

UC Health

Who We Are, What We Do & How We Work Together

October 2026

Protecting and improving the health of all Californians

Today's Agenda

01

UC Health System

Who we are and
what we do

02

Serving Californians

Care, workforce &
community impact

03

Strategic Priorities

FY25–28 plan and
systemwide objectives

04

UC Health at UCOP

The UC Health team at
UCOP and key areas of
support

05

Strategic Sourcing

Overview of UC Health
Strategic Sourcing and
how we collaborate with
UC Procurement

UC Health

Researches. Educates. Provides Care.

UC's academic health system advances all three pillars of its mission — simultaneously, and in service of every Californian.



Research

4,900+ clinical trials across 2,400+ conditions. The UC Health Data Warehouse powers discovery that prevents disease and creates cures.



Education

21 schools. 19,900+ health professional students. Nearly 70% of UC-trained physicians stay in California — highest retention rate in the nation.



Patient Care

2.5M patients. 13M outpatient visits. Serving 99% of California zip codes, with specialized care no other system provides.

The UC Health System at a Glance

One of the nation's largest public academic health systems

6

Academic Health Centers

21

Health Professional Schools

19,900+

Students & Residents

2.5M

Patients Served Annually

13M

Outpatient Visits

21

Licensed Hospitals

Caring for All Californians



99% of CA zip codes served

#1 Medi-Cal outpatient provider in CA amongst major health systems

#2 Medi-Cal inpatient provider — with only 7% of beds

4,900 Clinical trials across California

5 of 8 NCI-designated cancer centers in CA

In FY25,
UC Health
contributed
\$7.3 billion
in community
benefit and
uncompensated
care

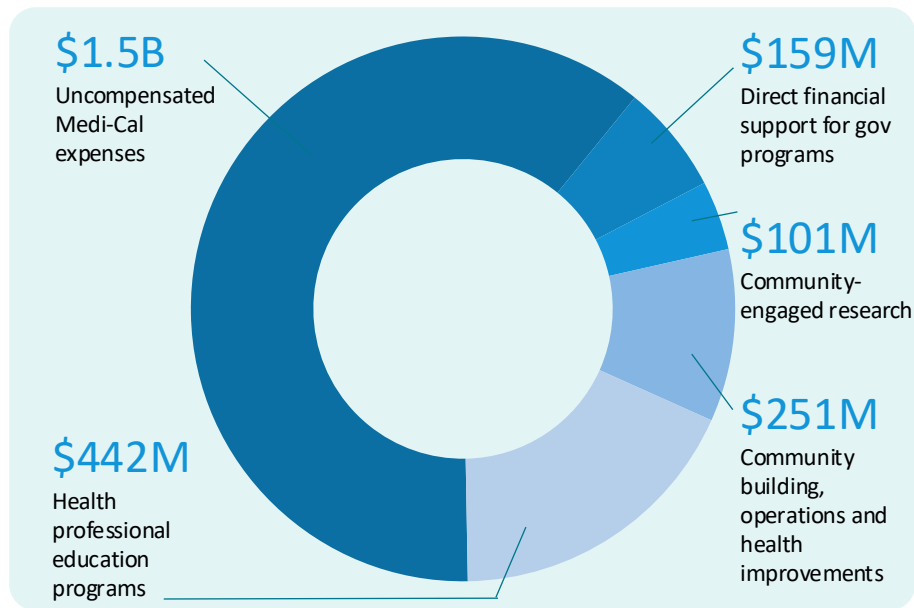
UC academic health centers

\$2.5B

Hospital net community benefit, equal to 10.3% of total hospital operating expenses

\$3.1B

Uncompensated Medicare expense for hospitalized patients



UC faculty practice groups

\$1.8B

Uncompensated expenses for patient care and financial aid

\$1.2B

Uncompensated Medicare professional fees

\$574M

Uncompensated Medi-Cal professional fees

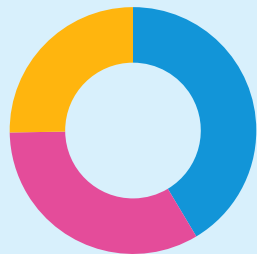
\$8M

Direct financial assistance for patients unable to pay for services

Safety Net Provider for California

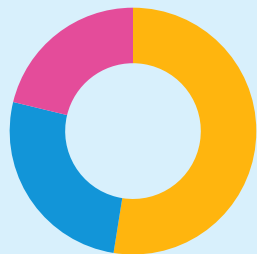
UC's clinicians serve as an essential part of California's health care safety net system, providing high quality care for patients regardless of health insurance coverage.

Inpatient Days by Insurance Type



- Medicare 41%
- Medi-Cal 33%
- Commercial 25%

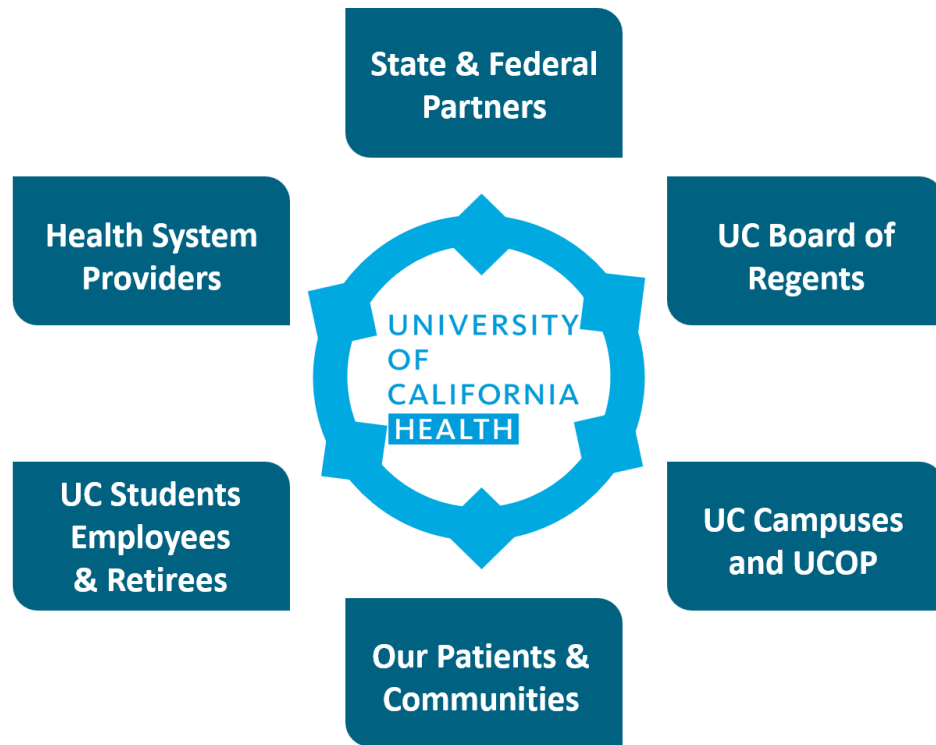
Net Patient Revenue by Payor



- Commercial 52%
- Medicare 27%
- Medi-Cal 21%



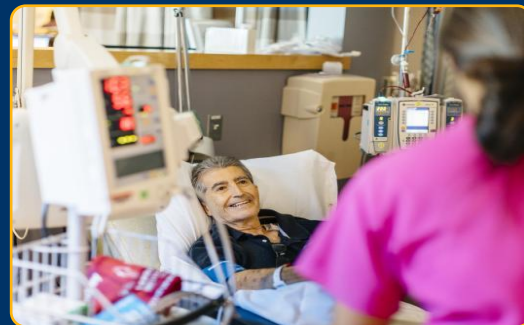
The Collaborative Influence of UC Health



UC Health Strategic Plan

Our Vision

The University of California will remain the north star for improving the health of all people across the state of California, serving as a model for the nation and the world.



Forces Reshaping UC Health Strategy

Significant structural changes in healthcare are creating new challenges and opportunities

Forces Reshaping Healthcare Markets

Growth of Aging and Underinsured Populations

Workforce Shortages

Growth in Government Payers

Commercial Payer Challenges

Forces Reshaping Healthcare Policy

Risk of Medicaid/Medicare payment reductions

Reduced Federal Investment in Research

California State Priorities – Medi-Cal

Affordability of Health Insurance



Forces Reshaping Care Delivery

Growth of Digital Health/AI

Accelerating Scientific Advances

Positioning Workforce to address Access and Disparities in Care

Instability of Community Partners and Affiliates

Forces Reshaping the Role of the UCs

Growing Role as a Safety Net

Increasing Reliance of AMC revenues to offset financial risk to campuses

Training Program Placement Challenges

FY25–28 Systemwide Strategic Objectives



State & Federal Engagement

Develop a roadmap for the UC Health system to protect federal/state health programs and improve its safety net partnership with the state



Network Development

Sustainably position clinical services and training programs in geographic regions and neighborhoods that have been under-resourced



Ambulatory Access & Experience

Improve the ambulatory access, quality and experience systemwide for our patients



Employee & Student Health

Coordinate across UCOP, UC Health and campuses to support the health of employees and students



Data Science & Innovation

Leverage systemwide data resources and infrastructure to support patient care, research, and innovation

Core Systemwide Efforts

Ongoing programs that anchor on UC Health's mission

Access, Quality & Patient Experience

- › Clinical quality and safety
- › Population health management
- › Behavioral health
- › Anatomical donation program

Interdisciplinary Workforce

- › PRIME programs
- › UME/GME accreditation
- › Workforce development

Healthy Communities

- › Community benefit assessment
- › Sustainability programs

Financial Sustainability

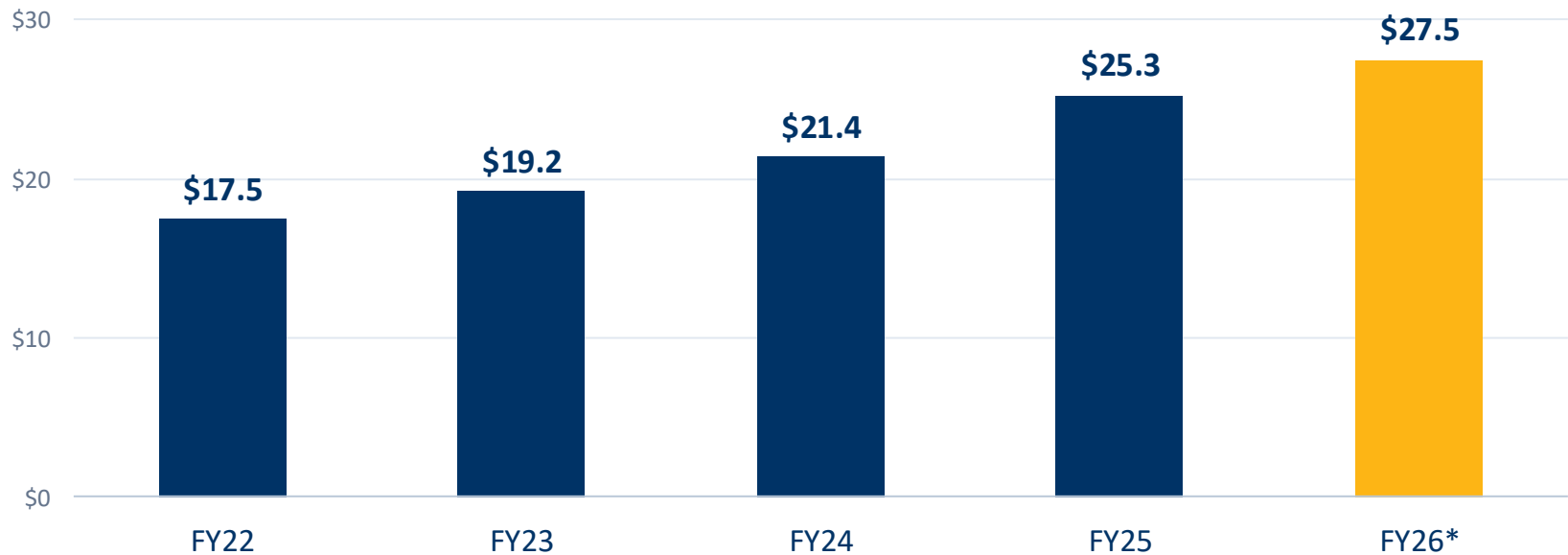
- › Commercial payer contracting
- › Revenue cycle management
- › Financial reporting

Fiscal Resilience

- › Strategic sourcing support
- › Pharmacy support programs

UC Medical Center Revenue

Net revenue after allowances, fiscal years 2022–2026 estimated (\$ billions)

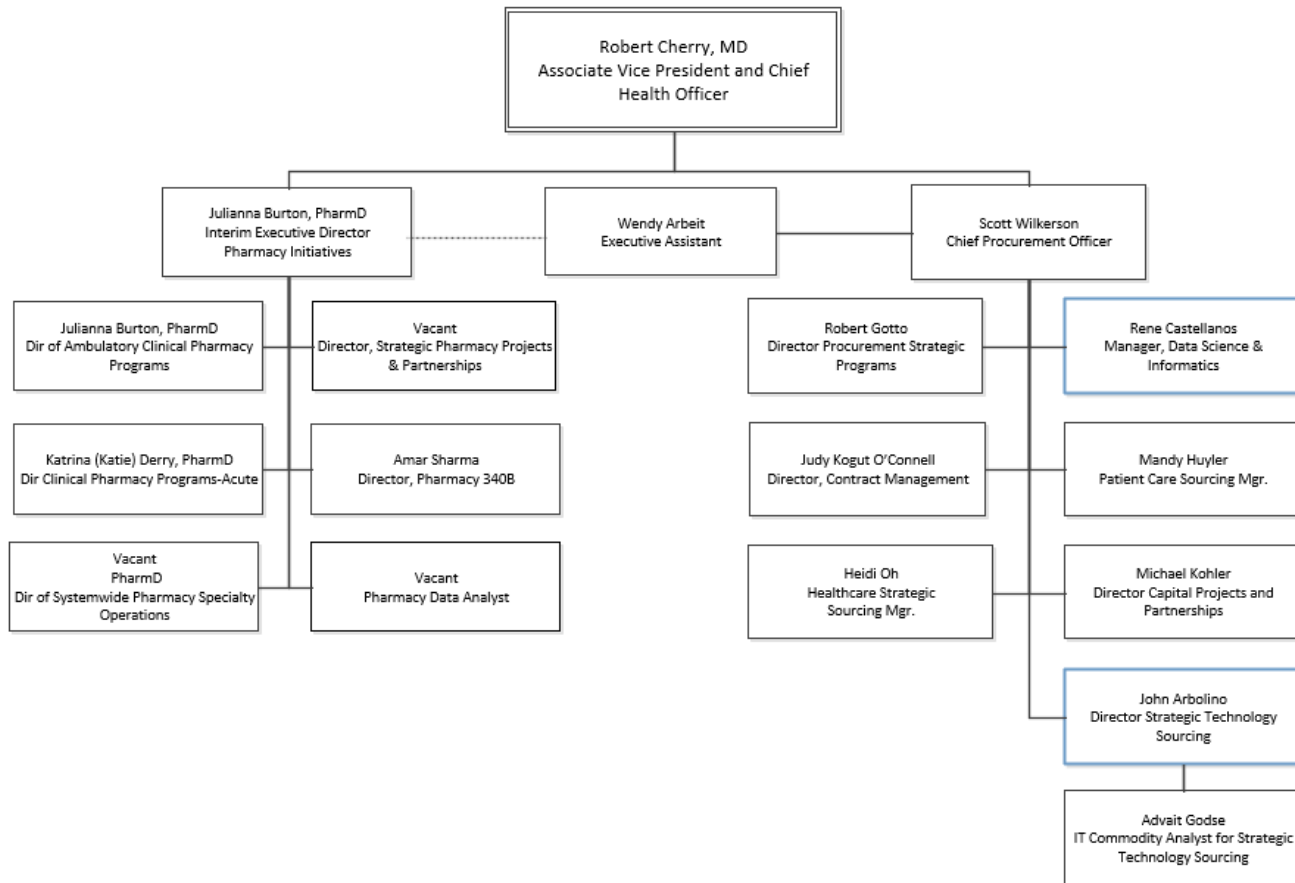


*FY26 estimated, not yet finalized – subject to change.

UC Health Leadership at UCOP



UC Health Strategic Sourcing and Pharmacy



UC Health Strategic Sourcing

A decorative graphic in the top right corner consisting of two overlapping circles. The larger circle is a medium blue, and the smaller circle overlapping it is a darker blue. Both circles have a thin yellow outline.

UC Health Strategic Sourcing and Supply Chain

Six-system academic health enterprise, connected by a common mission.

64,000

Health system employees

600

Supply chain employees

12

Owned hospitals

553

Clinics / other points of care

Why the scale matters to supply chain

- Six health systems, each with strong local leadership and clinical identity.
- Shared enterprise data connects spend, utilization, supplier performance, variation and outcomes across the systems.
- Supply chain owns the full non-labor spend envelope — from strategic sourcing and logistics to value analysis, supplier diversity and resilience. This includes Pharmacy, Capital and other non-traditional Health areas.
- The objective is not uniformity; it is faster identification, validation and scaling of what works.

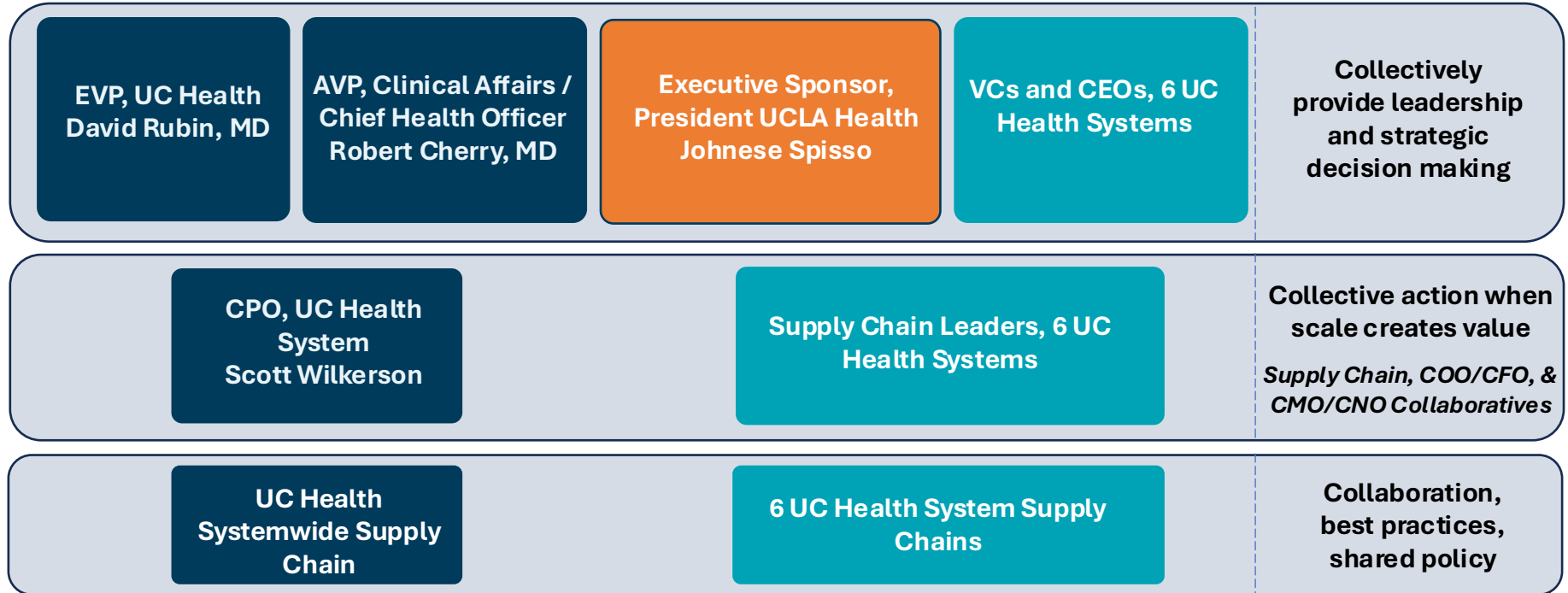
The design principle

**Local authority.
Enterprise intelligence.
Coordinated action.**

“Stronger Together” converts distributed expertise and scale into decision intelligence and measurable value.

UC Health Strategic Sourcing and Supply Chain

Clinical & Operational Integration at the Executive Level



- Systemwide sourcing, data intelligence, and policy guidance.
- Resilience coordination, technology stewardship and work requiring collective action.

- Local strategy, operations, governance and results.
- Clinical, value-analysis, contracting and implementation decisions remain close to care delivery.

Our strategy is deliberate

**Local authority + enterprise intelligence +
coordinated action = Stronger Together**

STRATEGY

LOCAL AUTHORITY

Clinicians and local leaders
own decisions and
execution

ENTERPRISE INTELLIGENCE

Data, evidence, analytics,
AI, supplier and risk
intelligence

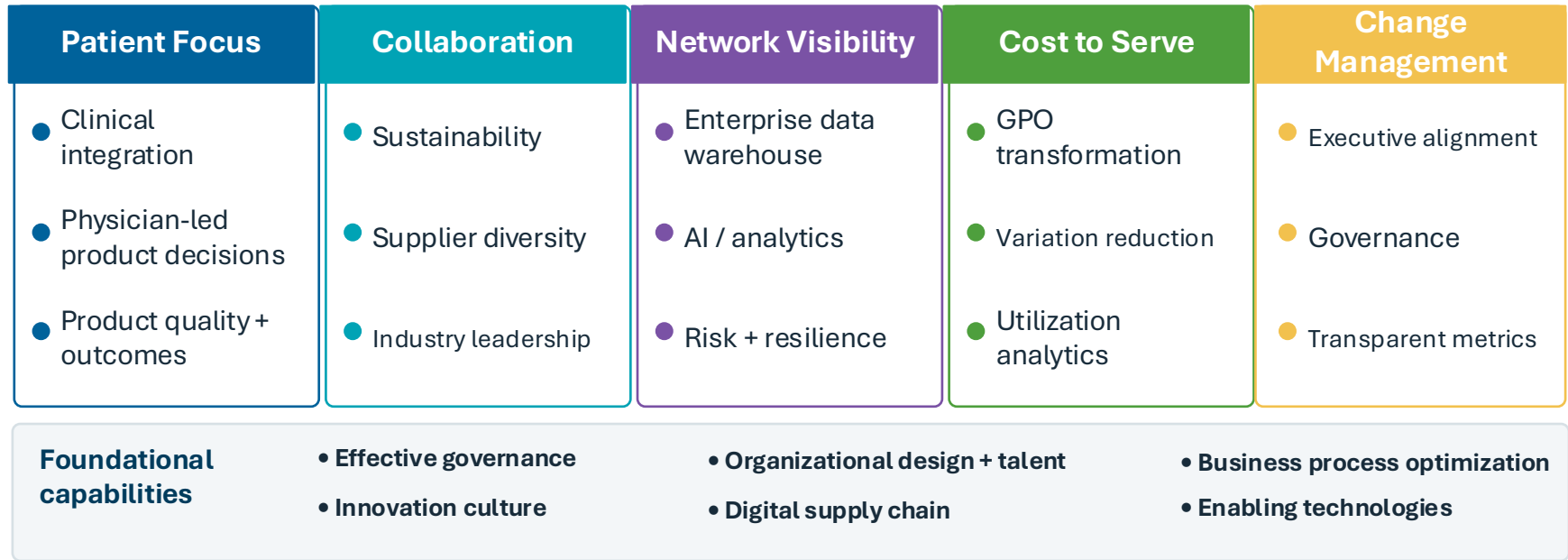
COORDINATED ACTION

Act together when scale
creates more value than
acting alone

CLINICALLY INTEGRATED • EVIDENCE BEFORE STANDARDIZATION • TRUST AS THE OPERATING SYSTEM

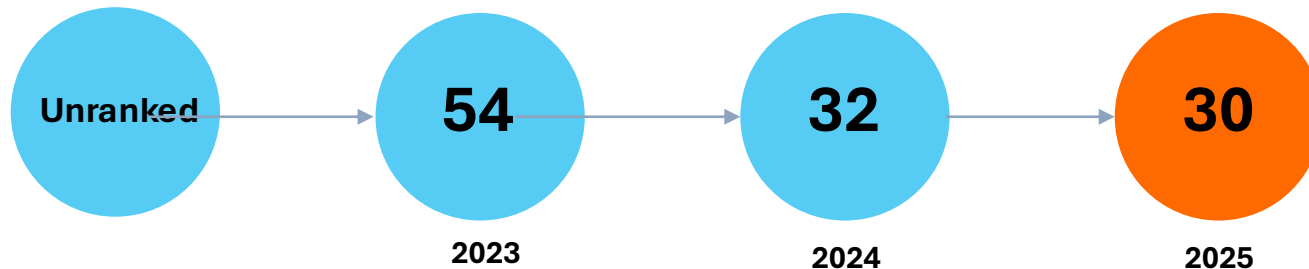
The point is not to make six systems identical. The point is to make every system better by making the whole smarter.

Capability Model



Gartner Top 25. The rank improved. The bigger story is what changed.

TRAJECTORY



The score is a result.

The transformation is the story.

From fragmented visibility and independent optimization → shared intelligence, clinician integration and enterprise execution.

DATA

Enterprise data warehouse turns five local data sets into comparable intelligence

CLINICAL

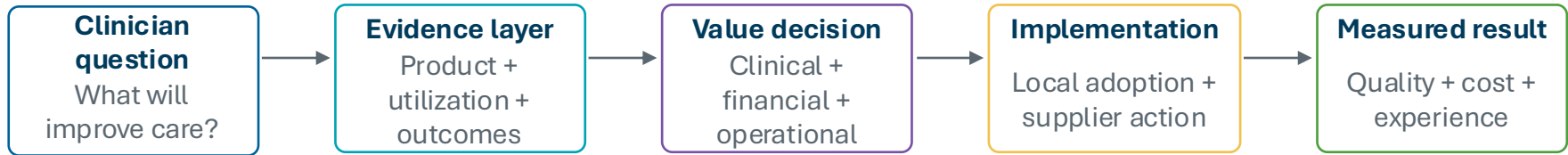
Clinicians move from stakeholders in sourcing to owners of value decisions

EXECUTION

Enterprise capabilities turn local wins into repeatable, scalable results

Patient focus: supply chain is becoming a clinical capability

The strongest UC Health work starts with clinicians and ends with better evidence, better decisions and measurable value.



CRM / physician-preference initiative

Systemwide clinician-led governance combined clinical evidence, utilization data, benchmarking and commercial intelligence.

Result: 14% cost reduction plus improved surgical support — without displacing local clinical authority.

Product quality + outcomes analytics

UC Health connected procurement and clinical outcomes data for surgical implants and equipment, using clinician-defined measures, enriched data and interactive dashboards. The case demonstrates how supply chain can influence product decisions and supplier competition.

Quality Outcomes by Supplier (FY25)

Supplier	Unique Cases		CMI		Readmit All Cause		Readmit Rate (All Cau..		Readmit (Device)		Readmit Rate (Device)		LoS (u)		Avg. Incision To Closu..		Avg. In Out Duration		Deaths (u)	
	Imp	Outp	Imp	Outp	Imp	Outp	Imp	Outp	Imp	Outp	Imp	Outp	Imp	Outp	Imp	Outp	Imp	Outp	Imp	Outp
Medtronic	369	509	3.6		8	0	2.2%	0.0%	5.0	0.0	1.4%	0.0%	6.6	0.0	140.2	107.4	195.3	148.7	3.0	0.0
Abbott	226	328	3.6		3	0	1.3%	0.0%	3.0	0.0	1.3%	0.0%	7.1	0.0	142.3	126.0	183.5	171.0	2.0	0.0
Boston Sci.	145	202	3.9		1	0	0.7%	0.0%	1.0	0.0	0.7%	0.0%	7.1	0.0	132.9	137.4	178.9	187.2	3.0	0.0
Biotronik	60	95	3.9		2	0	3.3%	0.0%	1.0	0.0	1.7%	0.0%	7.9	0.0	104.2	94.3	148.6	137.0	0.0	0.0

Cost-to-serve: turning a GPO event into an enterprise performance transformation

Goal: Reinvest in patient care

\$500M+ Five-year cost reduction



Why this matters

This is cost-to-serve leadership with a federated design: collective market power without forced clinical or operational standardization.

The repeatable capability

New ways of governance, analytics, supplier accountability and local decision rights create a model other federated AMCs can replicate and UC can apply in other circumstances.

Responsible sourcing & sustainability

UC Health is not only adopting leading practices; it is helping shape them.

Scope 3 → action

7,109 MT modeled annual CO₂e reduction potential

\$27.2M modeled annual cost savings potential

- 20-page roadmap + evolving Scope 3 calculator
- 11 prioritized initiatives across waste, packaging, logistics
- 12 clinicians + 3 strategic suppliers + 2 external partners

All figures are modeled potential — not savings already realized.

Responsible sourcing + anchor impact

134% increase diverse supplier spend

- HCAI Hospital Supplier Diversity Commission
- All locations held supplier diversity / small business expos in 2025
- UCSF Supply Chain Management received NAEP's national supplier-diversity award

**Anchor Institute
Mission**

HCAI

One UC: strategic alignment and shared priorities

Academic and health procurement coordinate on enterprise decisions, risk and governance.

Leadership alignment

Paul and I meet weekly; quarterly updates with Nathan Brostrom, Brad Werdick and Paul.

Strategy + governance

Procurement Leadership Council, sourcing operating models, shared policies and systemwide negotiation alignment.

UC systemwide exposure and impact

Enterprise exposure, compliance playbooks and coordination across Tax, Legal, IT, Procurement and Finance.

Workforce Commitment / Covered Services

WCO coordination, covered-services interpretations, supplier labor obligations and workforce compliance.

ECAS audit support

Align documentation, spend and contract reporting, audit responses, corrective actions and control improvements.

Enterprise initiatives

Consultant sourcing, steering governance and cross-UC financial modeling.

One UC: shared execution and procurement modernization

Combine technology, market intelligence and specialized capabilities to strengthen local results.

Strategic sourcing + negotiations

Category intelligence, joint sourcing services, cost benchmarks, negotiation strategies and UC-wide leverage.

Supplier relationship management

Common supplier scorecards, executive business reviews, risk intelligence, escalation and performance improvement.

Procure-to-pay (P2P)

Workflow design, purchasing channels, process automation, spend visibility and transactional controls.

Digital procurement platforms

Malbek CLM, AI/analytics and technology-enabled sourcing services.

Contract access + campus support

Health & Wellbeing / Student Health: share Vizient agreements, supplier visibility, piggyback provisions and contracting support.

Enterprise category opportunities

Gartner subscription benchmarking, technology advisory costs, supplier consolidation and shared value creation.

Thank You

Questions & Discussion

<https://health.universityofcalifornia.edu>