

1) UC Health Mission

Our mission is to *make health care better*. Each UC health system works to advance this mission in its community and as a system of health systems, we work together to catalyze innovation to identify the cures of tomorrow, deliver unparalleled clinical care, and train the workforce of, and for, the future. As a result of these efforts, we improve the health of our communities, Californians, and everyone we serve.

2) UC Health Vision

UC Health will be the **premier system for advancing health in the Western US**, recognized locally, nationally and internationally for excellence and innovation in clinical care, research and teaching, for our collaborative spirit, dedication to serving our communities, and for our leadership contributions on important health issues in the State.

By FY 2020, **UC Health** will look markedly different than it does today:

- The health systems will be recognized not just for the excellence in clinical care, but also for our patient-centeredness and the positive impact on the communities we serve;
- We will be able to measurably demonstrate the value we add, and the impact of our care on the health of all of the patients and communities we serve, including low-income Californians;
- Our research enterprise will have increased the number and depth of collaborative projects across the UC system, enhanced our partnerships with industry to accelerate the application of discoveries in clinical settings, and achieve improved integration with our clinical teams to ensure that our research continuously improves how we care for patients;
- The health systems will be strategically and operationally aligned with each other, and with their UC health sciences school partners, coordinating priorities, conducting joint strategic and financial planning, and aligning resources;
- We will look significantly different in terms of our composition of assets – having assembled the acute, ambulatory, and post-acute care assets required to be successful in a value-based environment;
- We will have grown strategically across California and western states, and with a system view of service line planning, such that we no longer replicate all clinical services in all

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locations, but rather optimize where care is delivered based on quality outcomes, cost and value;

- In collaboration with the CEOs, Deans, Chancellors and the Health Services Committee of the Regents, the EVP, UC Health will help identify and pursue opportunities for synergy and value creation across the clinical enterprise; and
- As a result, UC Health as a whole will be stronger – achieving sustainable margins to support reinvestment in the clinical, teaching and research missions – and supported by a strong and engaged governance body.

3) Core Values

Excellence

We are committed to achieving the highest level of excellence in patient care, discovery and education, continually challenging the status quo to redefine what is possible in health care.

Integrity and Accountability

We are transparent in our endeavors and build mutual trust by acting with integrity and promoting open communication across UC Health. We hold ourselves individually and collectively accountable for the performance of our duties, the care of the patients and communities we serve, and for the overall success of UC Health.

Creativity and Innovation

We strive to be the pioneers of innovations that benefit humanity and we promote creativity in revolutionizing the way the world discovers, teaches and heals.

Diversity and Inclusion

We reflect the diversity of California in our student body, our faculty, our staff, and the patients we serve; and we value people from all cultures and backgrounds by treating everyone with respect, professional courtesy and cultural competence.

Teamwork and Collaboration

We collaborate as individuals, units, departments and systems to advance our mission and achieve world-class results, fostering synergy and celebrating the successes that result from effective teamwork.

Respect and Compassion

We cultivate an environment where all employees feel included, valued, celebrated and respected, and we treat our patients as we would treat members of our own families, engaging them as partners in their care decisions.

4) Strategic Goals and Imperatives

To achieve the innovation, market scale, operating performance that will preserve and advance our leadership position and expand our community impact, we must achieve greater synergies across our assets. ***We must, in essence, become greater than the sum of our parts.*** We have organized our goals in six categories of strategic importance: Value, Clinical Excellence, Innovation, Efficiency, Integration, and Public Health Impact to advance us on this path.

1. Value:

Develop the scale, assets and capabilities to thrive in a value-based reimbursement environment. The ACA has resulted in pressure on providers to shift away from volume-driven care and towards value-driven care. With this shift comes a responsibility to care not just for individuals, but also for populations of patients, and to demonstrate the quality and value of the care we deliver. This population health movement requires new tools and skill sets, and requires deeper primary and secondary care capabilities. We must position ourselves to deliver this new model of care and strengthen our capabilities across the health system in a more unified manner, through collaboration with our faculty practices, strategic partnerships with health plans and provider partners, and through targeted investments in important assets (e.g. population health analytics, telemedicine platforms, primary care and post-acute and continuum of care assets). We must also demonstrate our excellence and value through data to payers, patients and the public.

2. Clinical Excellence:

Strengthen UC's position as *the* destination for complex tertiary and quaternary care in the Western US, while ensuring excellent primary and secondary care delivery in our immediate communities. We must strengthen the position of our health systems as leaders in the delivery of highly complex acute care for all ages– distinguishing ourselves as the destination in the Western US for the latest in oncology, neurosciences, cardiovascular, transplant, and other quaternary care treatments. We must evolve these services cognizant of market needs and the competitive environment, ensuring we build service lines in a deliberate, thoughtful, and coordinated manner across our statewide system. We will be distinguished by the breadth and depth of our clinical research, coordinated across UC Health.

3. Innovation:

Amplify research impact. We must leverage the collective scientific acumen and data across the UC system to drive discovery of the medical diagnostics and treatments of the future, and facilitate collaboration with industry to ensure our discoveries are rapidly deployed in the clinical setting to improve the lives of the people we serve, and millions of patients

around the world. Our research must result in a positive impact on the health of the population.

4. Efficiency:

Accelerate the “Leveraging Scale for Value” program.¹ Strengthening the operating margin of our health systems is essential for reinvesting in the clinical enterprise and supporting the education and research activities that are central to the University’s mission. We must be laser focused in the next few years on achieving system and unit cost reductions. We must explore bold changes to our operating model that can yield significant margin improvements, and we must continue to speak with one voice to our payers, lenders, suppliers and other key business partners.

5. Integration:

Develop the “UC Health” culture. With the LSFV program, the recent governance changes, and our unified contracting and borrowing strategies, we have taken the first steps towards creating a virtual “system of health systems,” and we have seen great benefit. We must continue to build the system culture that will help us catalyze clinical innovation and collaboration across the health systems, streamline administrative and back office processes, leverage the scale of the collective UC health enterprise in relationships with purchasers, lenders and vendors; spread local best practices across the system, and develop central capabilities to support the delivery of population health services and high quality care in our existing markets and beyond. The next phase of building the “UC Health” system demands deeper collaboration, optimization and alignment across our health systems and with our health sciences school partners, and stronger governance and accountability.

6. Community Health Impact:

Improve the health of the communities we serve through local engagement, and improve the health of Californians more broadly through our delivery system and contributions to health policy leadership. As a public institution, our commitment to serving our communities and Californians remains stronger than ever. Our medical centers will engage locally, and we, as a system, will advance our health policy goals at the state level to help make California the healthiest state in the nation.

¹ In 2014, UC Health launched the “Leveraging Scale for Value” LSFV Program to harness the opportunities of working across our medical centers to achieve greater economies of scale and enhanced collaboration on strategic initiatives. Initial projects are working to achieve cost savings in Supply Chain and IT, and to drive standardization and improved performance in Revenue Cycle. The launch of the LSFV Program marked the beginning of a genuine transformation of UC Health’s operating model from a federated system of medical centers to a high performing “system of health systems.”

5) Tactics for Achieving our Goals

Over the next three years, UC Health will pursue the following tactics to achieve our goals.

Value

Goal: Develop the scale, assets and capabilities to thrive in a value-based reimbursement environment

1. **Develop a region-by-region growth, affiliation, and investment strategy** to enable the UC Health systems to align the assets and capabilities required to manage population health care needs across the continuum of care – from primary prevention to post-acute care.
2. **Build coordinated capabilities and IT tools to manage population health risk effectively and support statewide ACO formation efforts and the development of Regional branded products**, including population health analytics that can help identify high risk and rising risk patients and prompt health interventions, and care management tools. We will use the UC employee health benefit products (Blue & Gold, UC Care, and others) as pilots for refining the model, sharing best practices across the system, and centralizing resources where there are demonstrable economies of scale.
3. **Build out the UC Health tele-health platform** to extend the reach of UC clinicians, improve access, and allow consultation with experts across the UC Health system.
4. **Launch a focused, system-wide Medi-Cal effort** to successfully manage the Medi-Cal populations the UCs currently serve (including through partnerships with organizations that have successfully managed this population, continued collaboration with our county hospitals, and affiliations with FQHCs), ensure successful implementation of the *Public Hospital Redesign and Incentives in Medi-Cal (PRIME)* program, position for Medi-Cal risk assumption, and enhance policy and advocacy activities.
5. **Partner with our faculty practices to prepare for Medicare-reimbursement changes (MACRA)**, including implementation of the requisite risk and care management, and quality reporting infrastructure, and evaluating the opportunity to create a branded Medicare Advantage product.
6. **Augment the UC Health quality, cost, and access reporting capability** to monitor performance, drive continuous performance improvement, and promote accountability.
7. **Launch a state-wide health insurance plan** that builds on our success at managing our employee populations and entering into risk sharing arrangement with payer partners.

Clinical Excellence

Goal: Strengthen UC's position as the destination for complex tertiary and quaternary care in the Western US, while ensuring excellent primary and secondary care delivery in our immediate communities.

1. **Conduct joint strategic planning for the creation of state-wide clinical service lines** across the UC Health system to ensure deliberate, thoughtful and coordinated regional growth plans, and optimize UC Health's clinical assets across the state.
2. **Accelerate and expand cross-health system clinical transformation and quality improvement activities** to increase cross-health system clinical collaborations in key services lines (e.g. Cancer, Cardiovascular Services, Neurosciences).
3. **Develop a value proposition and business plan for a UC Health statewide pediatric network.**

Innovation

Goal: Amplify research impact

1. **Strengthen our ability to conduct clinical research across our campuses** by widely implementing standard protocols, linking our EMRs for research purposes, harmonizing our approach to patient consent, and facilitating multi-center trials.
2. **Scale the "Big Data" initiative from pilot to system-wide implementation**, such that researchers across UC can harness the power of the 14 million-plus patient records in the UC system to support research activities, and drive clinical care improvements.
3. **Promote the rapid translation of research activities into the clinical care arena** to ensure that our research systematically changes how we deliver patient care for the better.²

Efficiency

Goal: Accelerate the "Leveraging Scale for Value" program

1. **Accelerate existing LSFV initiatives** (revenue cycle, supply chain procurement, and IT) aimed at bending the cost curve and achieving more efficient operations.
2. **Launch a labor cost management initiative** to bring UC Health expenses in line with California and national benchmarks, and develop shared service centers to achieve

² For instance, research on the pathogenesis of Hepatitis C infection should drive the clinical strategy, including pharmacotherapy and liver transplantation.

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economies of scale, and lower the cost of care for our patients and the communities we serve.

Integration

Goal: Develop the “UC Health” culture

1. **Refine the governance and organizational model** to facilitate system-wide activities, unlock synergistic value, and increase performance transparency and accountability, through the development of dynamic and robust system-wide performance dashboards. UC Health will leverage existing campus expertise and leadership, to guide system-wide activities.
2. **Develop a system-wide strategic and capital planning process**, including an integrated UC Health budget and an integrated capital plan to support the strategic imperatives described above as well as local investment strategies.
3. **Enhance partnership and integration with UC health sciences schools** to strategically and effectively adapt to the changing market dynamics and workforce demands.

Community Health Impact

Goal: Improve the health of the communities we serve through local engagement, and improve the health of Californians more broadly through our delivery system and health policy leadership.

1. **Each UC health system will continue to engage in meaningful multi-stakeholder community health efforts in its service area.** Efforts could include partnering with the Department of Public Health to reduce disparities in access to care, increase cancer screening rates, address opioid addiction, or other efforts that address local needs.
2. **UC Health will provide health policy leadership** by first engaging our academic partners (e.g., the Schools of Medicine, Nursing, Public Health, Pharmacy, Dentistry), followed by engaging provider, payer and consumer stakeholders across the state to develop a framework for a state-wide delivery system and health policy agenda, aimed at improving the health of Californians.
3. **UC Health will educate a health care workforce that can meet the health needs of California and beyond.** This responsibility includes educating a workforce that can lead a delivery system which is redesigned to support the needs of a rapidly evolving health care system.

Note: Once ratified by the HSC, we will develop metrics of success, a financial projection and an implementation plan for these strategies and tactics.