

Statement of Principles *on Health Care Reform*



Serving the healthcare needs of California and the nation



The University of California is a leader in health education, research and healthcare delivery, with academic medical centers at its Davis, Irvine, Los Angeles, San Diego and San Francisco campuses, 4,800 faculty physicians and 16 health professions schools.

As the fourth-largest healthcare delivery system in California, and the leading provider of highly specialized hospital services, UC discharges approximately 140,000 inpatients, provides over 3.8 million outpatient visits, and trains more than 12,000 healthcare practitioners annually.

Clinical care. UC provides much of the complex care in California, which can often only be provided in an academic medical center, including half of all transplants, one-fourth of extensive burn care, and operating or staffing five Level 1

trauma centers throughout the state. UC also provides high-quality care to many publicly insured patients, the medically vulnerable, and a significant component of the state's uninsured population.

Medical research. UC also leads the world in investigating cures for hundreds of diseases that affect billions of people around the globe. UC discoveries such as cochlear implants for hearing disorders, the Herceptin antibody for breast cancer treatment, the nicotine patch for smoking cessation and the development of magnetic resonance imaging (MRI) technology, among many others, have dramatically improved healthcare delivery and outcomes. The development of MRI and PET technology at UC has rendered many exploratory surgeries obsolete, saving lives and billions of dollars around the globe.

The promise of meaningful reform

As a public trust, the University of California stands ready to play a significant role in discussions underway to address the healthcare crisis. As a partner in healthcare reform, UC can help policymakers by continuing to share our research and clinical observations as potential solutions are deliberated.

The promise of meaningful reform can only be achieved through a strong and stable delivery system, in which UC has the ability to provide high-quality services when and where people need them. Meaningful reform also requires support for high-cost specialty services that are essential to all Californians, such as trauma care, burn care and the training of health professionals.

The University is uniquely positioned to understand the many points of view on how to tackle the challenges: UC is a large healthcare provider in a competitive environment, a major employer facing rising healthcare costs, and an educational institution comprised of academicians, many of whom hold divergent views. UC can therefore play a crucial role as an honest broker to healthcare industries and stakeholders affected by healthcare reform.

As the largest system of academic health centers in the country, UC is committed to using the same intellectual vigor and rigor in developing health reform that it brings to its research, education and clinical care missions.



Necessary Conditions First, support our ability to fulfill our tripartite mission. The public policy solutions under consideration should not significantly undermine UC's financial health and capabilities to fulfill our mission to the people of California. For example, UC is heavily reliant on safety-net funding, which should not be dismantled.

Second, healthcare reform should be developed comprehensively. Because healthcare delivery is exceedingly complex, a piecemeal approach to reform can potentially un-do some policy solutions that are already providing beneficial services to Californians. While there may be instances in which UC will support certain elements of piecemeal reform, it cannot do so when they could significantly undermine our financial stability.

Key principles: There are several core issues that must be addressed to bring about comprehensive healthcare reform that improves access to quality, affordable health care, more efficiently.

UC principles for healthcare reform

1 PRESERVING THE SAFETY NET

A strong California healthcare safety net, which includes the University of California Medical Centers, protects our most vulnerable citizens who cannot secure coverage. As healthcare reforms take hold and insurance coverage gradually expands, the healthcare safety net must be supported or some individuals will fall through the cracks. The local, state and federal governments all play a critical role in ensuring a sufficient safety net for the publicly insured and uninsured.

Shifting or reducing the current safety net funding to finance coverage expansions would seriously weaken the safety net and diminish access to care for all Californians. It is essential to recognize that safety net funding helps cover a wide range of services, which will need to be increased as additional Californians gain coverage, and that we must protect vulnerable populations as we move towards expanded coverage.



2 ACCESS TO CARE

Access to quality, affordable healthcare is essential. Regardless of income or health insurance status, patients must have access to primary care that serves as a medical home for the coordination of care, focusing on the prevention of disease and management of chronic disease, and as a repository of electronic medical records, and access to specialty healthcare services.

California is a diverse state-as such, its healthcare system must be equipped to care for a diverse patient population. Access to culturally appropriate healthcare must be a priority to meet the needs of Californians.

3 QUALITY OF CARE

Healthy Californians are essential to workforce productivity and healthcare cost containment. The healthcare system must focus on prevention of illness as well as treating those illnesses and conditions that require intervention. UC endorses wellness programs, improvements in chronic disease management, and education that promotes personal health responsibility for its employees and all Californians.

UC believes that its first priority to its patients is to care for them safely and effectively. To that end, UC welcomes the development of programs to achieve this objective and supports a policy of withholding payment for adverse events when the penalty to

the provider is fair, transparent, and non-punitive and is calculated not to result in diminished access to care and the following criteria are satisfied for each event:

- Evidence demonstrates that the bulk of adverse events in question can be prevented by widespread adoption of achievable practices.
- The events can be measured accurately, in a way that is auditable.
- The events resulted in clinically significant patient harm.
- It is possible, through chart review, to differentiate the adverse events that began in the hospital from those that were present on admission.



4 MEANINGFUL BENEFIT DESIGN

Benefits should cover everyone for major acute health needs, chronic illness and case management, and effective preventive services. Patient out-of-pocket expenditures should be affordable and provide the right incentives to promote wellness.



5 TRAINING THE HEALTHCARE WORKFORCE

National shortages of health providers currently exist in several major health professions. Looming shortages exist in others and geographic shortages of providers that currently exist will become more serious without effective intervention.

The demand for culturally and linguistically competent health providers is growing, fueled by the increasing need and growing demand to improve access to care, reduce disparities in health status and improve health outcomes in our increasingly diverse country.

In addition to increasing the number of health professionals trained, UC is committed to exploring new paradigms for how health professionals are educated so that they can best serve the health needs of society.

6 MEDICAL INNOVATION

Medical research is essential to a strong healthcare system. Support for cutting edge research ensures that Californians have access to groundbreaking medical treatment. Moreover, such treatment may be determined to result in cost efficiencies that benefit all stakeholders.

UC provides a full range of patient care and develops new diagnostics and treatments.

7 COST CONTAINMENT

Containing healthcare costs must be a priority. Healthcare's rising price tag impacts all Californians, whether they are patients, healthcare providers, or employers. It is necessary to address major healthcare cost drivers, including technology, pharmaceuticals and supplies, state-of-the-art facilities, and a highly specialized workforce. Cost control in comprehensive reform cannot merely examine health care costs in isolation, however. It must consider the costs relative to the benefits and whether spending on a particular healthcare item could displace other expenditures.

8 TRANSPARENCY

Consumers deserve meaningful information in order to determine the value of hospital and provider services. In order for the information to be meaningful, a robust risk-adjustment methodology is necessary to foster accurate comparisons between providers that have a mix of services and different roles in the community and region.



HEALTHCARE AT UC

- UC is uniquely positioned to help address California's expected shortfall of up to 17,000 physicians by 2015. By 2020, the state will also need about 116,000 additional nurses.
- With the largest health sciences training program in the nation, UC trains approximately 60% of the medical students in California.
- Supported by the nation's largest grant for nursing education [\$100 million], the UC system established its third school of nursing at UC Davis this year.
- UC often has the only trauma care center and medical specialty services in the region. Statewide, UC provides treatment for half of all transplants, a quarter of extensive burn cases and operates or staffs five Level 1 trauma centers.
- UC's Programs in Medical Education [PRIME] produce physician-leaders committed and trained to improving health care in underserved communities, such as rural areas and in the Latino community.
- 40% of UC patients are uninsured or covered by Medi-Cal.
- UC's development of MRI and PET technology has rendered many exploratory surgeries obsolete, saving lives and billions of dollars worldwide.
- UC medical researchers develop innovative new drugs and techniques to treat and prevent disease. UC's medical centers perform hundreds of clinical trials every year. UC medical researchers have produced such landmark breakthroughs as discovering the genes that cause cancer.
- UC is a leading innovator in the development of patient-centered medical homes.

9 HEALTH INFORMATION TECHNOLOGY AND DATA

Healthcare providers must be accountable for healthcare costs, efficiency and quality, as well as providing data useful for tracking access to care by the underserved.

The current healthcare system requires extensive information reporting, but the data does little to assist patients, policymakers, and healthcare providers.

Technology is a critical element of furthering cutting-edge healthcare and preventing medical errors. Promotion of electronic medical records and other advanced technology will allow patients to receive higher quality healthcare.



UNIVERSITY OF CALIFORNIA HEALTH SYSTEM

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- Discharges approximately 140,000 inpatients annually
- Provides over 3.8 million outpatient visits a year
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5 ACADEMIC MEDICAL CENTERS

Davis
Irvine
Los Angeles
San Diego
San Francisco

www.universityofcalifornia.edu/health/medcenters.html

16 HEALTH PROFESSIONS SCHOOLS IN:

Medicine
Nursing
Dentistry
Optometry
Pharmacy
Public Health
Veterinary Medicine

www.universityofcalifornia.edu/health/schools.html

10 PROVIDER REIMBURSEMENT

Healthcare providers must be fairly compensated for the healthcare services they provide. It is essential to recognize training and research costs that select healthcare providers incur that benefit the entire state and these costs should be incorporated into the reimbursement rate.

11 MEDICAL EDUCATION AND HEALTH CARE WORKFORCE

A solid supply of capable healthcare practitioners is the foundation of a sound healthcare system. Therefore, support for education and clinical training must be a priority – this is critically important now with significant healthcare workforce shortages and increased expenditures for chronic diseases.

To attract and retain high-quality healthcare practitioners, employers must have flexibility to offer competitive healthcare benefits. UC is committed to offering competitive health insurance packages, ensuring that employees have meaningful choice among health insurance plans.

12 MULTI-STAKEHOLDER COMMITMENT TO REFORM

All stakeholders should share the responsibility for improving California's healthcare system – healthcare providers, employers, insurers, health plans, medical supply and pharmaceutical companies, as well as individuals. To the extent that the balance of power between providers and payers shifts to provide more protection for California patients, all participants in the California healthcare marketplace should share an obligation to deal fairly, and in good faith, in order to lessen the likelihood that additional providers, in an already difficult environment, depart the California healthcare market.

Working from several of its campuses, UC is an international leader in stem cell research, which will contribute to the development of the next generation of medical knowledge and treatments.

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