primary funding for the UC Health Division (68%) continues to be provided through Collaborative funding from UC academic health centers. Since FY2023, the Collaborative budget has remained flat or reduced, with \$9 million in mandatory cost increases absorbed through off-setting reductions. This reflects the Division’s commitment to fiscal discipline in the context of systemwide budget pressures. The division has also engaged in a model of operations that reduced overall Full-Time Equivalent positions (FTE) at the UC Office of the President while leveraging key expertise already available on campuses. FTE were streamlined to support systemwide priorities for Medi-Cal and safety net initiatives, state and federal advocacy, clinical quality, workforce and access, and health analytics.

UC Health 5 Year Collaborative Budget Trend

