UC Health: An Overview
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Health Sciences and Services
UC Health: An Overview

- 16 health professional schools (7 of UC’s 10 campuses)
- 5 medical centers (10 hospitals)
- 50% of UC’s > $20 billion budget
- Quality bench is broad and deep
- Leverages a system approach to issues
  - Contracting with health plans
  - Group purchasing
  - Collection of data for clinical trials
  - Clinical performance improvement
UC Health includes: UCSF, UCLA RR &SM, UC Davis, UCI, and UCSD. Acute Care Only

Source: OSHPD Hospital Annual Financial Disclosure Reports 2006-2011
UC Health: Funds Flow (FY 2012)

**Medical Centers**
- Revenue = $6.7 Billion
  - Public Payors: 40%
  - Commercial Insurers: 60%

**Medical Schools**
- Revenue = $3.8 Billion
  - Research and Clinical: 78%
  - State: 7%
  - Tuition: 2%
  - Medical Centers: 13%

$522 Million
- Purchased Services
- Program Support

Over the past five years, medical center revenue has increased 1.5 times while their support to schools of medicine has increased 2 times.
UC Health: The Gathering Fiscal Storm

Operating Revenue Base
Operating Revenue 4%
Operating Expenses

Fiscal Year

$ (billions)
Descriptive Data - T/Q vs. Commodity Volume

2010 % of Total Discharges and Patient Days

Tertiary/Quaternary vs. Commodity Volume

UC Medical Campuses

2010 % of Total Discharges

<table>
<thead>
<tr>
<th>Campus</th>
<th>T/Q 2010 %</th>
<th>Commodity 2010 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>UC Davis</td>
<td>29%</td>
<td>71%</td>
</tr>
<tr>
<td>UC Irvine</td>
<td>27%</td>
<td>73%</td>
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<tr>
<td>UCLA</td>
<td>30%</td>
<td>70%</td>
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<tr>
<td>UCSD</td>
<td>28%</td>
<td>72%</td>
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<tr>
<td>UCSF</td>
<td>48%</td>
<td>52%</td>
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2010 % of Total Patient Days

<table>
<thead>
<tr>
<th>Campus</th>
<th>T/Q 2010 %</th>
<th>Commodity 2010 %</th>
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</thead>
<tbody>
<tr>
<td>UC Davis</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>UC Irvine</td>
<td>36%</td>
<td>64%</td>
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<tr>
<td>UCLA</td>
<td>43%</td>
<td>57%</td>
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<tr>
<td>UCSD</td>
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<td>61%</td>
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<tr>
<td>UCSF</td>
<td>62%</td>
<td>38%</td>
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SOURCE: 2010 OSHPD Patient Level Data
## Current Performance: Other “Commodity” Services

<table>
<thead>
<tr>
<th>Procedure</th>
<th>UC1</th>
<th>UC2</th>
<th>UC2</th>
<th>UC3</th>
<th>UC4</th>
<th>UC5</th>
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<td>Total Hip</td>
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<td>Spine (w/o Fusion)</td>
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<tr>
<td>Spine (w/ Fusion)</td>
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<td>GYN Surgery</td>
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Data Source: HealthGrades 2008-2010; MedPar data
UC Center for Health Quality and Innovation

Board of Directors

Executive Director
Terry Leach

Awards

Operations Committee

Process Improvement

Advance the quality, safety, efficiency, and affordability of clinical services provided by UC Health
Central Line-Associated Bloodstream Infection Rates
(Adult, non burn ICU patients)

- FY08: 221
- FY09: 175
- FY10: 108
- FY11: 118
- FY12 (Q1/2): 43

UC Health aggregate number of infections
Infections per 1,000 line days
(Total number of days a central line is in place for each patient)
UC Health: The Financial Cliff

- UC medical centers have enjoyed double digit increases in clinical revenue.
- However, this has been due to increases in rates negotiated for commercial contracts—not any increase in market share.
- With the looming California Health Benefit Exchange, these rates are under extreme pressure.
- In addition, payors are questioning the value we add to the commodity care we provide.
- The solutions:
  - Increase market share—especially T/Q
  - Decrease costs
  - Improve quality/value added in commodity business

- There is no plan B