



University of California
San Francisco

UCSF Health System Strategic Plan

FAS

March 6, 2014

UCSF Clinical Activities

UCSF Health System

Owned and Operated

UCSF Medical Center
UCSF Benioff Children's Hospital
Children's Hospital Oakland
Langley Porter Psychiatric Hospital

Network Affiliation

Hill Physicians
Valley Care
Washington Township etc

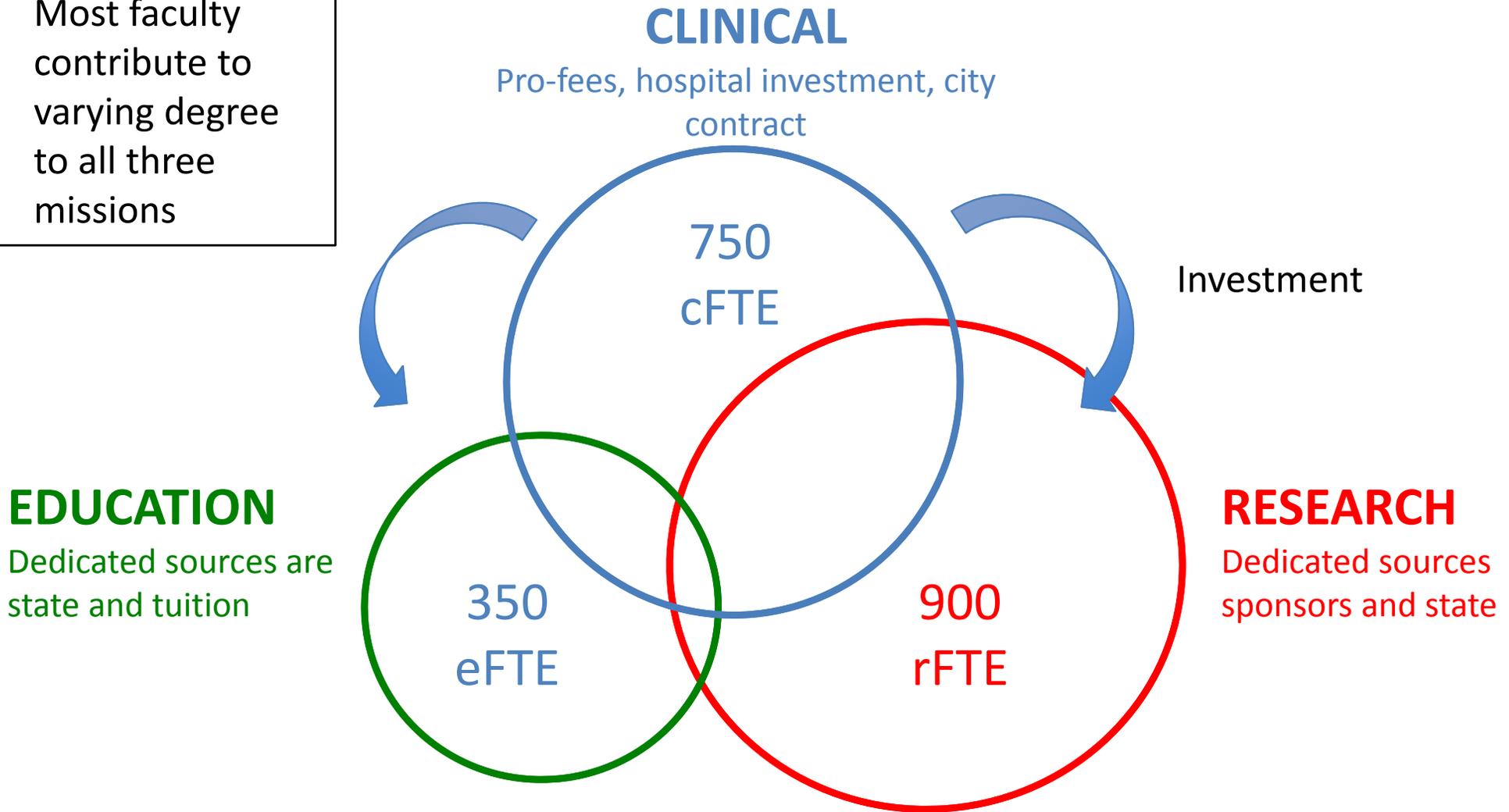
Other SOM
activity
(outside the UCSF
Health System)

SFGH

VAMC

Overlapping missions depend on cross-subsidization through departmental and dean's taxes on clinical income

Most faculty contribute to varying degree to all three missions



More than half the clinical care provided by SOM faculty is outside UCSF Medical Center

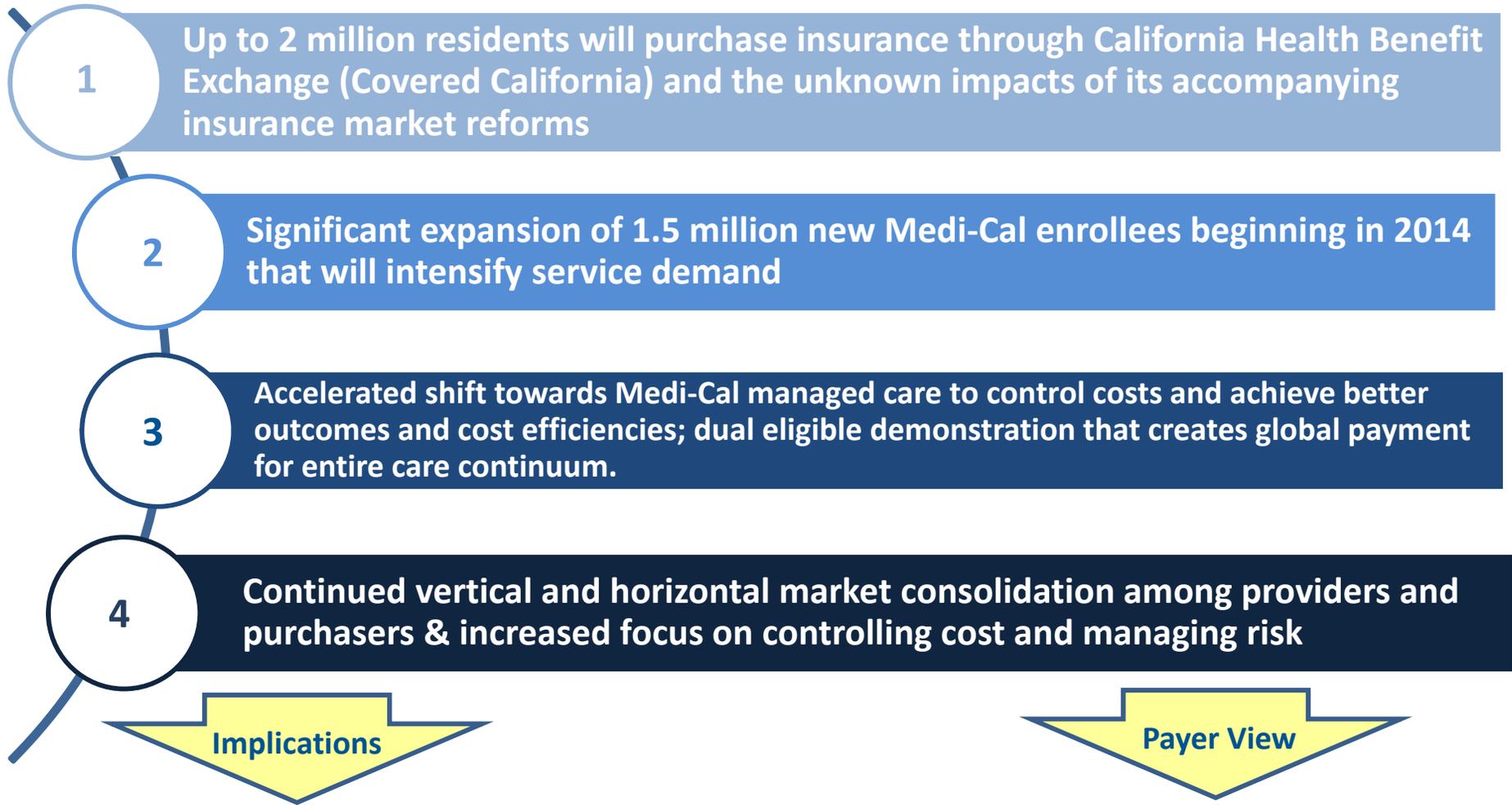
	Licensed beds	Outpatient visits
UCSF Medical Center	720	765,000
SFGH	686	580,766
SF VA Medical Center	124	595,173
Langley Porter Psychiatric Institute	22	33,400
TOTAL	1552	1,974,339

Clinical revenue \$580 million per year excluding VA activity, margin approx. \$50M

A Healthcare Revolution Is Underway

- Fundamental change in care delivery and payment models
- Consolidation of providers into mega-systems
- Payments more aligned with value delivered
- Health exchanges have gone live
- Highly integrated networks, with proven care management capability, will be optimally positioned to compete in the new environment
- UCSF must adapt or be marginalized

Public Policy and National Market Dynamics



- Increasingly narrower networks and continued shift towards accountable care, bundled payment and other arrangements that shift risk towards providers
- Erosion of available commercial margin and clinical revenue for investment

“The more you restrict the patient’s ability to do what they want, you risk reigniting the [managed care] backlash we had in the past”



-David Lansky, NY Times, March '2013

UCSF Health System SWOT – Current State Assessment

Strength	Weakness
<ul style="list-style-type: none"> • Regional leader in select tertiary/quaternary services • Research innovator • Clinical excellence • Capital investment in plant, IT • Nascent network development 	<ul style="list-style-type: none"> • Cost structure • Limited regional primary care • Hard to access specialists • Limited access to capital • Limited population health experience or infrastructure • Highly federated governance
<ul style="list-style-type: none"> • UCSF brand development • Trainer of the workforce • Nascent ACO experience • Regional relationships – getting to scale 	<ul style="list-style-type: none"> • Provider consolidation and competition • Changing insurance models • New world challenging to our 'core' identity & competencies
Opportunity	Threat

UCSF Health System Options Analysis



UCSF Must Continue to Evolve

**UCSF
Medical Center**



**UCSF
Health System**

2003 -2008

2009 -2013

2014 -2019

*Service Line
Growth*

*Bridge to
Mission Bay*

*Advancing
the Health
System*

Engagement Objectives and Timeline

This engagement has six objectives:

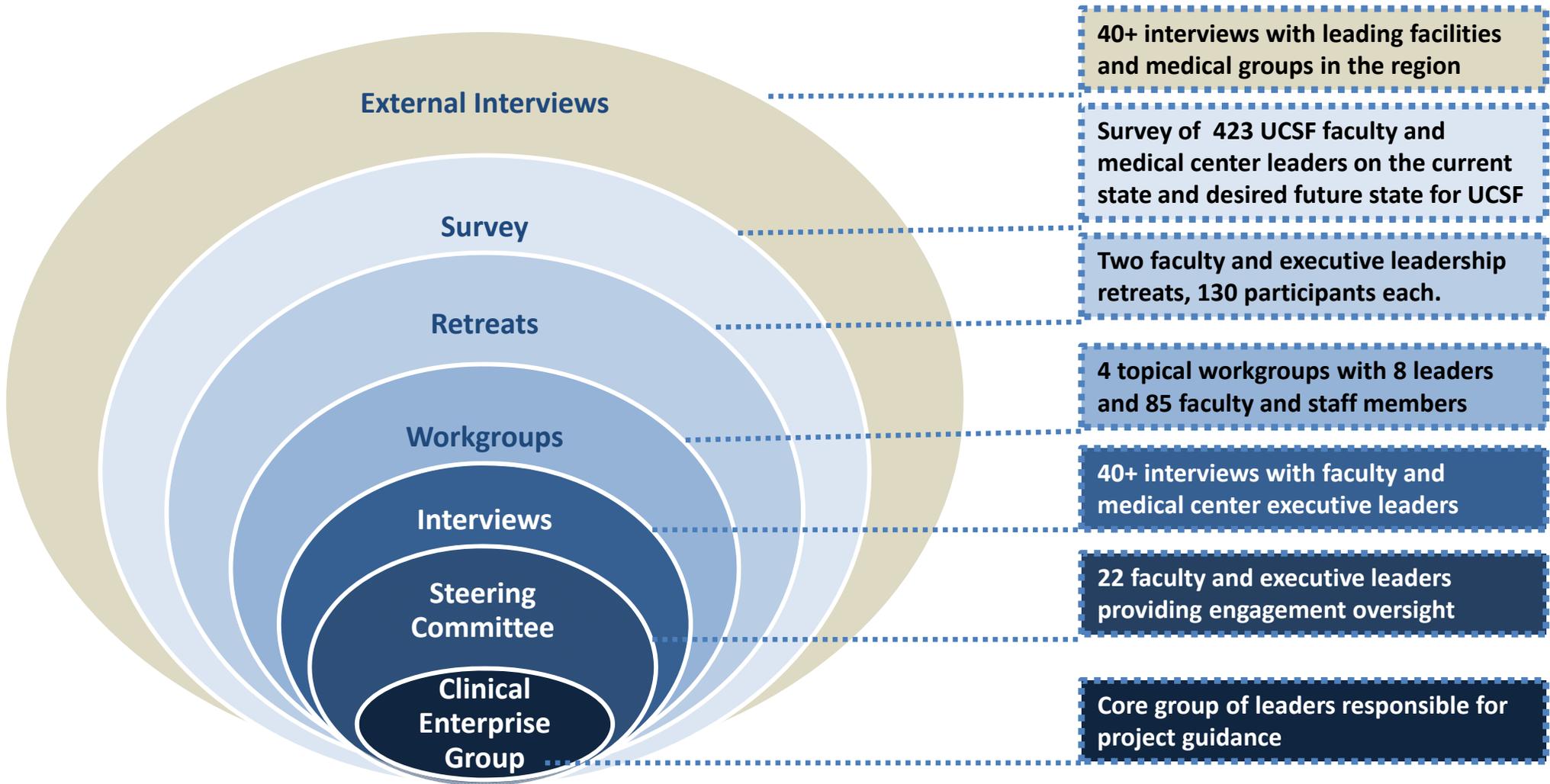
1. Build a five year clinical strategic plan for UCSF Clinical Enterprise based on broad stakeholder participation
2. Shape and advance an compelling vision for a distinct clinical strategy that engages regional healthcare providers and payers
3. Proactively navigate health reform, care delivery evolution, market change and consumer demands
4. Develop the game-changing organizational structure for a UCSF led Bay Area ACO
5. Integrate clinical, research, and education missions to maintain and extend UCSF's distinctive identity
6. Define the major program and capital priorities and update UCSFCE's financial plan to ensure necessary financing

Major Issues Addressed in this Engagement		
Strategic Alignments with Payers and Employers	A Regional System of Care	Fuller Integration with Community Physicians
A Greater Continuum of Care to Lower Costs	Internal Systems to Complement External Initiatives	A Sustainable Financial Model
Improved Alignment Between the Medical Center and the Faculty Practice		

Engagement Objectives and Timeline



Major Activities of the Engagement



UCSF Clinical Enterprise Vision 2014-2019

The UCSF Health System will provide innovative, high-quality, cost-competitive clinical services, and deliver an unparalleled patient experience across the entire care continuum

UCSF Health System Strategic Plan 2014-2020

Strategic Priorities:

1. Creating a culture of **continuous process improvement (CPI)**
2. Developing world class **destination programs**
3. Establishing a **high-value system of care (ACO)**



Strategic Workgroups



Strategic Imperatives:

Achieve a Culture of Continuous Process Improvement (CPI)

1. Establish an environment of CPI that fosters rewarding experiences for UCSF personnel to pursue and sustain outstanding, high-value, patient-centered care
2. Leverage, expand and integrate existing CPI resources and expertise
3. Establish a “Hub for CPI Transformation” that will serve as a central access point, triage, coordination & communication of CPI resources, tools & knowledge to faculty, staff and trainees across the UCSF Health System
4. Identify a UCSF Health System executive to lead the pursuit of CPI and who is accountable for achieving clinical enterprise targets for cost savings and faculty & staff engagement
5. Establish unit-based leadership groups across the UCSF Health System who will be the conduit for CPI

Strategic Imperatives: Lead in Destination Programs

1. Focus T/Q and specialty program growth around the strategic development of established and emerging adult and pediatric Destination Programs
2. Position Programs to compete on value by creating a model for success based on best practices, implementing a standardized approach to improve patient access and care transitions and simplifying access to clinical outcomes and financial data
3. Protect and grow regional market Destination Programs via coordinating regional outreach strategies and establishing magnet services with regional partners
4. Pilot and expand new payment models
5. Aggressively expand the lucrative international patient market, with a focus on the Pacific Rim nations, Middle East & India

Strategic Imperatives:

Perform as a High-Value System of Care (ACO)

1. Establish an accountable care organization (ACO) vision of having over one million Bay Area residents receiving high quality, affordable care in patient-friendly environments from a tightly integrated network of premier healthcare providers and institutions within 10 years
2. Distinguish alliance from competitors through: (1) competitive pricing (2) demonstrated quality, outcomes, and focus on patient experience (3) primary care availability, (4) access to highly specialized care, and (5) level of provider choice
3. Develop an integrated network of providers and institutions (Members) bound together through a newly formed joint venture
4. Establish a competitive, transparent pricing structure that delivers value and affordable premiums to purchasers, while distributing incurred shared savings to its members
5. Build capabilities related to clinical integration and care management, analytics, primary care services, contract management and actuarial functions

Enablers of UCSF's Vision and Strategic Priorities



Access & Network Development

Improving access to adult health services and programs, approaches to support better physician practice alignment with associates, faculty, foundation and community physicians and developing a robust plan to sustain and grow relationships with hospital systems and other providers.



Children's Services & CHO

Building a unified vision for the delivery of healthcare to children across the pediatric clinical enterprise and a strategy and implementation plan for the UCSF Benioff Children's Hospital San Francisco, Children's Hospital Oakland and other pediatric clinical enterprise affiliates.



IS Optimization & Analytics

Investing in data systems and analytics capabilities across the enterprise to facilitate population health activities, performance improvement, translational medicine, and risk-based contracting with purchasers.



Post-Acute Care

Offering a comprehensive spectrum of post-acute care services by strengthening internal capabilities, reinforcing a partner network of providers and developing processes to embed these services into population health and care processes.



Community Engagement

Engaging community providers and community based organizations and resources to complement and support health system population health activities.



Employee Engagement

Operating as a true "health system," driving collaboration and alignment across all operating divisions and all levels of the organization through common goals, processes and incentives.



Funds Flow

Optimizing and refining funds flow models to drive clinical growth and aligning ambulatory practice and other strategic imperative with funds flow goals.



Governance Objectives for UCSF Health System Organization

1. Strengthen our ability to act with one voice, marshal the financial and human resources of our entire organization to implement our clinical enterprise strategy as a leading regional health system with multiple campuses and services - and simplify decision making once our course has been set.
2. Strengthen the role of the Chairs in policy making for UCSF Health while also strengthening the role of management in implementing the needed strategies to sustain our clinical, educational, and research missions.
3. Recognize and prepare for the seamless integration of services around the patient and deliver an outstanding patient experience
4. Ensure accountability at every point of our health care system so that we can execute our strategy forcefully and efficiently

Management Objectives for UCSF Health System

1. Strategic Development

- Single point of accountability for regional system development
- Rapid action with respect to program development and innovation, including fast track recruitment

2. Operational Advancement

- Integrated managerial oversight for inpatient and ambulatory to achieve coordinated patient experience & other performance goals
- Unified Health System approach to fundamentally re-engineer all operations to achieve leaner cost model and higher throughput
- Unified quality & safety oversight over all clinical services
- Transparency of performance results

3. Fiscal Management

- Funds Flow Implementation
- Financial transparency across clinical services, including sources and uses of funds
- Integrated UCSF Health financial reporting
- UCSF Health Strategic Capital and Balance Sheet Plan

Summary of Projected Financial Impact

FY 2014-2019 (\$M)	
Benefits	\$208-379
Continuous Process Improvement	\$82-139
Destination Programs	\$84-142
Accountable Care Organization	\$42-98
Initial Investments	\$107
Operating Investments	\$164
Repurposing Resources (35%)	(\$57)
Net Impact	
Net Operating Impact of Strategic Initiatives	\$187
Capital Investments	\$209

UCSF Health System – Investments in Organizational Capacity

UCSF Health System Capabilities

**Business &
Network
Development**

**Risk
Contracting**

**Physician
Services
Management**

**Population
Health
Management**

Principles for UCSF Strategic Plan Implementation

1. Unified Direction – We are one organization and therefore must prioritize our collective needs over individual gains.
2. Transparency – We all gain when we have visibility into our progress against agreed upon strategies and objectives, and one understanding of our operating and financial performance.
3. Empowerment – Individuals and teams at all levels of our organization can and must contribute to our transformation.
4. Accountability – We are all accountable to each other for executing against this plan.

UCSF VISION 2020: *The UCSF Health System will provide innovative, high-quality, cost-competitive clinical services, and deliver an unparalleled patient experience across the entire care continuum*

Innovator in
the delivery
of complex
care

Accountable
Care Partner

Next
Generation
Educator

Leader in
Precision
Medicine

Engaged
Deeply with
Community

Organized as a highly aligned UCSF Health System
Transformed through **continuous process improvement**
Distinctive through research and innovation