



CENTER FOR HEALTH QUALITY & INNOVATION

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**WHITE PAPER: UC CENTER FOR HEALTH QUALITY AND INNOVATION**  
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**Who we are**

University of California Health consists of five academic medical centers – UC Davis, UC Irvine, UCLA, UC San Diego and UC San Francisco – and the nation’s largest health sciences training program with more than 14,000 students and 16 health professional schools. As the fourth-largest provider of care in California, consisting of 10 hospitals, our 5,000 faculty physicians and 32,000 staff members provide care to 3.8 million outpatients and 140,000 inpatients annually. More than 60 percent of patient days reflect care provided to uninsured patients or patients on Medicare or Medicaid.

Our reputation for cutting-edge treatment, teaching and research has garnered UC the highest recognition for such innovations as the nicotine patch, cochlear implants, Herceptin breast cancer treatment, and advancements in MRI and PET technology. We also treat half of California’s transplant patients and a quarter of California’s extensive burn care victims.

Recently, UC elected to harness the intellectual capacity and leadership of its faculty and staff to pursue systemwide transformation by creating a culture of purposeful improvement and efficiency.

The UC Center for Health Quality and Innovation (CHQI) was created to provide funding for innovative initiatives and programs developed by UC faculty and staff to improve health care quality and population health while decreasing the cost of care. Proposals that create a systems approach to change, embrace the patient perspective along the continuum of care, generate cost savings and have implications beyond UC are encouraged.

The CHQI board is composed of the six deans of the UC schools of medicine, five UC medical center CEOs and is chaired by the UC senior vice president for health sciences and services. The center received initial funding of \$5 million from UC medical centers. The executive director, Terry Leach, R.N., Esq., also currently serves as the coordinator of health policy for UC.

An operations committee of 22 individuals representing a variety of backgrounds from UC’s academic medical centers, schools of medicine and nursing, and UC Berkeley’s School of Public Health was appointed to facilitate the work of CHQI. The committee is charged with assisting in the development of requests for proposals (RFPs), evaluating proposals and making funding recommendations. Following the evaluation of more than 100 proposals, nine grants were awarded recently totaling \$3.4 million to UC faculty and staff. They include proposals to prevent blood clots, reduce preventable readmissions, decrease falls in hospitals and limit patient exposure to CT radiation.

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## **Mission**

The center will promote the transformation of health care delivery by creating a culture of purposeful improvement and efficiency leading to superior clinical approaches and cost savings. By leveraging talent and ideas through systemwide collaboration, CHQI expects to achieve a greater impact than could have been accomplished through individual efforts.

## **Where we plan to be in five years**

Over the next five years, we envision the center, with the engagement of selected partners, developing into a financially self-sustaining organization recognized nationally for developing innovations and pursuing a new paradigm of health care delivery that promotes a culture of improvement, dedicated to quality, efficiency and coordination of care.

## **Background**

While serving as the underpinnings of California's safety net, UC Health has managed to thrive in a competitive environment experiencing its worst downturn since the Depression. Our health care system's mix of funding sources – clinical care revenues, research, philanthropy, government support, etc. – is a delicate balance. While health care reform is predicated on the economic imperative for all components of health care delivery to “bend the cost curve,” academic health centers will have a special leadership role and will face special challenges.

The ongoing challenge of balancing specialty care and primary and preventive care, the need to balance value with expensive tests and procedures, the need to address demands for greater efficiency by public and private payers, particularly for academic medical centers, are among the many issues that we can and will lead on a coordinated basis.

One of our greatest challenges is balancing the need for increasingly individualized approaches to esoteric care and innovation, predicated on the “loosely coupled” or “federated” structure typical of academic health centers, with the rising call of policymakers for closer integration of all components of care delivery.

Our success in the new landscape will depend upon how well the current system of incentives and focus on autonomy can be replaced with a cultural framework that emphasizes teamwork and the overall patient experience. UC Health is committed to taking the steps to create a culture of deliberate improvement, mindful of the difficulties that are inherent whenever a culture is asked to undergo significant change.

## **Partnerships**

The five UC academic medical centers are participating in California's new five-year Section 1115 Medicaid waiver. In particular, we are participating in the Delivery System Reform Incentive Program (DSRIP), a federal pay-for-performance initiative that is the first of its kind in the nation in terms of its structure and scope. The program creates incentives for public hospital systems to dramatically expand upon recent quality improvement initiatives and make them systemwide. The incentive program offers an unprecedented opportunity for UC medical centers to receive a total of up to \$600 million in federal funds, provided we achieve ambitious milestones that will transform care delivery to be more integrated

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and organized, and improve patient health outcomes. This process is administered centrally by the executive director of CHQI.

CHQI is coordinating teams of subject matter experts from UC to work with the California Association of Public Hospitals and Health Systems to provide subject matter expertise for a sepsis and central line-associated bloodstream infection collaborative.

In addition, CHQI is exploring a partnership with a major health plan to create programs systemwide that improve quality and lower costs for its members that are also UC employees.

### **Possible next steps**

CHQI has relationships with faculty and staff at UC, many of whom are national experts in their fields. By creating a peer-review process designed to elicit and evaluate proposals, UC's CHQI is uniquely poised to work with policymakers to co-design RFPs and evaluate proposals that develop and share ideas and practices that improve patient safety and the efficiency in which care is provided.

Also, CHQI can work with interested stakeholders to study practices that are of urgent concern in the areas of patient safety, quality and efficiency.