

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
OFFICE OF ETHICS, COMPLIANCE AND AUDIT SERVICES



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John A Lohse
INTERIM SENIOR VICE PRESIDENT
CHIEF COMPLIANCE AND AUDIT OFFICER

April 21, 2017

**EXECUTIVE VICE PRESIDENT NAVA
EXECUTIVE VICE PRESIDENT STOBO**

**RE: Final Report Project No. P17A006: Clinical Enterprise Management
Recognition Plans (CEMRP)**

Attached is a copy of the final report for: Audit Services Project No. P17A006 Clinical Enterprise Management Recognition Plans (CEMRP). With the issuance of this final report, please destroy any previous draft versions. We very much appreciate the assistance provided to us by you and members of your staff during our review. If you should have any questions please feel free to contact me at 510-987-9646 (email: matthew.hicks@ucop.edu).

A handwritten signature in black ink, appearing to read 'Matt Hicks'.

Matt Hicks
Systemwide Deputy Audit Officer

Attachment

cc: Interim Senior Vice President Lohse
Vice President Duckett
Executive Director Larsen
Manager Cataldo
Compensation Specialist Rodriguez
Contractor Harrigan
Data Manager Zorn

UNIVERSITY OF CALIFORNIA
ETHICS, COMPLIANCE AND AUDIT SERVICES
OFFICE OF THE PRESIDENT
SYSTEMWIDE AUDIT

Senior Management Incentive Plans
Medical Centers Clinical Enterprise Management Recognition Plans
Audit No. P17A006
October 2016

Work Performed by:
Contract Auditor Harrigan
Data Manager Zorn

Work Reviewed by:
Systemwide Audit Manager Cataldo
Systemwide Deputy Audit Officer Hicks

Executive Summary

Introduction

We have completed an audit of the Clinical Enterprise Management Recognition Plan (CEMRP) for the five medical centers and UC Health.

CEMRP (the Plan), established by the Regents in July 2010, provides the opportunity for at risk variable financial incentives to those employees responsible for attaining or exceeding key clinical enterprise objectives. Participants in plan-eligible job positions are defined as the senior leadership of the clinical enterprise who have significant strategic impact and a broad span of control with the ability to effect enterprise-wide change.

At the beginning of each plan year, systemwide, institutional, and individual performance objectives are developed and approved by the medical center leadership, the Chancellors, University of California (UC) Health-systemwide and the Administrative Oversight Committee (AOC). Objectives relate to one or more of the following: financial performance, quality improvements, patient satisfaction, key initiatives in support of the strategic plan, and people and other resource management.

At the end of the plan year, participant performance is reviewed and rated as one component of the award recommendation. A second component is the local medical center (institutional) performance against plan, and a third component is systemwide “Clinical Enterprise” performance. If a participant’s total cash compensation is over the established threshold of \$301,000, awards are reported to the Regents. Also, any awards to executive officers must be approved by the Regents. Beginning with the FY17 plan year, Tier I participants (medical center CEOs and Presidents and the Executive Vice President, UC Health) no longer have individual participant objectives but share one common long term objective.

The AOC is assigned oversight of the plan, including development, governance and interpretation. CEMRP AOC membership includes the Executive Vice President – Business Operations, Vice President Human Resources, Executive Director – Compensation Programs and Strategy, and the Chancellors from the five campuses that have medical centers. The Executive Vice President UC Health and three representatives from a UC medical center are consultants to the AOC. The Senior Vice President - Chief Compliance and Audit Officer assures that periodic auditing and monitoring occurs, as appropriate. Non-material changes may be approved by the AOC while material or substantive changes to the Plan require the approval of the President and the Regents Governance and Compensation Committee and Health Services Committee.

In 2013, the AOC retained Sullivan, Cotter and Associates, Inc. (SullivanCotter) to aid in the program. SullivanCotter specializes in providing consulting services on executive, employee and physician compensation and benefits for the health care industry. The scope of their work was to assess the overall design, performance measures, and effectiveness of the incentive compensation program for the five UC Health Systems and develop recommendations. SullivanCotter was retained by the medical centers again in 2016 to review and advise regarding plan objectives. Subsequent to the retention of SullivanCotter, we have noted continued improvement in the quality of the medical centers’ descriptions and justifications of objectives.

Objective and Scope

The primary objective of this audit was to assess the accuracy of the FY16 CEMRP award calculations and award compliance with the Plan. We evaluated award criteria for accuracy and compliance for the systemwide, institutional, and participant performance reviews and award calculations. Our scope included award calculations that were based on the data provided by medical center management and we tested a sample of FY16 participant performance results.

UC San Diego did not submit any proposed awards at the time of our review due to an administrative issue. This delay was approved by the AOC. As a result, our test sample did not include any UC San Diego calculations.

Another objective was to assess the FY17 performance objectives for participants, medical centers and systemwide for compliance with the Plan.

Overall Conclusion

Based on the information provided, we did not identify any errors in calculations of CEMRP FY16 award recommendations that were presented for approval to the AOC or the Regents Committee on Compensation.

On a positive note, HR Compensation streamlined the process for approval of new positions and participants by developing a template for use by the medical centers to submit their requests to the AOC. Also, the Regents policy was revised and the FY17 CEMRP plan document was updated for consistency and to reflect current practices. One change included the elimination of individual short term objectives for the top tier participants (CEOs/Presidents/Executive Vice President) and replaced them with one long term incentive shared by all locations and UC Health-systemwide.

We noted the following opportunities for improvement:

- Inconsistent Prorating of Awards

There were variances between the medical centers regarding interpretation of the reference in the plan for prorating awards for participants with less than a year in the plan or at a medical center. The prorated awards proposed by the medical centers had inconsistencies in the utilized calculation. At UCLA, the initial calculation would have resulted in significant overpayments to several participants. HR Compensation resolved these and other inconsistencies prior to presenting the proposed awards to the AOC.

- Objectives Not Stretch

At UCLA, five participants had a FY17 objective that did not appear to be stretch as the achievement levels were a deterioration from prior year actual results. At four locations, some participants had objectives which would result in an award if prior year actual results or FY17 budget are attained. (See also Appendices F and G.)

- Standard Calculation Template Not Used

This is a condition noted in prior years that remains unresolved: To reduce the risk of unauthorized or errant changes to objectives and award data, systemwide HR-Compensation has distributed a template since FY14 for CEMRP participant objectives and award calculations that has password protected calculation cells; only data in the data entry cells can be entered or changed. As we first noted in the FY14 audit, some locations have utilized a customized form that does not have the calculations locked and consequently requires additional effort by systemwide HR and Internal Audit to verify the integrity of these workbooks and to verify that award calculations are correct.

For a detailed discussion of the issues, please refer to the subsequent pages of this report.

As part of this review, we performed analyses of FY16 awards and FY17 objectives which are included in the appendices to this report:

- Participant organization and position titles (Appendix A).
- Average FY16 awards by tier (Appendix B).
- Participant total awards by location and by Tier (Appendix C).
- Number of participant awards at each level (Threshold, Target or Maximum) by component: systemwide, institutional, individual (Appendix D).
- Utilization of baselines, benchmarks, and stretch objectives (Appendices E and F).
- Common C-level executive participant objectives (Appendix G).

Opportunities for Improvement and Action Plans

1. Medical centers submitted proposed participant awards with inconsistent calculations for participants receiving a prorated award.

The plan does not provide a detailed formula for prorated awards. The most common practice has been to prorate for time in position using the employee's salary at the medical center where they were a participant in the plan for at least six months.

There were calculation variances among the medical centers as follows:

- Continuing participants – the initial method utilized by UCLA for plan participants that terminated from another medical center after less than six months of the plan year, and then accepted a CEMRP position at UCLA (source of salary and award amounts) was not consistent with standard practice. UCLA proposed including salary earnings from two medical centers, and the initial award submission would have resulted in overpayments to these participants. Per concurrence with the UCLA Chancellor, only UCLA earnings were included in the corrected calculations which appropriately lowered the awards.
- New participants – one location calculated the time in position from the first day of the month even if the participant's date of hire was mid-month while another location calculated these awards from the exact date of hire.

HR Compliance ensured that the prorated calculations were consistent and accurate prior to submission to the AOC for approval. To ensure that prorated calculations are accurate, it would be prudent for HR Compliance to provide written guidance on prorated calculations.

Action Plan:

Prior to the deadline for FY17 awards, HR Compensation will provide written guidance to the medical centers regarding prorating of awards.

To ensure consistency and clarity, UC systemwide HR-Compensation will communicate with the Medical Centers that it is important that the centers convey any CEMPRP plan questions and/or clarifications directly to systemwide HR Compensation.

Target date:

July 1, 2017

2. Some objectives were not consistent with the Plan's stretch requirement.

Per the Plan document, "all CEMRP performance objectives must be stretch in terms of achievement potential." In reviewing objectives for stretch achievement potential, we considered whether:

- Achievement levels would exceed prior year actual results if there was a similar objective in the prior year, and/or
- Achievement levels would exceed the FY17 budget amount. Meeting budget amounts should be a consideration in the regular performance review process, not during the CEMRP performance review.

Some locations had objectives that did not appear to be stretch, given the above criteria, and did not include an adequate explanation as to why they would be stretch, given the current environment at the medical center.

See details below.

UCLA

- For one participant, Target achievement for one objective would be attained if the level of achievement is a deterioration from the level achieved in FY16. Prior year measure was Days Cash on Hand of 198.8 while FY17 Target is 162.6.
- Four participants described FY17 Threshold level achievement as a deterioration from the level achieved in FY16. For example, prior year measure was that 83 practices were added to “rounding” schedule while for FY17 the Threshold level objective is to add 15 practices. Two participants had the prior year measure of completion of Financial Transparency in five departments or divisions while the FY17 threshold is to complete it for three departments or divisions.
- The two participants above also had a target objective in which attaining prior year actual results (completion of five divisions or departments) would result in an award.

UCSF

- A target of 60 days cash on hand (COH) is stated as the “UC Target” in the objective language but would result in Maximum level achievement for the participants with this objective. We would expect 60 days COH to be no better than Target level achievement.
- We noted three participants with objectives in which attaining prior year actual results or FY17 budget will result in an award.

UC Davis and UC San Diego

- Several participants (three at UC Davis and one at UC San Diego) had objectives in which attaining prior year actual will result in an award.

Action Plan:

UC systemwide HR-Compensation will discuss and reinforce with the Chief Human Resources Officers the plan requirements and the need for additional explanation when achievement levels are at or a deterioration from prior year results.

Target date:
June 1, 2017

3. Some locations did not utilize the calculation template provided by HR Compensation.

HR Compensation provides the medical centers with a calculation workbook template which has password protection on all fields except those that require data entry by the medical center. We noted that some locations submitted workbooks that were not password protected. Not using the prescribed template makes it difficult to verify the integrity of the results and hinders the consolidation of the data since the script is written to include only legitimate responses.

Three locations (UC Irvine, UC Davis, UCLA) submitted participant worksheets which were not password protected which means either they broke the password protection or they created their own calculation workbooks.

Action Plan:

In advance of the FY17 plan year, HR Compensation will distribute a template to the medical centers for review and feedback. UC systemwide HR-Compensation will discuss and reinforce with the Chief Human Resources Officers the need to utilize the standard template to help ensure accuracy.

Target date:
July 1, 2017

**FY17 CEMRP Eligible Titles and Tiers
as of August 2016**

APPENDIX A

POSITION	UC Davis	UC Irvine	UCLA	UCSD	UCSF	UCOP UC HEALTH
Associate CFO			Tier II			
AVC Health Sciences Development & Alumni Relations				Tier II		
AVP, UC Health						Tier II
Chief Admin. Officer			2@ Tier II	5 @ Tier II	Tier II	
Chief Ambulatory Officer/Chief Admin Officer Ambulatory Care (UCSD)				Tier II		
Chief Clinical Officer				Tier II		
Chief Communications Officer			Tier II			
Chief Contracting Officer				Tier II		
CEO/CEO CHO (UCSF) / President Health System	Tier I	Tier I	Tier I	Tier I	2 @Tier I	
CFO/CFO CHO (UCSF)/CFO UCSD Health Sciences	Tier II	Tier II	Tier II	Tier II	2@ Tier II	
Chief HR Officer/Chief Admin & HR Officer / Exec. Dir. Human Resources (UC Davis)	Tier II	Tier II	Tier II	Tier II	2@ Tier II	
CIO /Exec Dir Clinical IT		Tier II			Tier II	
CMO	Tier II	Tier II	Tier II	Tier II	Tier II	
Chief Medical Information Officer (currently a rehired retiree so not eligible for CEMRP)		Tier II				
CNO / Chief (UCLA) or Chief (UCD) Patient Care Svcs Officer	Tier II		Tier II			
Chief of Staff & AVC Admin./Exec. Dir. Chief of Staff to CEO		Tier II		Tier II		
COO - Medical Center/CHO/Center for Digital Health Innovation	Tier II		Tier II	3@Tier II – 2 are vacant	3@Tier II	
Chief Strategic Planning Officer /Chief Strategy Officer /Chief Strategy Officer Children's Svcs /Exec. Dir. Strategy & Business Dev./AVC Strategic Communications		Tier II	Tier II	Tier II – vacant	3 @Tier II	
Controller/ Controller CHO	Tier III				Tier II	
Director Clinical Ops, Managed Care	Tier II					
Director Finance/Exec. Dir. Financial Ops	Tier III					
Director Health Sci Finance and Admin.	Tier III					
Director Health System Contracts	Tier II					
Dir. Patient Care Services	5 @Tier III					
Dir. Patient Accts Admin.	Tier III					
Director Payer Strategies	Tier III					

**FY17 CEMRP Eligible Titles and Tiers
as of August 2016**

APPENDIX A

POSITION	UC Davis	UC Irvine	UCLA	UCSD	UCSF	UCOP UC HEALTH
Exec. Dir. Mission Bay Hospital Project					Tier II- vacant	
Exec. Dir. Clinical Systems					Tier II	
Exec. Dir. Enterprise Networked Data Warehouse					Tier II	
Exec. Dir. Financial Operations					Tier II	
Exec. Dir. Govm't & Community Healthcare Programs/ Dir. Govm't Rel.	Tier III	Tier II				
Exec. Dir. Mission Bay Hospital Project					Tier I - vacant	
Exec. Dir. Patient Experience/Patient Services	Tier III				Tier II	
Exec. Dir. Pop Health & Accountable Care					Tier II	
Exec. VP Physician Services				Tier II		
				Tier II		
Exec. VP UC Health - UCOP						Tier I
Sr.VP – Adult Svcs/President UCSFMC					Tier II	
Sr. VP and VP Faculty Practice Operations					2 @ Tier II	
Sr. VP – UCSF Health Affiliates					Tier II	
Vice Dean Administration & Finance - SOM					Tier II	
Vice President, Business Development/Business Dev. Officer PMB	Tier III				Tier II	
Vice President Cancer Svcs Finance/VP Finance for Physician Orgs					2 @ Tier II	
Vice President Facilities /Assoc Admin. Fac /Exec. Dir Facilities	Tier III				Tier II	
Vice President, Financial Planning & Budgeting					Tier II	
Vice President Marketing & Brand Mgt					Tier II	
Vice President, Mergers & Acquisitions					Tier II	
Vice President, Pharmacy Services					Tier II	
Vice President, Revenue Cycle/ Revenue Cycle Administrator				Tier II	Tier II	
Vice President Supply Chain					Tier II	
Vice President UCSF Benioff Children's Hospital					Tier II	

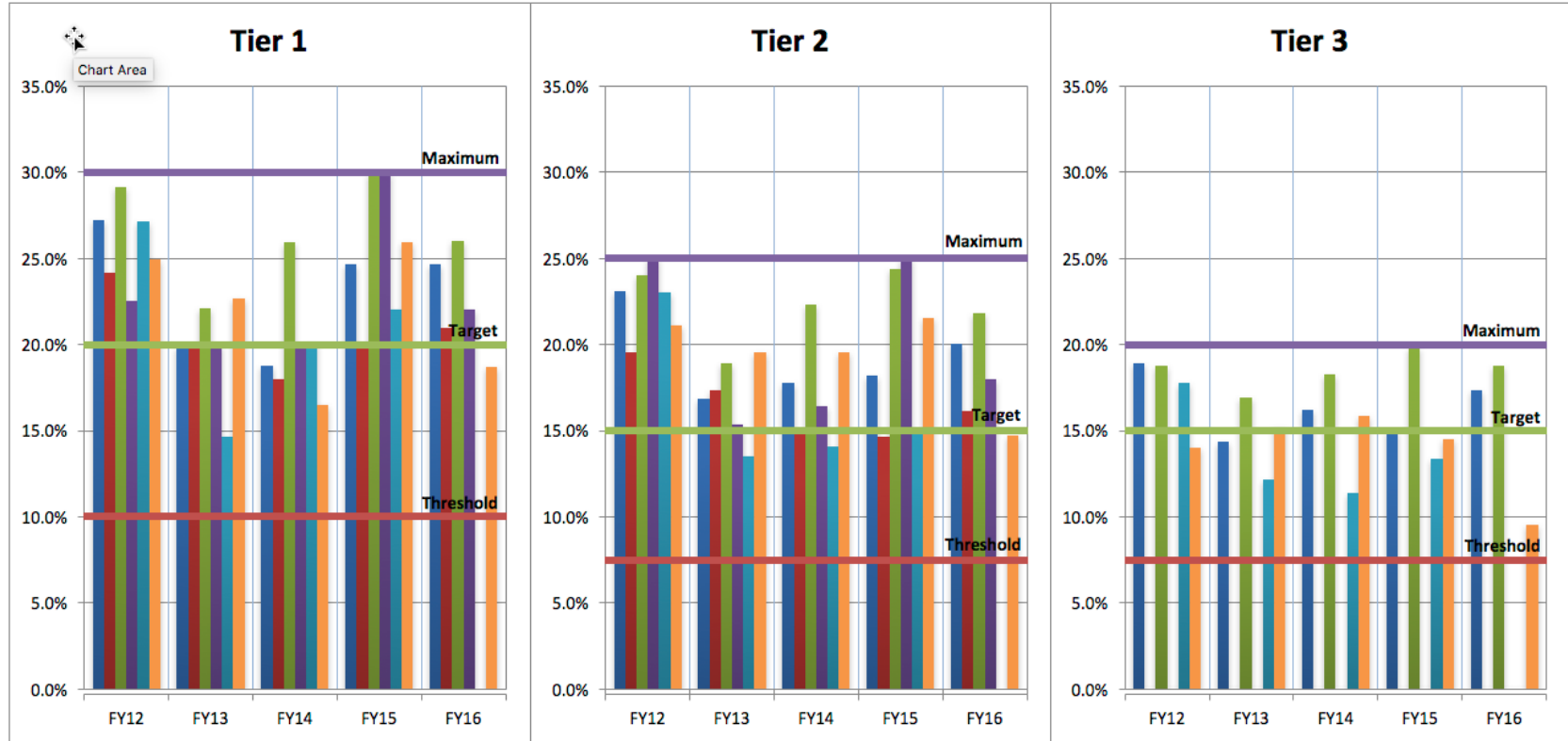
**FY17 CEMRP Eligible Titles and Tiers
as of August 2016**

APPENDIX A

SUMMARY						
	Location	Tier I	Tier II	Tier III	Total Eligible Positions	FY17 # Participants
NOTABLE OBSERVATIONS - UCSF has significantly more participants in the Plan than any other location. - UC Davis is the only location with Tier III participants in FY17. - UC San Diego has the most vacancies.	UCD	1	7	14	22	22
	UCI	1	8	0	9	9
	UCLA	1	10	0	11	11
	UCSD	1	20	0	21	18
	UCSF	3	36	0	39	37
	UCOP - UC Health	1	1	0	2	2
	Total	<u>8</u>	<u>82</u>	<u>14</u>	<u>104</u>	<u>99</u>
	Note: "Eligible Positions" counts includes vacancies as follows: UCSF - 2 UC San Diego - 3					

Appendix B

Average CEMRP Award as Percentage of Base Salary by Fiscal Year in FY12-16



Location: UCD UCI UCLA UCOP UCSD UCSF

Incentive levels: Threshold Target Maximum

UC San Diego has not provided any proposed awards for FY16.

Every year for the past 5 years, UCLA has had the highest average awards in most tiers when compared to the other 4 medical centers (ex UCSD in FY16 due to missing data).

Participant Total Awards by Location by Tier

Tier I	# of Participants FY16	Total Salaries (stipends included)	Average Salary	Total Awards (\$)	Average Award (\$)	Average Award (%)	Target as % of Salary	Max as % of Salary	Low %	High %	Low \$	High \$
UC Health	1	\$ 615,322.00	\$ 615,322.00	\$ 135,370.84	\$ 135,370.84	22.00%	20%	30%	n/a	n/a	n/a	n/a
UCD	1	\$ 848,720.00	\$ 848,720.00	\$ 209,350.93	\$ 209,350.93	24.67%	20%	30%	n/a	n/a	n/a	n/a
UCI	1	\$ 800,000.00	\$ 800,000.00	\$ 167,840.00	\$ 167,840.00	20.98%	20%	30%	n/a	n/a	n/a	n/a
UCLA*	1	\$ 367,919.99	\$ 367,919.99	\$ 95,659.20	\$ 95,659.20	26.00%	20%	30%	n/a	n/a	n/a	n/a
UCSD	No Amounts Provided											
UCSF	2	\$ 1,706,942	\$ 853,471.00	\$ 318,626.47	\$ 159,313.24	18.67%	20%	30%	18.67%	18.67%	\$ 133,470.48	\$ 185,155.99
TOTAL	6	\$ 4,338,903.99	\$ 723,150.67	\$ 926,847.44	\$ 154,474.57	21.83%						
Tier II												
UC Health	1	\$ 410,000.00	\$ 410,000.00	\$ 73,800.00	\$ 73,800.00	18.00%	15%	25%	n/a	n/a	n/a	n/a
UCD*	8	\$ 2,234,813.24	\$ 279,351.66	\$ 446,285.92	\$ 55,785.74	20.02%	15%	25%	17.71%	20.71%	\$ 16,139.45	\$ 90,730.66
UCI*	7	\$ 2,196,558.39	\$ 313,794.06	\$ 358,849.10	\$ 51,264.16	16.13%	15%	25%	14.23%	17.22%	\$ 33,611.70	\$ 81,532.43
UCLA*	11	\$ 4,305,822.03	\$ 331,217.08	\$ 940,568.04	\$ 72,351.39	21.84%	15%	25%	20.38%	22.38%	\$ 15,853.33	\$ 138,725.00
UCSD	No Amounts Provided											
UCSF*	32	\$ 11,106,215.53	\$ 336,551.99	\$ 1,638,821.12	\$ 49,661.25	14.74%	15%	25%	12.08%	16.33%	\$ 18,006.69	\$ 97,919.22
TOTAL	59	\$ 20,253,409.19	\$ 343,278.12	\$ 3,458,324.18	\$ 58,615.66	17.12%						
Tier III	Only UCSF, UCLA, UC Davis had Tier III participants.											
UCD*	13	\$ 2,527,629.13	\$ 194,433.01	\$ 439,782.32	\$ 33,829.41	17.36%	15%	20%	16.17%	17.92%	\$ 13,436.54	\$ 46,646.94
UCLA	2	\$ 558,368.00	\$ 279,184.00	\$ 104,694.00	\$ 52,347.00	18.75%	15%	20%	18.75%	18.75%	\$ 43,433.06	\$ 61,260.94
UCSF*	1	\$ 161,995.30	\$ 161,995.30	\$ 15,457.67	\$ 15,457.67	9.54%	15%	20%	9.54%	9.54%	\$ 15,457.67	\$ 15,457.67
TOTAL	16	\$ 3,247,992.43	\$ 360,888.05	\$ 559,933.99	\$ 62,214.89	17.04%						
Tier IV	This position is not eligible for CEMRP in FY17 and going forward											
UCI	1	\$ 267,718.00	\$ 267,718.00	\$ 27,658.62	\$ 27,658.62	10.33%	9%	15%	n/a	n/a	n/a	n/a

*NOTE: 26 participants, due to retirement or less than one year in position, received pro-rated awards. Amounts that include pro-ration are indicated with an *

UC San Diego had not provided any results at the time of our review due to administrative reasons approved by the AOC.

	# of Participants FY16	Total Salaries	Average Salary	Total Awards (\$)	Average Award (\$)	Average Award (%)	Range of Awards %		Range of Awards \$	
							Low %	High %	Low \$	High \$
UC Health	2	\$ 1,025,322.00	\$ 512,661.00	\$ 209,170.84	\$ 104,585.42	20.00%	18.00%	22.00%	\$ 73,800.00	\$ 135,370.84
UCD	22	\$ 5,611,162.37	\$ 255,052.83	\$ 1,095,419.17	\$ 49,791.78	18.66%	16.17%	24.67%	\$ 13,436.54	\$ 209,350.93
UCI	9	\$ 3,264,276.39	\$ 362,697.38	\$ 554,347.72	\$ 61,594.19	16.03%	10.33%	20.98%	\$ 27,658.62	\$ 167,840.00
UCLA	14	\$ 5,232,110.02	\$ 373,722.14	\$ 1,972,905.16	\$ 140,921.80	14.81%	18.75%	26.00%	\$ 19,975.10	\$ 138,725.00
UCSD	No Amounts Provided									
UCSF	35	\$ 12,975,152.83	\$ 370,718.65	\$ 1,140,921.20	\$ 66,292.82	15.45%	12.08%	18.67%	\$ 35,676.27	\$ 185,155.99

Participant Total Awards by Location by Tier

	# of Participants FY16	Total Salaries	Average Salary	Total Awards (\$)	Average Award (\$)	Average Award (%)	Target as % of Salary	Max as % of Salary	Range of Awards (%)		Range of Awards (\$)	
									Low	High	Low	High
UC Health												
Tier I	1	\$ 615,322.00	\$ 615,322.00	\$ 135,370.84	\$ 135,370.84	22.00%	20%	30%	n/a	n/a	n/a	n/a
Tier II	1	\$ 410,000.00	\$ 410,000.00	\$ 73,800.00	\$ 73,800.00	18.00%	15%	25%	n/a	n/a	n/a	n/a
UC Davis												
Tier I	1	\$ 848,720.00	\$ 848,720.00	\$ 209,350.93	\$ 209,350.93	24.67%	20%	30%	n/a	n/a	n/a	n/a
Tier II	8	\$ 2,234,813.24	\$ 279,351.66	\$ 446,285.92	\$ 55,785.74	20.02%	15%	25%	17.71%	20.71%	\$ 16,139.45	\$ 90,730.66
Tier III	13	\$ 2,527,629.13	\$ 194,433.01	\$ 439,782.32	\$ 33,829.41	17.36%	15%	20%	16.17%	17.92%	\$ 13,436.54	\$ 46,646.94
UCI												
Tier I	1	\$ 800,000.00	\$ 800,000.00	\$ 167,840.00	\$ 167,840.00	20.98%	20%	30%	n/a	n/a	n/a	n/a
Tier II	7	\$ 2,196,558.39	\$ 313,794.06	\$ 358,849.10	\$ 51,264.16	16.13%	15%	25%	14.23%	17.22%	\$ 33,611.70	\$ 81,532.43
Tier IV	1	\$ 267,718.00	\$ 267,718.00	\$ 27,658.62	\$ 27,658.62	10.33%	9%	15%	n/a	n/a	n/a	n/a
UCLA												
Tier I	1	\$ 367,919.99	\$ 367,919.99	\$ 95,659.20	\$ 95,659.20	26.00%	20%	30%	n/a	n/a	n/a	n/a
Tier II	11	\$ 4,305,822.03	\$ 331,217.08	\$ 940,568.04	\$ 72,351.39	21.84%	15%	25%	20.38%	22.38%	\$ 15,853.33	\$ 138,725.00
Tier III	2	\$ 558,368.00	\$ 279,184.00	\$ 104,694.00	\$ 52,347.00	18.75%	15%	20%	18.75%	18.75%	\$ 43,433.06	\$ 61,260.94
UCSD	No Amounts Provided											
UCSF												
Tier I	2	\$ 1,706,942	\$ 853,471.00	\$ 318,626.47	\$ 159,313.24	18.67%	20%	30%	18.67%	18.67%	\$ 133,470.48	\$ 185,155.99
Tier II	32	\$ 11,106,215.53	\$ 336,551.99	\$ 1,638,821.12	\$ 49,661.25	14.74%	15%	25%	12.08%	16.33%	\$ 18,006.69	\$ 97,919.22
Tier III	1	\$ 161,995.30	\$ 161,995.30	\$ 15,457.67	\$ 15,457.67	9.54%	15%	20%	9.54%	9.54%	\$ 15,457.67	\$ 15,457.67

FY16 CEMRP Participant Total Awards, Individual Awards, and Institutional Results
 % at each Opportunity Level by Medical Center and by Tier

Total Awards at each Opportunity Level (Systemwide + Institutional + Individual components)

Location	Tier I				NOTABLE OBSERVATIONS
	Not Met 0%	Thres .1-10%	Target 10.1-20%	Max 20.1-30%	
	Percentages indicate the maximum percent of salary that can be awards for the indicated level of results.				
UCD				1	Three Tier I participants received awards in the Maximum range.
UCI				1	
UCLA				1	
UCSD	No results provided				
UCSF			2		
UC Health				1	

Location	Tier II				NOTABLE OBSERVATIONS
	Not Met 0%	Thres .1-7.5%	Target 7.6-15%	Max 15.1-25%	
UCD				8	At two locations, all Tier II participants received awards in the Maximum range
UCI			2	5	At UCSF, close to half of the participants received awards in the Target range and the other half received awards in the Maximum range.
UCLA				11	
UCSD	No results provided				
UCSF			14	18	
UC Health				1	

Location	Tier III				NOTABLE OBSERVATIONS
	Not Met 0%	Thres .1-7.5%	Target 7.6-15%	Max 15.1-20%	
UCD				13	14 of the 15 Tier III participants received an award in the Maximum range.
UCI	No Tier III participants.				
UCLA				2	UC Health had no Tier III participants.

FY16 CEMRP Participant Total Awards, Individual Awards, and Institutional Results
 % at each Opportunity Level by Medical Center and by Tier

UCSD	No results provided		
UCSF		1	

Continued - # Total Awards at each Opportunity Level (Systemwide + Institutional + Individual components)

Tier IV				
Not Met	Thres	Target	Max	The Plan does not allow for custom ranges but UCI created an opportunity level unique to their location.
0%	.1-4.5%	4.6-9%	9.1-15%	
UCI (Tier IV)			1	

Institutional Results (Based on Medical Center meeting their 3 defined objectives)

	>Not met =Thres	>Thres =Target	>Tar = Max	NOTABLE OBSERVATIONS
	Threshold Range	Target Range	Max Range	
UCD		1	2	UCLA had the same results as the prior year two years. UCLA was the only location with all 3 results in the Max range. UC Health does not have institutional objectives/results.
UCI	1.5	0.5	1	
UCLA			3	
UCSD	No results provided			
UCSF	1	1	1	

FY16 CEMRP Participant Total Awards, Individual Awards, and Institutional Results
 % at each Opportunity Level by Medical Center and by Tier

Individual component of Participant Awards (Based on individual's performance)

	>Not met =Thres	>Thres =Target	>Tar = Max	
Tier I				
Location	Not Met	Thres	Target	Max
UCD				1
UCI				1
UCLA				1
UCSD	No results provided			
UCSF			2	
UC Health				1
NOTABLE OBSERVATIONS				
UCSF was the only location where the individual component was not in Max range.				

	Not Met	Thres	Target	Max	
Tier II					
UCD			1	7	UCSF - Over half of the participants were in the Target or Threshold range Only UCSF had participants who performed in the Threshold range.
UCI			2	5	
UCLA			1	10	
UCSD	No results provided				
UCSF		3	14	15	
UC Health				1	

	Not Met	Thres	Target	Max		
Tier III						
UCD			1	12	88% of Tier III participants were in the Maximum range.	
UCI	No Tier III participants.					
UCLA				2		
UCSD	No results provided					
UCSF		1				

FY16 CEMRP Participant Total Awards, Individual Awards, and Institutional Results
% at each Opportunity Level by Medical Center and by Tier

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Tier IV				
	Not Met	Thres	Target	Max
UCI				1

FY17 CEMRP PERFORMANCE OBJECTIVES
SYSTEMWIDE AND INSTITUTIONAL
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Performance Objectives	Objective Description or Measure (Condensed)	Benchmark / Baseline
Systemwide-Entity		
<p>1. LEVERAGING SCALE FOR VALUE AT UC HEALTH</p> <p>This program brings together the management of the UC medical centers to accelerate aligned operations in revenue cycle, supply chain/procurement, and information technology. The ultimate objective is to improve quality, create greater value and enhance UC Health operating margin.</p>	<p><u>SUPPLY CHAIN AND PROCUREMENT LSFV IMPROVEMENT</u> The LSFV Supply Chain team will deliver spend savings through system wide strategic sourcing and supply chain efforts across: pharmacy, laboratory, cardiology, surgery, purchased services, and general procurement categories. Supply chain and procurement’s contribution to the success of this objective will be through achieving between \$115 M and \$150 M in supply chain savings during FY 2017.</p> <p><u>REVENUE CYCLE PERFORMANCE LSFV IMPROVEMENT</u> The LSFV Revenue Cycle effort continues to be crucial for the stability and success of UC Health. Revenue Cycle success will be met by sustaining \$120 M in reoccurring benefits, and achieving initiative-related benefits ranging between \$14 M - \$19 M during FY 2017.</p> <p><u>INFORMATION TECHNOLOGY</u> The LSFV Information Technology leadership team will continue their efforts to coordinate infrastructure development, systems management, and strategic planning. Information technology success will be met by achieving savings ranging between \$17.3 M threshold and \$25.9 M maximum IT savings. <u>Threshold:</u> Achieving combined expense savings and income value from supply chain/procurement, revenue cycle, and information technology in excess of \$252.3 M. <u>Target:</u> Achieving combined expense savings and income value from supply chain/procurement, revenue cycle, and information technology in excess of \$280.6 M. <u>Maximum:</u> Achieving combined expense savings and income value from supply chain/procurement, revenue cycle, and information technology in excess of \$314.9 M.</p>	
<p>2. CLINICAL IMPROVEMENT:</p>	<p>Access Improvement Measurement (AIM): Reducing Inpatient Bed Days</p>	<p>Measure notes:</p>

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Performance Objectives	Objective Description or Measure (Condensed)	Benchmark / Baseline
<p style="text-align: center;">IMPROVING ACCESS TO CARE</p> <p>The Clinical Improvement objective scales/spreads local programs to develop sustainable, system-wide initiatives resulting in significantly improved clinical quality outcomes. The success of this initiative is key, as it demonstrates the ability of UC medical centers to deliver efficient, high-value, consistent clinical care throughout the entire UC Health system.</p>	<p>Reducing excess in-patient bed days, will allow the UC med centers to provide greater in-patient access and better service to more patients who need the unique services provided at UC Medical Centers.</p> <p>The UC medical centers will employ multiple strategies and initiatives to appropriately reduce excess in-patient bed days. To accelerate this effort, a system-wide collaboration to share best practices will be implemented in FY17.</p> <p>Improvement Measure: The measure to be improved will be UC Health “Excess Bed Days” defined as: $\frac{\text{Vizient Observed LOS} - \text{Vizient Expected LOS (2015 Risk Model (AMC))}}{\text{Number of Patients}}$</p> <p><u>Threshold:</u> 3 out of 6 grouped medical centers achieve a 4% reduction in excess bed days. <u>Target:</u> 4 out of 6 grouped medical centers achieve a 4% reduction in excess bed days. <u>Maximum:</u> 5 out of 6 grouped medical centers achieve a 4% reduction in excess bed days.</p> <p>Objective notes: Maximum target range selected to account for current high performance at some sites, and expected impacts of opening new facilities in FY 2017.</p>	<p>“Excess Bed Days” results will be grouped by UC’s Vizient reporting entities.</p> <p>Measure source: Vizient Clinical Data Base/Resource Manager Tool, Patient Outcomes report.</p> <p>Improvement Baseline: “Excess Bed Days” baseline will be the measure average over the first three quarters of FY 2016 (i.e., Jul 2015 - Mar 2016) grouped by Vizient reporting medical centers.</p> <p>Success for this objective will be: A 4% “Excess Bed Days” measure reduction from the corresponding group’s baseline over July 1, 2016 - April 30, 2017.</p>
<p>3. MANAGING CARE IN AN ENVIRONMENT WHERE UC IS AT FINANCIAL RISK</p> <p>In the current “at risk” environment (vs fee for service), it is imperative that UC Health (each Medical Center and its providers, as well as the System overall) have a handle on the metrics for determining “value added” as well as the means to perform to those metrics.</p>	<p>Determine best practices within the System, spreading those best practices throughout UC Health and share, instead of duplicating, the infrastructure (people and systems) necessary for this to happen.</p> <p><u>Threshold:</u> Develop a system wide governance model to provide system wide and local metrics to monitor those parameters (e.g. cost, quality, outcomes) necessary to manage the healthcare populations.</p> <p><u>Target:</u> Develop a system wide governance model to provide system wide and local metrics to monitor those parameters (e.g. cost, quality, outcomes) necessary to manage the healthcare populations.</p> <p>Develop and deploy an electronic system to capture and monitor parameters that allow the management of care in an at risk environment.</p>	

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	<p><u>Maximum:</u> Develop a system wide governance model to provide system wide and local metrics to monitor those parameters (e.g. cost, quality, outcomes) necessary to manage the healthcare populations.</p> <p>Develop and deploy an electronic system to capture and monitor parameters that allow the management of care in an at risk environment.</p> <p>Develop a system wide dashboard for monitoring aspects of population health relevant to a financial risk environment.</p>	
Long Term Objective		
<p><u>“Medi-Cal” Objective</u> The purpose is to engage the leadership (CEOs) of the medical centers in developing a UC Health-wide plan for addressing the challenges associated with the growing number of individuals enrolled in Medi-Cal.</p> <p>(This objective is only for Tier I Participants: UC Health and CEOs/Presidents)</p>	<p>The components of this systemwide strategy will include:</p> <ul style="list-style-type: none"> • Constructing a new Medi-Cal physician upper payment limit (UPL) for all UC physicians. This will provide more alternative reimbursements for physicians providing care to this population. • Deliver on the commitment that each medical center will have a contract with at least one managed medical plan in its service area using alternative payment methods (APM). • Institute at least one care management protocol for the Medi-Cal population to provide access to UC Health. The ultimate objective is to have a “UC Health Way” for managing the health needs of the Medi-Cal population. <p>Achievement will be judged at the end of the FY 18-19 year and graded as follows: Threshold: Achievement of one of the above Target: Achievement of two of the above Maximum: Achievement of three of the above</p>	<p>Baseline: UC Health’s clinical enterprise has experienced a 10% increase in Medi-Cal volumes. The increase resulted in approximately \$600M in uncovered expenses for UC Health systemwide.</p>
Medical Centers – Institutional		
<p>UC Davis</p> <p>1. Patient Experience: Increase patient satisfaction by improving HCAHPS Hospital Cleanliness</p>	<p>Performance may vary significantly based on age of facility. Threshold: Maintain 64.6% score (FY YTD average at time of goal development) Target: Achieve 65.5% score (10th – 20th percentile relative to other Press Ganey hospitals at the time of goal development)</p>	<p>Inpatient Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Scores and</p>

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Developed by Centers for Medicare and Medicaid Services in which performance to this score may impact hospital payments.	Maximum: Achieve 67.5% score (20 th percentile relative to other Press Ganey hospitals at the time of goal development)	Press Ganey (Data and Benchmarking)
UC Davis 2. Quality & Safety: Improve hand hygiene compliance rate.	The Centers for Disease Control and Prevention recognize hand hygiene as the most important intervention for preventing hospital acquired infections. <u>Challenge:</u> Due to the manual process, there are limitations to providing real-time data, potential for human error, and the possibility of biased data. Threshold: Maintain 82.7% hand hygiene compliance (baseline at time of goal development) Target: Achieve 84.0% hand hygiene compliance Maximum: Achieve 85.0% hand hygiene compliance (Joint Commission benchmark)	Internal Reporting (Data) and Joint Commission (Benchmarking)
UC Davis 3. Financial Stewardship: Improve the observed-to-expected length of stay ratio.	Reducing the length of stay index provides the opportunity to lower costs, improve access, increase revenue, and reduce clinical variation to improve quality. <u>Challenge:</u> Updated risk model; patient volumes continue to grow with more acute patients with limited post-acute placement options. Threshold: Maintain 1.0379 LOS Index (baseline at time of goal development) Target: Achieve 1.0371 LOS Index Maximum: Achieve 1.0361 LOS Index (Vizient median ratio for academic medical centers)	Measure: Observed/Expected Length of Stay (LOS) Internal Financial Reporting Tools (Data) and Vizient (Benchmarking)
UC Irvine 1. Quality Improvement	A. Hand Hygiene Compliance (Percent improvement over prior year) B. Improvement in Culture of Safety Survey Completion Rate C. Increased Utilization of Multidisciplinary Rounding Threshold: Inpatient A. 80% compliance B. 50% completion rate C. 10% improvement from baseline Target: Inpatient A. 84% compliance B. 65% completion rate C. 15% improvement from baseline Maximum: Inpatient A. 88% compliance B. 80% completion rate C. 20% improvement from baseline	Center for Disease Control (CDC) national reported average compliance of 40%. Objectives are based on Improvement above baseline at 10%, 15% and 20%
UC Irvine 2. Financial Performance	A. Days Cash on Hand B. Percentile improvement in Action OI (an operational benchmarking system) for Cost per Adjusted Discharge.	Baseline: Un-Audited Financial Results for June 30 Year-End FY16: A. 95 B. 94 th

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	<p>Threshold: A. 100 B. 85th Target: A. 105 B. 80th Maximum: A. 110 B. 75th</p>							
<p>UC Irvine 3. Patient Satisfaction</p>	<p>A. Improve HCAHPS "Recommend this Hospital" score B. Improve CGCAHPS "recommend this provider office" score</p> <p>Note: Current Press Ganey Large Hospital Benchmark HCAHPS & CGCAHPS respectively</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>25th %ile</th> <th>50th %ile</th> <th>75th %ile</th> </tr> </thead> <tbody> <tr> <td>A. 67.3 B. 88.5</td> <td>A. 73.6 B. 91.1</td> <td>A.79 B. 92.7</td> </tr> </tbody> </table> <p>Threshold: A. 80.5% B. 88.9% Target: A. 81.4% B. 89.6% Maximum: A. 82.4% B. 90.5%</p>	25th %ile	50th %ile	75th %ile	A. 67.3 B. 88.5	A. 73.6 B. 91.1	A.79 B. 92.7	<p>Healthcare Providers and Systems (HCAHPS) Scores Clinician and Group Consumer Assessment of Healthcare Providers and Systems (CG CAHPS)</p>
25th %ile	50th %ile	75th %ile						
A. 67.3 B. 88.5	A. 73.6 B. 91.1	A.79 B. 92.7						
<p>UCLA 1. Quality Improvement Movers Scorecard</p>	<p>MOVERS is an acronym that captures key publicly reported quality measures as follows: (1) Mortality Risk-Adjusted Mortality; (2) Outcomes, including CMS Core Measures (TJC Composite), Population-Based MSSP Quality Gate Measures, HBIPS (Psychiatry); Value-Based Care Redesign; Experience, including key patient experience dimensional scores aimed at improving Nurse Communication Pain Management, Discharge Information, Ambulatory (Ambulatory Staff Office Communication); Readmissions Reduction; Patient Safety.</p> <p>Threshold: Status = 12 Quality Rating Points Target: Status = 21 Quality Rating Points Maximum: Status = 25+ Quality Rating Points</p>	<p>Data collected by: Mortality: University Hospital Consortium (UHC) Risk Adjusted Mortality Report</p> <p>Outcomes: UHC Hospital Quality Measures Report - Composite Measures - The Joint Commission (TJC) Accountability Measure.; MSSP - Internally Tracked Value: Internally Tracked Experience: H-CAHPS -CG-CAHPS - ARQH Readmissions: UHC Vitals in Safety Report / 30 Day All Cause Readmissions Safety: UHC Quality & Safety Report -AHRC Patient Safety Composite Index.</p>						
<p>UCLA 2. Patient Satisfaction</p>	<p>Preserve Standing in Patient Experience as Measured by HCAPHs & CG-CAHPS Related Metrics. There is a growing sense of the need for transparency around not only clinical outcomes but patient experience. Increasingly, brand, market share and</p>	<p>Industry benchmarks are based on HCAHPS & CGCAHPS percentile rankings.</p>						

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	payer reimbursement incentives are tied to patient satisfaction outcomes. Threshold: 80th %tile Target: 85th %tile Maximum: 87th %tile	
UCLA 3. Financial Performance Net Operating Margin	Achieve Net Operating Margin (margin before non-operating revenue/expense) Budget Target to Sustain Needs of Health Sciences * Threshold: \$100.4M = 4.2% Net Operating Margin* Target: \$110.4M = 4.6% Net Operating Margin* Maximum: \$110.4M = 4.6% Net Operating Margin* *excludes non-cash expenses for pension/post-retirement health and all new UCOP system-wide professional fee contracts)	Current Benchmark: UCLA is matching the Council of Teaching Hospitals (COTH)/Association of American Medical Colleges (AAMC) median of 4.2%. Note: Threshold objective is based on the FY17 case scenario submitted to UCOP Health Sciences & Services and the Regents.
UCSD 1. Quality Improvement	Improve quality of care provided to patients measured by decreased readmission rates. Threshold: 11.6127 Target: 11.4954 Maximum: 11.3781	Baseline: FY16 Actual 11.73 30-day all cause readmission rate University Healthcare Consortium (UHC) represents a 1-3% improvement from FY 16 actual
UCSD 2. Financial Performance	Reduce total expenses measured by a favorable variance from budgeted cost per adjusted patient day. Threshold: .1% favorable variance Target: .5% favorable variance Maximum: 1% favorable variance	Baseline: data from UCSD Health System Budgeting & Financial Forecasting Department
UCSD 3. Patient Satisfaction	Increase patient satisfaction by reducing appointment wait times. Measured by: % of new patients booked within 7 days. Threshold represents a 31.6% increase in appointments, Target represents a 55.5% increase in appointments, Max represents a 79.4% increase in appointments w/in 7 days. Threshold: 55% of new patients booked within 7 days. Target: 65% of new patients booked within 7 days. Maximum: 75% of new patients booked within 7 days.	Baseline: Currently approximately 41% of UCSD new patients are scheduled for an appointment within 7 days of calling. Measure will be obtained from quarterly reports.
UCSF 1. Quality Improvement	This goal is new this year. Counting the number of harm events across the organization, and striving to lower this number, provides a tangible goal on which to focus. Each unit or clinic will be given its number of harm events, with a target to	Baseline: Number of events that cause harm to patients from the FY16 harm events baseline (with adjustment for

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Achieve Zero Harm	reduce the harms most relevant to their area. The data definitions below show the areas of focus and the organization-wide count. Threshold: Decrease by 40 events Target: Decrease by 50 events Maximum: Decrease by 60 events	volume growth).
UCSF 2. Patient Satisfaction Create an exceptional experience for our patients and their families.	Similar to years past, creating an exceptional experience for our patients and their families is a key goal. Each unit or practice will have an individual target, and the high-level goal is based on the number of units or practices that reach their individual target. Each unit or practice will have an individual target, and the high-level goal is based on the number of units or practices that reach their individual target. Targets will be based on the fiscal year end performance in FY16 for each unit/practice area, and an improvement calculation will be applied equally to set the target for FY17. Threshold: 50-74% (of units meeting individual goals) Target: 75-79% (of units meeting individual goals) Maximum: 80%> (of units meeting individual goals)	We will continue to measure the top box (CAHPS surveys) or mean score (Press Ganey surveys) for the "Recommend" survey question for Medical Center staff. Targets will be based on the fiscal year end performance in FY16 for each unit/practice area, and an improvement calculation will be applied equally to set the target for FY17.
UCSF 3. Financial Performance	Optimize financial performance to achieve the UCSF vision. Reduce operating cost per case.* (and break-even on Medicare) Threshold: \$25,015 (cost per case) Target: \$24,890 (cost per case) Maximum: \$24,765 (cost per case) *Discharges adjusted for outpatient activity and acuity.	Benchmark: Achieve the 75th percentile among University Healthcare Consortium (UHC) peer group

NOTABLE OBSERVATIONS

Sullivan and Cotter consultants were utilized by the medical centers. We continue to note improvement in the quality of the objectives since they have been retained.

Med Ctr	Position	Tier	Support Institutional Objectives?	Specific	Measurable	Stretch *	Benchmarks	Comments
UC Davis	Sr. Patient Care Svcs Officer	II	0 of 3	3 of 3	3 of 3	3 of 3 (partial)	1 of 3	For 2 of 3 Objectives, Threshold award will be attained by matching current year performance. All 3 objectives are shared with the Director of Patient Care Svcs Benchmarks - 2 of 3 are new initiatives so there are no benchmarks
	Dir, Health System Contracts	II	0 of 3	3 of 3	3 of 3	3 of 3	0 of 3	
	Dir, Patient Care Svcs	III	0 of 3	3 of 3	3 of 3	3 of 3 (partial)	1 of 3	For 2 of 3 Objectives, Threshold award will be attained by matching current year performance. All 3 objectives are shared with the Sr. Patient Care Svcs Officer. Benchmarks - 2 of 3 are new initiatives so there are no benchmarks
	Chief Medical Officer	II	1 of 3	3 of 3	3 of 3	3 of 3	n/a	Benchmarks - 2 of 3 are new programs and for the other, they are n/a
	Dir Clinical Operations	II	0 of 3	3 of 3	3 of 3	3 of 3 (partial)	n/a	Partial Stretch - An objective's Threshold achievement is the same as current year actual
UC Irvine	Chief Information Officer	II	0 of 3	3 of 3	3 of 3	3 of 3	n/a	
	Chief Medical Officer	II	0 of 3	3 of 3	3 of 3	3 of 3	2 of 3	
	Director of Community & Gov't	II	0 of 3	3 of 3	3 of 3	3 of 3 (partial)	0 of 3	Partial Stretch - For 1 of 3 objectives, if a "working group" is identified by December 2016, Threshold level achieved.
UCLA	Chief Operating Officer	II	0 of 3	3 of 3	3 of 3	3 of 3	2 of 3	Benchmarks are internal - prior year actuals
	CFO	II	0 of 2	2 of 2	2 of 2	2 of 2 (partial)	1 of 2	Partial Stretch as award for Target based on prior year actuals Benchmark = Moodys

Med Ctr	Position	Tier	Support Institutional Objectives?	Specific	Measurable	Stretch*	Benchmarks	Comments
UCLA (cont'd)	Chief Admin. Officer - Santa Monica	II	0 of 2	2 of 2	2 of 2	2 of 2 (partial)	0 of 2	For one objective, Threshold award earned if 1 team meeting held and working plan is developed
	Chief Clinical Officer	II	0 of 3	3 of 3	3 of 3	3 of 3 (partial)	0 of 3	Partial Stretch - for one objective, Threshold measure is prior year actual.
	Chief Contracting Officer	II	0 of 3	3 of 3	3 of 3	3 of 3	0 of 3	
UCSD	AVC Health Sci. Dev. & Alumni Relations	II	0 of 2	2 of 2	2 of 2	2 of 2	0 of 2	
	Chief Admin Officer	II	0 of 3	3 of 3	3 of 3	3 of 3	0 of 3	
	Chief Clinical Officer	II	0 of 3	3 of 3	3 of 3	3 of 3 (partial)	0 of 3	For one objective, Threshold measure is prior year actual. Due to the opening of a new hospital, it is expected to be more challenging to obtain the same results.
	Chief Contracting Officer	II	0 of 3	3 of 3	3 of 3	3 of 3	0 of 3	
UCSF	VP Faculty Practice Operations	II	0 of 2	2 of 2	2 of 2	2 of 2	0 of 2	Baselines are FY16 actual. All Threshold levels are higher than prior year actual
	VP Clinical Svcs (interim)	II	1 of 2	2 of 2	2 of 2	2 of 2	0 of 2	
	Interim Exec Dir, Clinical Systems	II	3 of 3	3 of 3	3 of 3	2 of 3 (partial)	1 of 3	Benchmark - Moodys Partial Stretch - for one objective, Maximum is prior year actual. For another objective, Threshold is achieving budget.
	VP/Chief Medical	II	0 of 2	2 of 2	2 of 2	2 of 2	0 of 2	
	President, UCSF Medical and Senior VP, UCSF Health-Adult	II	0 of 2	2 of 2	2 of 2	2 of 2	0 of 2	

NOTABLE OBSERVATIONS

Specific & Measurable - The majority of objectives reviewed met this criteria.

Stretch - At four locations, one or more participants reviewed had a Threshold or Target objective to attain prior year actual results or attain budget so these did not appear to be stretch.

Benchmarks - Due to changes in the health care environment, all locations have new initiatives. Many of these are specific to the medical center and there are no industry benchmarks.

* Note: Auditor reviewed for "stretch" as movement from prior year or year 1 of new initiative. If industry benchmark was not provided, reviewed baseline or prior

C-Level Executive Participants Common Objectives (condensed)
Among UC locations

Position	Common Participant Objectives	Location
CEO/President	<p>A Systemwide Strategy that results in:</p> <ul style="list-style-type: none"> • A new Medi-Cal physician upper payment limit (UPL) for all UC physicians. This will provide more alternative reimbursements for physicians providing care to this population. • Each medical center will have a contract with at least one managed medical plan in its service area using alternative payment methods (APM). • At least one care management protocol for the Medi-Cal population to provide access to UC Health. 	<p>All Tier I Participants share this long term incentive objective. They no longer have individual participant objectives.</p> <p>Achievement will be judged at the end of the FY 18-19.</p>
COO Medical Ctr / Health System	<ul style="list-style-type: none"> • Technology: Develop infrastructure to support participating affiliates and advanced payer models (UC San Diego). Provide patients digital access to primary care team and improve cost transparency to Plan members via digital platforms. (UCSF – Canopy Health Accountable Care Network) 	<p>UC San Diego</p> <p>and</p> <p>UCSF – Canopy Health Accountable Care Network</p>
CFO	<ul style="list-style-type: none"> • Improve Days Cash On Hand • Improve Revenue Cycle/Account Receivables 	<ul style="list-style-type: none"> • UCLA, UCSF - DCOH • UC San Diego, UC Irvine Revenue Cycle
CMO	No common objectives	
CNO/Chief Nurse Executive	<p>Reduce Healthcare-Acquired Infections:</p> <ul style="list-style-type: none"> • Sepsis (UCLA) • Surgical Site Infection, Central Line-Associated Blood Infection (CLASBI), Pneumonia(UC Davis) 	<p>UCLA, UC Davis</p> <p>Note: Currently, these are the only two locations with a CNO or CNE</p>

NOTABLE OBSERVATIONS

- All Tier 1 participants have the same long term incentive objective. Individual objectives have been eliminated for this level.
- At the C- Level, participants from two or more campuses share an objective except for the Chief Nursing Officer/Executive. However, there are only two locations where this position is filled or eligible to participate.