



Clinical Enterprise Strategic Plan: 2008–2015

UCSF Medical Center

December 2008

In the winter of 2007, UCSF approved the development of a Clinical Enterprise Strategic Plan, encompassing all current and future clinical activity on the Parnassus, Mount Zion and Mission Bay campuses. The goal of this project is to identify key strategies in view of increasing capacity constraints and recent plans to build a hospital at Mission Bay. Given the complexity of UCSF as an institution, it was imperative that this planning process link seamlessly with previous planning efforts — two of which are integral to the context of this Plan:

The *UCSF Campus Strategic Plan* (<http://strategy.ucsf.edu/contents/ucsf-strategic-plan/>), released in 2008, focused primarily on the overall University vision, and

The *2004 Long Range Development Plan* (<http://campusplanning.ucsf.edu/pdf/LRDP-2004-Update.pdf>), detailing the master planning vision across all three campuses including Mission Bay.

While this Clinical Enterprise Strategic Plan considered the research and educational missions, it did not attempt to define these strategies *per se*. Kurt Salmon Associates served as an outside consultant during the process.

Ensuring a cohesive direction and harnessing the wealth of experience and innovation within UCSF were key requirements of this planning initiative. This resulted in a broad-based process involving more than 300 individuals, encompassing:

Thirty confidential interviews of Northern California healthcare leaders from other organizations conducted by Arthur Associates.

One-on-one interviews conducted with 60 senior clinical and administrative leaders

Eight meetings with the 12-member Steering Committee, charged with stewarding the dialogue and approving final recommendations

Several meetings with each of five large Sub-Committees (15–30 participants per group), charged with completing detailed analyses and crafting preliminary recommendations around one of five specific areas of interest: Growth & Capacity, Patient Mix, Outreach & Market Positioning, Care Delivery and Operations & Finance

One meeting with the Clinical Chairs Committee to integrate clinical direction and discuss barriers to implementation

Two meetings with a 40-member Strategic Oversight Committee, comprised of senior faculty leadership, to provide input, test direction and offer counsel

Two large Strategic Retreats, each with nearly one hundred participants, to discuss and identify priorities

Two Town Halls, open to all in the UCSF community, to review and discuss project results

This *Final Report* summarizes the work completed through this planning process and consists of four major sections. **Section I** outlines the mission and vision of the clinical enterprise, providing the foundation on which all subsequent planning was based. **Section II** includes a synopsis of the findings of the *First Executive Report* (issued in April 2008), to provide environmental and market context. **Sections III and IV** detail a series of recommendations and supporting actions necessary to ensure UCSF's continued clinical success through the opening of Mission Bay in 2015.

I. CLINICAL ENTERPRISE VISION AND MISSION

The existing mission, vision and values for the UCSF clinical enterprise are:

- Mission:** **Caring, Healing, Teaching and Discovering**
- Vision:** **Be the best provider of health care services, the best place to work and the best environment for teaching and research**
- Values:** **Embodied in the acronym PRIDE:**
- P** **Professionalism**, how we conduct ourselves and our business
 - R** **Respect** for our patients, families, ourselves and each other
 - I** **Integrity**, always doing the honest, right thing
 - D** **Diversity**, understanding and embracing the diverse beliefs, needs and expectations of our patients, community and employees
 - E** **Excellence**, what we strive for in everything we do

No findings have emerged from this study suggesting that the current vision and mission statements will be less relevant over the timeframe of this Plan and these words will continue to inform the decisions and priorities of the UCSF clinical enterprise.

II. ENVIRONMENTAL AND MARKET CONTEXT

This section provides a brief overview of environmental and market dynamics that relate to the UCSF clinical enterprise and summarizes their potential impact.

The Macro Environment — Projected Impact on UCSF's Clinical Enterprise

Based on a detailed assessment representing the majority view of UCSF clinical and administrative leadership and their external advisors, as well as the input of outside leaders in Northern California leaders also interviewed, a series of macro-environmental assumptions were made with implications for UCSF highlighted below. This assessment was completed in the first half of 2008.

UCSF facilities and clinicians will be even busier in the 2008–2015 timeframe than they are today. In the face of rising demand, UCSF will not be able to accommodate all that seek care. Decisions regarding which patients have access will become even more vital.

Recruitment and retention of skilled professionals will become more difficult for all providers — UCSF's academic environment will become an even more significant competitive differentiator.

The gap in reimbursement associated with different patients (acuity, specialty, sponsor) will continue to widen. The challenge will not be in staying busy, but in remaining financially viable.

All providers (including UCSF) will need to grow commercial volume to provide financial stability. Commercial patients (responsible for a greater proportion of their health care costs) will demand more information, more service and better results.

Metrics to allow a comparison of “value” across providers will be developed first for routine and elective services. These services will see the greatest competition — and will therefore be at the highest risk of margin erosion as insurers tie reimbursement to key measures.

UCSF will be challenged to outpace community competition on metrics like access, cost and service. Competitive differentiators like physician/staff excellence, clinical outcomes, cutting-edge therapies and superior access to clinical trials/research protocols will need to be strengthened and demonstrated.

Summary of Strengths, Weaknesses, Opportunities and Threats (SWOT)

Correlating macro-environmental assumptions with the realities of UCSF's market resulted in the development of a *SWOT* analysis summarized below.

Strengths – The reputation of UCSF, the excellence of its clinical faculty and staff and the clinical outcomes associated with the treatment of high-complexity patients remain the key strengths of the organization. UCSF's focus on treating unique and complex patients shields it to some extent from potential reimbursement cuts associated with commodity care. The recent operating profitability of the institution and strides in philanthropy provide financial flexibility. Strong ties to the community through direct patient care and relationships with San Francisco General Hospital and the Veterans Affairs Medical Center ensure UCSF's prominence within the Bay Area, and provide a great training experience for students and staff. The national recognition associated with UCSF's research and training programs have a positive impact on recruitment and brand differentiation.

Weaknesses – Major capacity constraints exist on the Parnassus campus, which limit future clinical growth. Operational inefficiencies exacerbate these constraints while increasing the overall costs of providing care. The care delivery model at UCSF is being challenged to keep up with the growth in volume, and recent regulatory issues have forced an even greater investment in personnel (i.e. nurse practitioners, hospitalists), further increasing costs. UCSF still has the service profile of a typical academic medical center — perceived as less friendly, less accessible and less convenient than relevant community alternatives — that could negatively impact its commercial volume. The adult enterprise has limited ambulatory outreach beyond the City, making it vulnerable to projected demographic and sponsor trends slated to occur in San Francisco. Ambulatory development tends to be driven by inpatient and departmental priorities instead of by market needs and a collective institutional assessment, leading to brand and service inconsistencies.

Opportunities – UCSF may be able to leverage its expertise as a research powerhouse to shape and lead implementation of the next generation of medical care. Aging of the population and continued advances in technology will drive future volume growth. Addressing some of the existing operational inefficiencies will improve UCSF's financial profile and allow further investment in talent and technology. The approved expansion at Mission Bay will give UCSF a “green” growth opportunity that will distinguish it from competitors and promote the development of cutting-edge operational practices.

Threats – The disparity in reimbursement between sponsor classes means any significant shift in UCSF's sponsor mix could negatively impact the financial viability of the institution. This threat is even more potent given capacity constraints. Coupled with UCSF's existing cost structure, this could impact UCSF's future debt capacity and capital financing capability. Any reduction in financial profitability risks the timely completion of Mission Bay and jeopardizes support to the academic programs — limiting the development of new research initiatives and hampering recruitment efforts during a period of national shortage. An additional threat is the growing clinical capabilities of community providers in the provision of *High Complexity* care. As the lines of distinction are blurred, UCSF will have to work harder to grow its market share in targeted high-end services.

This contextual summary frames the planning direction detailed in Sections III and IV.

III. HIGH-LEVEL STRATEGIC DIRECTION

UCSF is positioned to change health care in the Bay Area, the country and the world by creating the next generation of clinical enterprise, and complement the academic vision presented in the *UCSF Campus Strategic Plan*. Three major differentiators have been identified through the planning process to inform the specific priorities of the coming years.

Best Care

Changing the clinical care paradigm will first require UCSF to push the boundaries of excellence in an area of traditional strength — the quality of clinical care delivered by its faculty and staff. The coming decade will increasingly see the public recognize the need to link clinical reputation to measurable clinical outcomes and quality. UCSF must be at the forefront of this revolution. For years, UCSF has leveraged clinical faculty excellence, leading technology and academic connectivity to provide high-quality care to the sickest patients in Northern California. Now, UCSF must use its resources to redefine what “high quality” truly represents to patients and their families. By developing innovative ways to raise quality and safety standards in an environment of finite resources, UCSF can pioneer a new value proposition in academic medicine.

Clinical Growth

A measure of near-term clinical growth is essential for progress over the coming years. UCSF’s clinical enterprise must be able to drive the programmatic and acuity volumes needed to train and recruit the best talent, test novel care models, create translational research opportunities, and generate the margin needed to fund it all. Longer term, with the planned campus expansion at Mission Bay in 2015, and the resulting adult inpatient program expansion on Parnassus and ambulatory expansion at Mount Zion, UCSF is in a unique position in academic medicine — a physical expansion providing a growth opportunity of more than 40 percent.

Shared Accountability

These advances in delivery of care and growth will not be possible without a greater culture of shared accountability. UCSF is renowned for its academic creativity and accomplishment. These same standards of excellence must also apply to the clinical enterprise and can only be effectively achieved by adopting high standards, demanding transparency against results, and enabling more cohesive decision making across the hospital and clinical faculty programs.

Within this context, this plan advances eight strategic themes. These eight themes are all interconnected, and progress towards 2015 will require UCSF to make material advances across all eight if any are to work effectively. Each theme reinforces the direction detailed above: *Best Care, Clinical Growth and Shared Accountability*.

Theme #1: Provide the Highest Quality Care to Patients

Discussion: The value equation in health care is a function of clinical quality, patient service and treatment price. As the public demand for transparency around all three metrics continues to heighten, UCSF must begin to develop a value proposition distinct from other providers in the market. Given its strengths, UCSF must tie the value proposition of the clinical enterprise to measurable and demonstrable metrics around quality, clinical outcomes and patient safety, while ensuring service and access remain competitive within the market.

Theme #2: Create the Next Generation UCSF Care Delivery Model

Discussion: Talent is becoming more expensive and less available, but the demands placed on clinical professionals (complexity, volume, regulation) continue to grow. On the current growth trajectory, the existing care models are unsustainable and a new model will be needed to cope with the clinical realities of the next decade. The faculty and staff at UCSF are repeatedly recognized as the institution’s greatest strength. UCSF must leverage their capabilities to develop an innovative, flexible care delivery

model that can manage the volume and severity of UCSF's patient base while maximizing both quality and efficiency.

Theme #3: Educate, Recruit & Retain the Best Talent

Discussion: UCSF's current position in the top tier of hospitals nationally is largely due to its reputation and the excellence of its faculty and staff. As the competition for talent accelerates, UCSF will increasingly need to prove itself as an organization where the best health care talent desires to work. Doing so will require it to continue to invest in the recruitment, retention and development of its employee base, ensuring that it remains the institution's most sustainable competitive differentiator over the long-term.

Theme #4: Maximize the Potential of UCSF Inpatient Facilities

Discussion: UCSF must ensure that there is an interim inpatient growth opportunity for the clinical enterprise in the 2008–2015 timeframe. This growth opportunity will be necessary to both support the institution's academic and financial goals and to allow a gradual ramp-up of clinical activity to better align with the planned expansions in 2015. Capital realities limit new construction opportunities in this interim timeframe, placing greater emphasis on improving utilization of inpatient facility assets on the Parnassus and Mount Zion campuses.

Theme #5: Match Patient Mix to UCSF's Mission & Program Capability

Discussion: The composition of UCSF's patient base is tied to every aspect of the institution's objectives. Programmatic and acuity mix drive the training programs, recruitment targets and care models and link with translational research opportunities. Sponsor mix is inextricably tied to both the community mission of the institution and its long-term financial viability. With demand projected to outpace available capacity in the 2008–2015 timeframe, it becomes vital for UCSF to match patient mix to core capabilities.

Theme #6: Expand Functional Ambulatory & Office Capacity

Discussion: Ambulatory growth must be closely aligned with inpatient growth. UCSF cannot create a growth opportunity in one without the other or it risks damaging the integrity of its care continuum. Expansion of ambulatory capacity could have the dual effect of both improving access and generating additional financial revenue. None of the projected growth in clinical activity will be possible without successful recruitment initiatives, and at this time, the lack of office space is the greatest rate-limiting step to achieving this objective.

Theme #7: Achieve More Effective UCSF Referral Outreach

Discussion: UCSF has a history of independent, department-driven outreach initiatives, many of which are not aligned with the overall objectives and priorities of the clinical enterprise. This has led to a variety of disparate outreach models that could benefit from a more integrated and centralized approach. As the population continues to grow faster outside the City, UCSF must proactively define its desired market position in terms of geographic outreach.

Theme #8: Define a Stronger Culture of Shared Accountability and Action

Discussion: UCSF needs to create broad-based governance structures with the membership and authority to implement shared initiatives across the clinical enterprise. Clearly, the clinical enterprise comprises a host of different organizations across the UCSF campuses and an effective common forum must exist to ensure all the various initiatives come together.

IV. DETAILED STRATEGIC RECOMMENDATIONS

Below each of the Strategic Themes is a series of more detailed recommendations.

Theme #1: Provide the Highest Quality Care to Patients

- **Recommendation 1.1:** *Create an infrastructure (facilities, equipment and personnel) that allows the UCSF clinical enterprise to tie its value proposition to superior quality, patient safety and clinical outcomes and cost.*
- **Recommendation 1.2:** *Communicate UCSF's results in clinical quality, patient safety and clinical outcomes to a broad external audience*
- **Recommendation 1.3:** *Pursue service standards for the UCSF clinical enterprise that are competitive in the Bay Area market*

Theme #2. Create the Next Generation UCSF Care Delivery Model

UCSF's medical professionals who cover inpatients include clinical faculty (doctors), residents (doctors in training) and mid-level providers (nurse practitioners and mid-wives).

- **Recommendation 2.1:** *Increase the number of non-resident and mixed (resident and mid-level providers) services to reduce reliance on the resident model*
- **Recommendation 2.2:** *Explore residency expansion initiatives in some departments if aligned with institutional clinical priorities*
- **Recommendation 2.3:** *Develop core resident and non-resident staffing models for inpatient units as needed by service*
- **Recommendation 2.4:** *Restructure workflow on inpatient units to allow all clinical providers to spend more time with the patient*
- **Recommendation 2.5:** *Ensure the care delivery model supports a consistent standard of clinical care on a 24/7 basis*

Theme #3: Educate, Recruit and Retain the Best Talent

- **Recommendation 3.1:** *Implement recruitment initiatives enabling UCSF to meet its goals around clinical growth and patient mix*
- **Recommendation 3.2:** *Create retention initiatives enabling UCSF to identify and develop the next generation of UCSF leadership*
- **Recommendation 3.3:** *Strengthen the relationship between UCSF and its employees*

Theme #4: Maximize Potential of the Current UCSF Inpatient Facilities

- **Recommendation 4.1:** *Increase functional bed capacity by 60+ beds across both major campuses*

Theme #5: Match Patient Mix to UCSF's Mission and Program Capability

- **Recommendation 5.1:** *Focus future incremental adult inpatient growth in high and moderate-complexity care*
- **Recommendation 5.2:** *Pursue programmatic growth occurs in a rational, controlled manner*
- **Recommendation 5.3:** *Ensure future patient mix supports UCSF's educational and research requirements and does not compromise its financial viability*

Theme #6: Expand Functional Ambulatory & Office Capacity

- **Recommendation 6.1:** *Improve exam room utilization (visits/room/day) to provide for growth in ambulatory visits within the existing infrastructure*
- **Recommendation 6.2:** *Ensure sufficient office space is available to support projected growth of the clinical faculty*
- **Recommendation 6.3:** *Focus the development of any ambulatory growth (exam room or outpatient ancillary capacity) off the main Parnassus campus*

Theme #7: Achieve More Effective UCSF Referral Outreach

- **Recommendation 7.1:** *Establish an institutional Outreach Oversight Committee that will act on behalf of the enterprise and be responsible for prioritizing and coordinating future UCSF outreach initiatives*
- **Recommendation 7.2:** *Work closely with the Schools of Dentistry, Medicine, Nursing and Pharmacy, translational research scientists and others to ensure sufficient outreach is achieved to meet teaching requirements and sustain clinical trials activity*
- **Recommendation 7.3:** *Focus on expanding relationships with physicians and community hospitals in Northern California to ensure patients are cared for in the appropriate care settings*
- **Recommendation 7.4:** *Focus marketing strategies on increasing awareness of the UCSF brand regionally and globally.*

Theme #8: Define a Stronger Culture of Shared Accountability and Action

- **Recommendation 8.1:** *Create a new governing forum with more responsibility and authority for the direction of the UCSF clinical enterprise*
- **Recommendation 8.2:** *Create a set of expectations for all key participants in the UCSF clinical enterprise*
- **Recommendation 8.3:** *Institute routine, transparent reporting of progress versus the Strategic Plan across all clinical enterprise governing forums*
- **Recommendation 8.4:** *Create stronger incentives to encourage excellence in clinical service work and results*

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