CARRIE L. BYINGTON, MD Executive Vice President, UC Health



THE IMPACT ON OUR HEALTH SYSTEM

This is the 15th update for Regents regarding the SARS-CoV-2 virus pandemic and the impact on the University's health and academic enterprise.

COVID-19 BY THE NUMBERS

As of May 21, California reported 86,197 confirmed cases of COVID-19 and 3,542 fatalities, an increase of 13,033 and 510, respectively, since our last update, based on information from California Department of Public Health (**CDPH**). Nationally, there are 1.55 million cases and

93,061 fatalities, an increase of more than 170,000 and 9,114, respectively, since last week's report, based on information from the Centers for Disease Control and Prevention (**CDC**).

All 50 states have started loosening various restrictions intended to mitigate further spread of the virus.

As noted in this week's presentation to Regents, at UC Health we continue to be prepared for potential surges while also resuming previously delayed essential services for patients with other serious conditions. The financial presentation made clear that the external environment remains uncertain and financial recovery from lost revenue and increased cost will take some time (details on next pages).

CONGRATULATIONS TO OUR NEW CHANCELLOR FOR UC MERCED

I'd like to congratulate Juan Sánchez Muñoz on his selection as Chancellor of UC Merced. Muñoz is president of the University of Houston Downtown and has strong California roots. He

grew up hearing stories about the San Joaquin Valley from his father, who landed there from Mexico to pick grapes in the 1950s. Now, his son returns as Chancellor. The University of California has long been an engine of economic mobility and UC Merced leads our campuses for first-generation college students. This is an exceptional selection, and I look forward to working with him to increase UC Health's support to campus faculty, staff and students.



RESUMPTION OF SERVICES AT UC HOSPITALS

On May 4, we announced the <u>10 principles</u> that are guiding UC hospitals on the resumption of essential services. Understandably, some patients have avoided seeking needed care during the pandemic.

In Los Angeles, as noted in a previous update, UCLA Health joined with competing health systems to launch a 'Better Together. Health' campaign.

STOP MOTHER SKING YOUR

This week I'm pleased to share a campaign from UC San Diego Health (above) that reassures people that it's safe to get the care you need at our hospitals. The campaign cleverly tells people to "Stop asking your mother, brother-in-law, best friend, neighbor, search engine, book club, co-worker if it is safe to seek care."



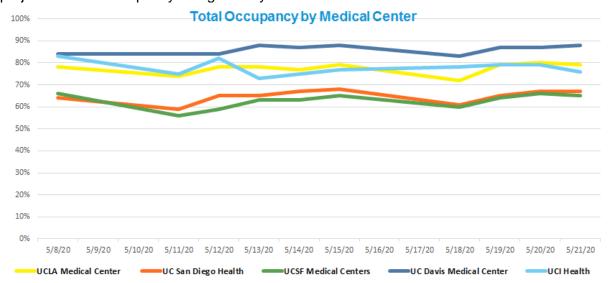
Instead, it advises you to "ask your doctor," and then references the enhanced safety protocols now in place to create a care environment in which you can have confidence. The five-week campaign will run on social media and television.

In Sacramento, UC Davis Health is joining with competing systems to deliver a similar message (shown left).

That campaign will begin shortly and will include TV, radio, print, social and billboards with some executions in Spanish as well as English.

OCCUPANCY RATES AT UC HOSPITALS CAREFULLY EDGING UPWARD

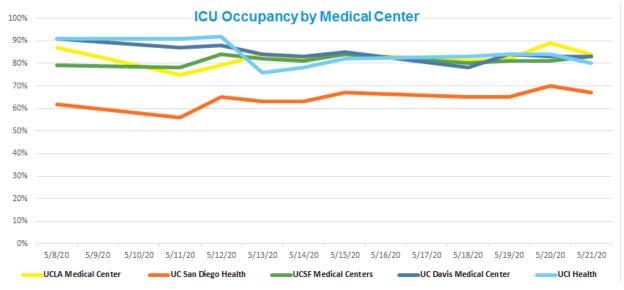
Each academic health center postponed thousands of procedures in March and April to have capacity for a potential surge of patients with COVID-19. Thankfully, the influx was smaller than projected. Total occupancy has gradually increased since essential services resumed.



May 8-21, 2020; Does not include Mt. Zion Hospital

Further postponement of care would negatively impact patient health. Each health center is carefully increasing volume while retaining the ability to draw down its census in two to three days if we see signs of a COVID-19 surge developing.

One of the constraining factors we monitor is ICU occupancy. Although we have additional surge space, including ICU surge capacity, our resumption efforts seek to not overburden our resources or personnel.



May 8-21, 2020; Does not include Mt. Zion Hospital

FINANCIAL PLANNING INCLUDES SEVERAL SCENARIOS

I appreciated the candidness of the financial presentation at the May Board of Regents meeting by Paul Jenny, interim executive vice president and chief financial officer, and David Alcocer, associate vice president of budget analysis and planning. Their analysis, developed with input from UC Health leadership, outlined the uncertainties ahead of us. As Dr. Sam Hawgood, chancellor of UCSF noted, they believe full recovery may not occur until fall of 2021.

Although we can start addressing 'pent up' demand from delayed procedures, we have to be realistic about the potential for future surges, further supply chain disruption and a lowering of

average reimbursement as people lose employer-sponsored health coverage. The University's overall financial position also is driven by student enrollment and the state's contribution from the general fund. The Governor's May Revision reduced the state's contribution to the University by 9.8%.

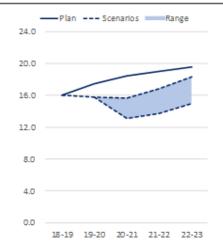
President Napolitano announced UC campuses will open in the fall, but the amount of in-person instruction that can Developing a financial strategy to respond to anticipated challenges includes many considerations

Values	Scenarios	Assumptions	Strategy
 Health & safety Sustaining UC's mission Concern for UC stakeholders Students Faculty Staff Consultation Transparency Financial sustainability 	Infection trajectory Statewide/local ordinances Enrollment Instructional delivery State, national, and global economy	Revenues Medical centers Auxiliaries Tuition/fees State support Costs Testing Facilities Instruction	Revenue replacement and cost recovery Cost containment/ reduction Liquidity management

be safely provided remains to be determined. By contrast, our academic health centers receive very little direct state funding. Instead, they are self-supporting through reimbursements for clinical services. The economic pressure from the pandemic is significantly impacting both the educational and health enterprise.

Medical Center/Clinical Practice Revenues

Medical Centers/Clinical Activities



- Large immediate impact as COVID-19 limits other services
- Gradual recovery although timeframe is uncertain

Factors Influencing Recovery

Stabilizing revenue and liquidity

- Ability to quickly ramp up operations at both medical centers and clinics
- CMS Advance Payment Program availability
- CARES Act funding for healthcare providers
- Expanded COBRA coverage
- Opportunities: affiliations, expanding capacity (patient beds, telemedicine services)

Risks to revenue

- Change in payor mix due to unemployment
- Future waves of COVID-19 cases (regional)
- Continued 'shelter-in-place' orders
- Supply chain disruptions
- Staffing costs of new care models for testing, tracing, distancing, and impacts to efficiency

We are actively working across UC to address budget reductions. The President announced a number of steps to reduce expenses including a 10% salary reduction for herself and the 10 chancellors, a salary freeze for many employees, a freeze on hiring to fill non-critical positions, and expense reductions.

The state will have a better idea of tax receipts as business activities resume across California. Those revenues, as well as future federal stimulus acts, will determine if further adjustments to the University's budget are necessary.

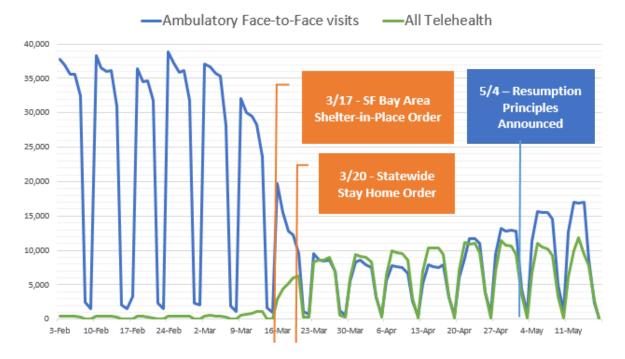
Some of the key activities to watch include: legislative committee hearings in June, the state's tax receipts in July, student enrollment figures in August and September, ongoing consultation with numerous stakeholders about expense management, the outcome of our FEMA applications, and further disbursement of CARES Act funds.

AMBULATORY VISITS KEEP PATIENTS CONNECTED TO CARE

Although non-emergency in-person appointments were no longer possible during recent restrictions, telehealth use soared in late March and throughout April. Volume remained strong throughout May, even after essential services resumed.

UC Health - Ambulatory Daily Visit Volume

UC Health
Daily Ambulatory Patient Visits
2/3/2020 - 5/17/2020



We are now seeing a resumption of some in-person visits and as of May 11, the combination of in-person and telehealth visits has reached ~70% of the pre-pandemic volume. I believe we will continue to see elevated telehealth use now that patients and physicians have become accustomed to them. This chart shows telehealth across all UC health systems.

PATTERNS IN CORONAVIRUS CASES FALL ALONG RACIAL/ETHINIC LINES

An analysis by UCLA Health's Center for the Study of Latino Health and Culture illustrates clear distinctions in exposure along racial and ethnic lines. The analysis was conducted by David E. Hayes-Bautista, Ph.D. and Paul Hsu, M.P.H., Ph.D.

"In an ideal world, there would be no difference in the case rates between the race/ethnic groups," said Hsu, who teaches epidemiology at UCLA. "But we see major differences in the infection rates of the different groups, indicating that exposure to the coronavirus falls more heavily on some groups than others."

In almost every age group, Latinos, African-Americans, Asian-Americans, and Native Hawai'ian/Pacific Islanders have higher age-specific case rates for COVID-19 than do non-Hispanic (NH) whites.

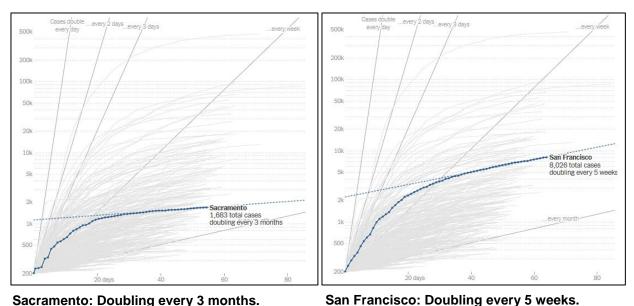
Compared to NH whites, Asians have a COVID-19 case rate half again as high, African-Americans around twice as high, Latinos nearly three times as high, and Native Hawai'ians/Pacific Islanders around four times as high. This is attributed to less financial ability to stay at home and more frequent employment in jobs designed as essential services such as

farmworkers, truck drivers, grocery store workers, bus drivers, auto mechanics and nursing home attendants. The authors note that the virus is easily transmitted to family members who live in tighter housing, again as a result of less affluence compared to NH whites. Outcomes also appear to be worse than among NH whites, potentially due to a lack of health insurance, regular access to a doctor and thus a generally worse state of health when exposed to the virus.

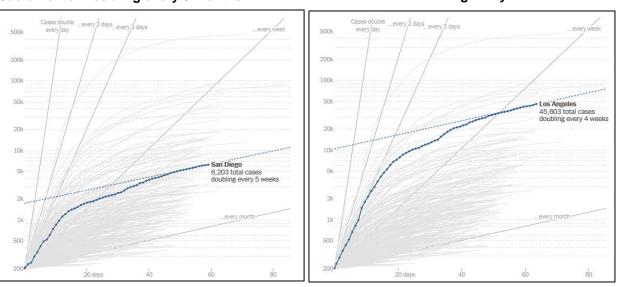
The patterns emerged after an examination of 51,000 confirmed COVID-19 cases from CDPH that had racial/ethnic data attached to them. More information can be seen here. As we rebuild our health system following in response to the COVID-19 pandemic, we have an opportunity to redesign care to ensure health equity by addressing health disparities.

TREND LINES SHOW FLATTENING IN MUCH OF CALIFORNIA

The New York Times has introduced interactive graphs showing trend lines in a number of California markets as well as nationally. In many markets, the trend line of new cases is flattening, most especially in Northern California.



Sacramento: Doubling every 3 months.



San Diego: Doubling every 5 weeks.

Los Angeles: Doubling every 4 weeks.

These trends are encouraging, but there is variation. For example, Imperial Valley, CA is seeing doubling times of only 9 days. I caution that outbreaks in individual counties and other states can easily spark a resumption in cases anywhere.

You can track data in the U.S. using the <u>COVID-19 County Tracker</u> built by Dr. Atul Butte, director of the UC Health Center for Data Driven Insights.

HONORING CLINICAL TRIALS DAY

Wednesday, May 20, marked Clinical Trials Day. Across UC, we have a number of COVID-19 trials underway with more on the horizon. As a data-driven organization in pursuit of new treatments and cures, these clinical trials point the way to the next breakthrough. Thank you to all our hard-working clinical research professionals.



Remdesivir (NCT04280705) Sarilumab – Davis and UCLA (NCT04315298) DAS181– UCLA and UCSD (NCT03808922) Tocilizumab – UCLA and UCSD (NCT04320615) Azythromycin – UCSF (NCT04332107) Mesenchymal stem cells – UCSF (NCT03818854) HCQ (prevention) – Davis, UCLA, and UCSF (NCT04332991) HCQ (treatment) – UCLA (NCT04328961) Colchicine – UCSF (NCT04322682) Colchicine – UCLA (NCT04355143) Aviptadil – Irvine (NCT0431697) PUL-042 – Irvine (NCT04313023) PUL-042 – Irvine (NCT04312997) Azithromycin/HCQ- UCSF VA (NCT04363203) Azithromycin/HCQ- UCSF (NCT04358081) Azithromycin/HCQ- UCSD (NCT04358068)	Active Clinical Trials at All Five Medical Centers	Pending /Active Clinical Trials at One or More Centers
Leronlimab – UCLA (NCT04347239) Leronlimab – UCLA (NCT04343651) Canakinumab – UCSF (NCT04362813) Selinexor – Davis and UCLA (NCT04349098) Gimsilumab – UCLA (NCT04351243) Mavrilimumab – UCLA (NCT04327505) Oral Vaccine - UCSD (NCT0434980) Ramparil – UCSD (NCT04366050) TAK-981 – UCSD (NCT04366050) TAK-981 – UCSD (NCT03648372) Convalescent Plasma - UCSF (NCT #pending) Convalescent Plasma - UCSF, Davis, Irvine (NCT# NCT04338360)	Some recently launched trials are not yet listed on ClinicalTrials.gov at the time	DAS181- UCLA and UCSD (NCT03808922) Tocilizumab - UCLA and UCSD (NCT04320615) Azythromycin - UCSF (NCT04332107) Mesenchymal stem cells - UCSF (NCT03818854) HCQ (prevention) - Davis, UCLA, and UCSF (NCT04332991) HCQ (treatment) - UCLA (NCT04328961) Colchicine - UCSF (NCT04322682) Colchicine - UCLA (NCT04355143) Aviptadil - Irvine (NCT0431697) PUL-042 - Irvine (NCT04313023) PUL-042 - Irvine (NCT04312997) Azithromycin/HCQ- UCSF VA (NCT04363203) Azithromycin/HCQ- UCSF (NCT04358081) Azithromycin/HCQ- UCSD (NCT04358068) Leronlimab - UCLA (NCT04347239) Leronlimab - UCLA (NCT04343651) Canakinumab - UCSF (NCT04362813) Selinexor - Davis and UCLA (NCT04349098) Gimsilumab - UCLA (NCT04351243) Mavrilimumab - UCLA (NCT04351243) Mavrilimumab - UCSD (NCT04334980) Ramparil - UCSD (NCT04366050) TAK-981- UCSD (NCT04366050) TAK-981- UCSD (NCT03648372) Convalescent Plasma - UCSP, UCLA, UCI (NCT# pending) EA Convalescent Plasma - UCSP, Davis, Irvine (NCT#

SOME OF THE HEROES OF THE PANDEMIC













Top L: <u>Another 19 UCSF nurses and doctors head to the Navajo Nation</u>, joining other UCSF colleagues.

Top R: UCSD Physician Dr. Christanne Coffey set up <u>a decontamination zone</u> at home.

Middle L: Steve Padilla, intubated for 11 days, and his daughter talk about the scariest time in their lives.

Middle R: Leanne Burke, a clinical professor at UCI volunteers for a COVID-19 triage phone line.

Bottom L: A surgical team at UC Davis performs laparoscopic surgery as essential services resume.

Bottom R: Oscar Hernandez, an undocumented student, graduated from UCI SOM. Next stop, residency.













Top L: After 60+ days in the hospital with COVID-19, Ron heads home to celebrate his 40th anniversary.

Top R: Eva Harris at UC Berkeley works in her lab and raises funds to test 5,000 asymptomatic people.

Middle L: Navy Thunderbirds soar over UCSD Hillcrest as a part of a tribute to health care workers nationally.

Middle R: <u>Lauren Acosta, 27, heads home from UCLA Health</u> after receiving a plasma infusion.

Bottom L: Lisandro Maya, MD. Ph.D., joins in watching the commencement address by Dr. Anthony Fauci.

Bottom R: San Francisco librarian Jensa Woo, is in first group to be trained in new contact tracing program.

BI-NATIONAL COLLABORATION IN SAN DIEGO AND TIJUANA

San Diego enjoys a close relationship with Tijuana and Baja California. The San Ysidro border crossing is one of the world's busiest land border crossing points, not only for commerce but daily life. Some Mexican citizens commute to San Diego for work and American Expats who live in Mexico often return to the U.S. for medical care, work, and other purposes. Likewise, the southern flow of U.S. citizens to Mexico for business or pleasure is significant.

The cross-border flow of people necessitates a regional, bi-national approach to the pandemic. In recent weeks, San Diego and Tijuana have emerged with a significant number of COVID-19 cases. Clinical teams on both sides of the border must work together.

UC San Diego Health is proud to be part of Aliados por Salud, a volunteer team of critical care doctors, nurses and respiratory therapists who are collaborating daily with Tijuana's General Hospital on how best to treat patients

use of telemedicine.

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UCSD

COVID-19 inpatient census as of

As of 11:59PM 5/21/2020

UC Health inpatients with COVID-19 by hospital. Source: UC Health Data Warehouse.

UCLA

diagnosed with COVID-19. UC San Diego is providing clinical volunteer support, starting with intensive care, which will last three to four weeks and may expand to other specialties, including

UC San Diego Health volunteer physicians will support Tijuana General Hospital's bedside physicians. Nurses from UC San Diego Health will also travel to provide expertise to their Mexican counterparts in the use of proning protocols to help patients in respiratory distress. We look forward to working together to support our vibrant bi-national community.

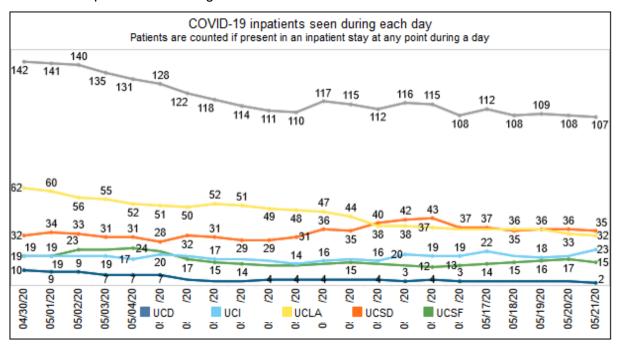
UPDATE ON UC SAN DIEGO'S RETURN TO LEARN COVID-19 TESTING PILOT

On May 5, UC San Diego Chancellor Pradeep Khosla introduced the 'Return to Learn' program, a pilot to provide self-administered tests to 5,000 students who are living in campus housing. The program officially began on May 11. As of today, 953 students have submitted and received test results. All are negative.



UC HEALTH DASHBOARD OF INPATIENTS WITH COVID-19

You can see the gradual downward slope of UC Health inpatients with a COVID-19 diagnosis, from a high of 142 in late April to 107 as of May 21. The highest number (35) is at UC San Diego. For more detail, please follow @UofCAHealth on Twitter where we regularly publish COVID-19 inpatient and testing metrics.



IN CLOSING

This week was a Board of Regents meeting, so across the System, including at UC Health, the focus was on preparing to update the Board.

It is always a pleasure to spend time with the UC Board of Regents and to share information about the activities of UC Health. I am so proud of the work across our organization in addressing one of the greatest health challenges the world has ever faced, the SARS-CoV2 pandemic. I appreciate the inspirational leaders, faculty, staff, students, and trainees across UC Health and the commitment of the Regents to supporting excellence in every facet of the UC enterprise.

The May meeting included a number of complex presentations. The decisions in front of us on the academic, financial, and health fronts may seem daunting. However, I am buoyed by the fact that UC has some of the best minds in the world working on these issues. We will rely on our human assets to guide the organization through the pandemic while maintaining our UC values.

I am confident, as was stated in the meeting, that we will emerge a better and stronger organization. Fiat Lux.

With Gratitude,

Carrie L. Byington, MD Executive Vice President UC Health