

April 28, 2016

To: Chair of the Academic Senate

From: Christopher J. Kane, MD
Professor of Surgery and Chair of Urology
Joseph D. Schmidt MD Presidential Chair in Urology

Attachments:

1. Letters of Support from UC San Diego Executive Vice Chancellor of Academic Affairs, Vice Chancellor and Dean of Health Sciences, Chair of the Health Sciences faculty Council and select Chairs and Program Leaders. (Letters of support were sought from Chairs of Departments with significant interaction with Urology. No Chairs declined to write a letter of support and all solicited letters were included.)
2. CVs of all Urology faculty.

**Proposal for the Hospital Department of Urology to become a School of
Medicine Department – UC San Diego Health Sciences**

I. EXECUTIVE SUMMARY

UC San Diego Urology is a division of the department of Surgery within Health Sciences. In 2013 we were designated as a clinical department within the Health System. With this request, we seek the academic senate's endorsement to become a new academic department within Health Sciences.

The Urology program has undergone significant expansion since 2007, adding subspecialty programs in infertility and andrology, urinary stone disease and endourology, as well as reconstructive urology to the already outstanding programs in urologic oncology, women's pelvic medicine and pediatric urology. The expansion of the clinical programs has been profound and accompanied by an enormous increase in the number of patients seen, work RVUs, surgeries, hospitalizations and revenue. We have also significantly expanded our

research portfolio and publication profile such that for the calendar year 2015 we had 85 peer-reviewed publications as a group. Our educational programs are regarded as some of the best in the country, with a highly sought after urology residency program, as well as fellowship programs in urologic oncology (accredited by Society of Urologic Oncology), endourology and pediatric urology (ACGME-accredited) that are all in good standing. In addition, we have recently expanded our urology residency complement to 3 residents per year in anticipation of the opening of the Jacobs Medical Center. Our national stature has also grown significantly. For 2015-16 we are ranked #25 in the country by *US News & World Report*, the third consecutive year in the top 25 and the 6th of the last 8 years in the top 50 nationally.

Transition to a Department

We seek to become an academic department for a number of reasons:

1) Distinct discipline. Urology is an independent and distinct discipline that is separate from General Surgery. Urologists share little with General Surgery either clinically or academically. Urology has separate national meetings with a separate ACGME and residency review committees. The American Board of Urology was founded in 1934 and is one of 24 medical specialty boards that make up the [American Board of Medical Specialties \(ABMS\)](#). We have distinct residency and fellowship programs that go through accreditation channels completely separate from General Surgery.

2) Enhanced national visibility and reputation. Urology is a medical school department in about 90% of the medical centers with Urology residency programs. Sixteen of the top 20 urology programs as ranked by *US News & World Report* in 2014-15 are departments. The only urology programs that were not are Duke, Washington University, University of Pennsylvania and UC San Diego (ranked 16th in 2014). Large, effective urology departments at peer institutions include UC San Francisco, UCLA, UC Davis and UC Irvine, as well as University of Washington, University of Michigan, University of Virginia, University of Florida, Ohio State and University of Iowa. Academic Department status is a natural evolution of our growth and stature.

3) Faculty retention and recruitment. School of Medicine department status is important for faculty retention and recruitment. Many divisions of urology have difficulty recruiting leaders

and conversion of existing divisions to departments is a common request for new urology leaders. There is concern among urologists nationally that divisions won't be adequately supported by their general surgery department chairs, as has occurred famously at a number of programs. Urology department status enhances engagement and faculty satisfaction. Urology residents and faculty are recruited by the head of the urology program and they expect their compensation discussions, offer letters and promotion letters to come from the Urology leader, not the leader of the general surgery department, with whom they have little interaction.

4) Improved representation of Urology needs at the institutional level. Improved representation of Urology's specific needs at the institutional level is a critical issue and perhaps the most important reason to transition to a department. Ultimately, I believe UC San Diego will benefit from increased representation of an outstanding Department of Urology. Institutionally the Division of Urology had the lowest financial support in the Department of Surgery between 2008 and 2013. With the changing national demographics regarding the transition towards older patients living longer, and the transition toward a greater density of outpatient surgical care, Urology will increase in the relative proportion of health care in the future. Here at UC San Diego, Urology has provided significant input into the development of the Jacobs Medical Center and will have the new Urology Institute in the Outpatient Pavilion opening in 2017. The success and coordination of the expanded urologic clinical services with our educational programs and translational research will be best accomplished as a well-managed and independent, academic department.

National and regional competition is another motivation. Our academic competitors in our region, which include UCLA, USC and UC Irvine, have significant urology departments of distinction with extensive investment in Institutes of Urology and subspecialty centers that have garnered national acclaim to varying degrees. The City of Hope also has an excellent urology cancers program that competes with our Moores Cancer Center services. Also locally, Genesis Healthcare is a Large Group Urology Practice (LGUP) with a number of subspecialty-trained physicians, so it is important for UC San Diego Urology to maintain our subspecialty research and clinical focus and our engagement in outreach and marketing to maintain our market share.

In summary, the clinical Department of Urology, seeks School of Medicine Academic Department of Urology status. We believe that academic department status is a natural evolution of our growth and independence, will recognize our distinctiveness as a discipline; enhance faculty, fellow and resident recruitment and retention; enhance our representation for urology programmatic issues at the institutional level; and facilitate our growth and excellence to continue on our trajectory to become one of the most outstanding Urology departments in the country. A great Department of Urology will bring academic, clinical and educational accolades and profitability to UC San Diego.

UC SAN DIEGO UROLOGY GOALS

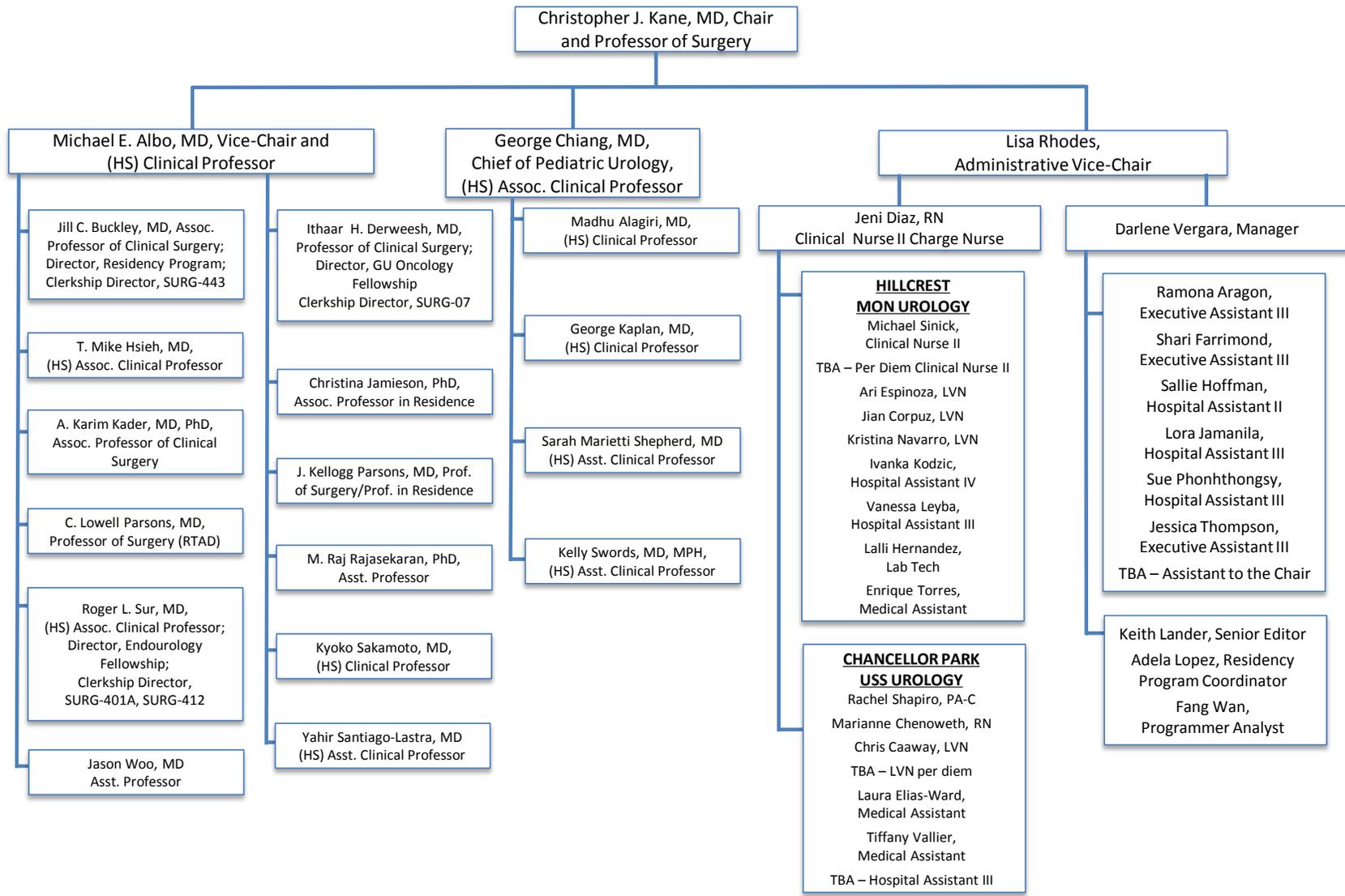
Overall

1. Deliver compassionate, highest quality urologic care to the people of San Diego, Southern California and beyond.
2. Provide premiere educational programs that will train and develop the next generation of exceptional urologists.
3. Generate innovative and impactful research that will contribute to the advancement of urologic science.
4. Advance the UC San Diego School of Medicine and Health Sciences goals in clinical care, education and innovation.
5. Be responsible contributors and resource stewards for UC San Diego Health Sciences.

Specific

1. Become a top 10 Urology program nationally as ranked by *US News & World Report*.
2. Be ranked as a top 10 Urology residency and fellowship program by applicant quality and certification status.
3. Generate the highest quality urologic care, research and education in each subspecialty domain of urology so that patients from the local community no longer need to travel outside of San Diego for urologic subspecialty care:
 - Urologic oncology
 - Infertility and andrology
 - Women's pelvic medicine and voiding dysfunction
 - Urinary stone disease and endourology
 - Reconstructive urology and urologic trauma
 - Pediatric urology
4. Be profitable so that we can invest in faculty and programs that will help us to achieve our goals.

Department of Urology Org Chart



II. HISTORY OF UROLOGY IN SAN DIEGO

San Diego's urology residency training program was the first in the region and started in 1947, well before the establishment of UC San Diego. It was based at San Diego County General Hospital and led by Dr. Robert J. Prentiss. In 1969 the Division of Urology within the Department of Surgery was established at UC San Diego. Dr. Ruben F. Gittes was recruited from UCLA to be the first Division Chief. He trained at Massachusetts General Hospital and had a national reputation. In 1975 Dr. Gittes returned to Harvard to become the Chair of Urology at Peter Bent Brigham Hospital. Dr. George Kaplan, a pediatric urologist at the Children's Hospital (now Rady Children's Hospital-San Diego) and one of the first pediatric urologists in the western US, served as Interim Chief at UCSD from 1975-76. Dr. Joseph Schmidt was appointed Division Chief in 1976, serving in that role for 30 years until 2006. From 2006-07 Dr. C. Lowell Parsons served as Interim Chief and then Dr. Christopher Kane was appointed Division Chief in 2007. In 2013, Urology became a clinical department within the UCSD Health System, with Dr. Kane as the inaugural Chair.

III. CURRENT PROGRESS

The following summarizes our clinical, research, educational and financial progress. We currently have 13 Adult Urology faculty (3 are San Diego County Medical Society "Top Doctors") and 5 Pediatric Urology faculty, have recruited an Assistant Professor in Female Pelvic Medicine who begins in June 2016, and have future recruitments planned in 2017 and 2019.

Faculty

ADULT UROLOGY FACULTY	TITLE
Albo, Michael E., MD	Professor of Surgery; Adjunct Professor of Reproductive Medicine; Vice-Chair in Urology
Buckley, Jill C., MD	Residency Program Director; Associate Professor of Surgery
Derweesh, Ithaar H., MD	Professor of Surgery; Society Fellowship Program Director
Hsieh, Tung-Chin (Mike), MD	Assistant Professor of Surgery
Jamieson, Christina, PhD	Associate Professor of Surgery
Kader, Andrew Karim, MD, PhD	Associate Professor of Surgery

Kane, Christopher J., MD, FACS	Professor of Surgery; Joseph D. Schmidt, MD Presidential Chair in Urology; Chair, Department of Urology
Parsons, C. Lowell, MD	Professor of Surgery
Parsons, John Kellogg, MD, MHS	Associate Professor of Surgery
Sakamoto, Kyoko, MD	Professor of Surgery; Chief, VA Medical Center
Sur, Roger, MD	Associate Professor of Surgery; Endourology Fellowship Director
Woo, Jason, MD	Assistant Professor of Surgery
Rajasekaran, Raj M., PhD	Project Scientist, Surgery

PEDIATRIC UROLOGY FACULTY	TITLE
Alagiri, Madhu, MD	Associate Professor of Surgery
Chiang, George, MD	Associate Professor of Surgery; Co-Program Director, Department of Urology
Kaplan, George W., MD	Professor of Surgery
Marietti, Sarah, MD	Assistant Professor of Surgery
Swords, Kelly, MD	Assistant Professor of Surgery

PEDIATRIC UROLOGY FELLOWS	TITLE
Loftus, Kelly, MD	Clinical Instructor
Yap, Michael, MD	Clinical Instructor

UROLOGIC ONCOLOGY FELLOW	TITLE
Hamilton, Zachary, MD	Clinical Instructor

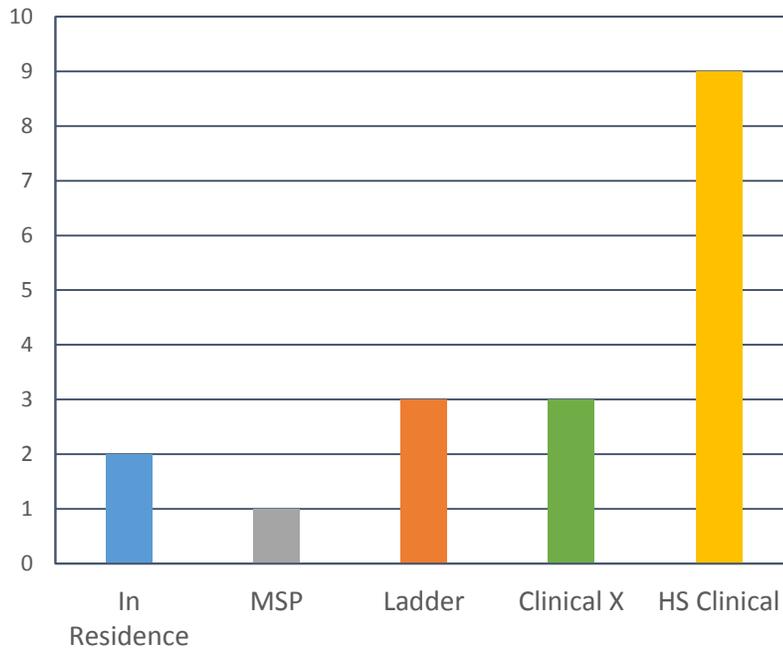
ENDOUROLOGY FELLOW	TITLE
Abbott, Joel, MD	Clinical Instructor

RESIDENTS	PROGRAM YEAR
Godebu, Elana, MD	6
Patel, Nishant, MD	6
McDonald, Michelle, MD	5
Raheem, Omer, MD	5

Holden, Marc, MD	4
Nseyo, Unwanaobong, MD	4
Han, Daniel, MD	3
Bree, Kelly, MD	2
Owusu, Richmond, MD	2
Ballon-Landa, Eric, MD	Intern
Cotta, Brittney, MD	Intern
Patel, Sunil, MD	Intern

VOLUNTARY/NON-SALARY UROLOGY FACULTY	TITLE
Brodak, Philip, MD	Associate Clinical Professor
Cambareri, Gina, MD	Clinical Instructor
Conner, Richard, MD	Associate Clinical Professor
Crisell, Monisha, MD	Associate Clinical Professor
Flynn, Vincent, MD	Associate Clinical Professor
Gaylis, Franklin, MD	Clinical Instructor
Hunting, Daniel, MD	Associate Clinical Professor
Keiler, Danny, MD	Associate Clinical Professor
Naitoh, John, MD	Clinical Instructor
Stroup, Sean, MD	Associate Clinical Professor
Szoller, George, MD	Associate Clinical Professor
Vemulapalli, Sreenivas, MD	Associate Clinical Professor

Department of Urology Faculty Series



<ul style="list-style-type: none"> ■ In Residence 	Christina Jamieson, PhD J. Kellogg Parsons, MD
<ul style="list-style-type: none"> ■ MSP 	Jason Woo, MD
<ul style="list-style-type: none"> ■ Ladder 	Christopher J. Kane, MD C. Lowell Parsons, MD J. Kellogg Parsons, MD
<ul style="list-style-type: none"> ■ Clinical X 	Jill C. Buckley, MD Ithaar Derweesh, MD A. Karim Kader, MD, PhD
<ul style="list-style-type: none"> ■ HS Clinical 	Michael E. Albo, MD T. Mike Hsieh, MD George Kaplan, MD Kyoko Sakamoto, MD Roger Sur, MD Madhu Alagiri, MD George Chiang, MD Sarah Marietti Shepherd, MD Kelly Swords, MD, MPH

DEPARTMENT OF UROLOGY FACULTY - UNIVERSITY SERVICE

ADULT UROLOGY FACULTY	SCHOOL OF MEDICINE
Albo, Michael E., MD	UCSD Health Sciences - Physician Assessment and Clinical Education Program (PACE), Division of Urology Representative
	UCSD Health Sciences - Stein Institute for Research on Aging, Affiliated Faculty
	UCSD Health Sciences - Clinical Investigation Institute
	UC Health Sciences - Academy of Clinician Scholars (AOCS)
	UCSD Health Sciences - Nominating Committee
	Department of Surgery, Mentoring & Advancement Action Team Committee Member
	Department of Surgery Business Office Advisory Group
	MS1 Practice of Medicine Course – Urology Physical Exam
	Endocrine, Reproduction and Metabolism course (SOMC 229) – Faculty Facilitator
	Adjunct Professor, Department of Reproductive Medicine

Buckley, Jill C., MD	Course Director, Surgery 443 Sub-Internship in Urology
Derweesh, Ithaar H., MD	Society Fellowship Program Director
Hsieh, Tung-Chin (Mike), MD	UCSD SOM Recruitment and Admissions Committee UCSD Graduate Programs Education Committee
Jamieson, Christina, PhD	
Kader, Andrew Karim, MD, PhD	
Kane, Christopher J., MD, FACS	Outside Professional Activities Review and Advisory Committee Standing Promotions Committee UCSD Academy of Clinician Scientists (AOCS) Awards Sub-Committee UCSD Faculty Search Committee UCSD Graduate Medical Education Committee UCSD Independent Study Project Department Liaison
Parsons, C. Lowell, MD	
Parsons, John Kellogg, MD, MHS	Clerkship Director, Surgery 443 2008-2014
Sakamoto, Kyoko, MD	
Sur, Roger, MD	School of Medicine Recruitment and Admissions Committee (RAC) Surgery 401 Clerkship, Urology Champion Surgery 496B Clerkship, Urology Co-Champion Introduction to Clinical Medicine (ICM), MS 1 preceptor Introduction to Clinical Medicine (ICM), MS 2 preceptor Problem-based learning (PBL) MS1 small group leader Faculty Facilitator, Urology Surgery Interest Group Problem-based learning (PBL) Male Reproductive Instructor Surgery 027 Apprenticeship, Urology Mentor
Woo, Jason, MD	
Rajasekaran, Raj M., PhD	

ADULT UROLOGY FACULTY	HEALTH SYSTEM
Albo, Michael E., MD	<p>Women’s Pelvic Medicine Center, Co-Director and Founder</p> <p>Medical Risk Management Committee</p> <p>Department of Surgery Quality Improvement Committee (QIDR), Urology representative</p> <p>University Ambulatory Surgery Center (UASC), Medical Executive Committee</p> <p>Perioperative Services Committee, member</p> <p>Surgical Care Improvement Project (SCIP) Committee</p> <p>Jacobs Medical Center (JMC), Pre-Post Op & PACU User Group Committee</p> <p>Outpatient Pavilion Work Group, Planning Committee Member</p> <p>Medical Staff Executive Committee</p> <p>Patient Care and Peer Review Committee, Department of Urology Quality Improvement Representative</p> <p>Physician Access Group Committee</p> <p>PARS Leadership Course</p> <p>Laboratory Utilization Committee</p> <p>Leadership Council</p>
Buckley, Jill C., MD	<p>Urology Patient Care Stream Physician Champion, UCSD Care Stream</p> <p>Clinical Competence Committee, UCSD Department of Urology</p> <p>Urology Residency Program Director, UC San Diego</p> <p>Outpatient Pavilion Work Group, Planning Committee Member</p>
Derweesh, Ithaar H., MD	Member, JMC Peri-Operative Committee
Hsieh, Tung-Chin (Mike), MD	<p>Member, JMC Peri-Operative Committee</p> <p>Outpatient Pavilion Work Group, Planning Committee Member</p>
Jamieson, Christina, PhD	
Kader, Andrew Karim, MD, PhD	
Kane, Christopher J., MD, FACS	Board of Governors

	<p>Cancer Council</p> <p>Cancer Council Steering Committee</p> <p>Chair, Patient Care Peer Review Committee</p> <p>Chair, UCSD Robotics Subcommittee</p> <p>Clinical Operating Advisory Committee, Moores Cancer Center</p> <p>Council of Clinical Chairs</p> <p>Executive Committee, UC San Diego Health System</p> <p>Inpatient Beds, Oncology, Surgery ECBT Programming</p> <p>Leader, Faculty Compensation and AHP Work Stream</p> <p>Medical Staff Executive Committee</p> <p>Moores Cancer Center Executive Committee</p> <p>Moores Cancer Center Gentiourinary (GU) Oncology Tumor Board Leader</p> <p>Quality Council</p> <p>Resource Alignment "RA2016" Work Stream Team Member</p> <p>Search Committee for CEO of the Medical Group/Dean of Clinical Affairs</p> <p>Search Committee for UCSD Moores Cancer Center Director</p> <p>Surgery Council</p> <p>UC San Diego Health Physicians Network Advisory Board</p> <p>UC San Diego Health System Clinical Compensation Committee</p> <p>UCSD Cancer Center Cabinet/Advisory Board</p> <p>UCSD Department of Surgery Executive Committee</p> <p>UCSD Perioperative Services Exectuive Committee</p> <p>UC Systemwide Perioperative Committee</p> <p>UCSD Guest Relations Program</p> <p>UCSD Jacobs Medical Center Steering Committee</p>
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	VA Affiliation Partnership Council
Parsons, C. Lowell, MD	
Parsons, John Kellogg, MD, MHS	Member, UCSD Medical Center Technology Assessment Committee Member, UCSD Robotic Surgery Sub-committee Member, UCSD Medical School Standing and Promotions Committee Member, Moores UCSD Cancer Center Patient Experience Committee Member, Moores UCSD Cancer Center Protocol Review and Monitoring Committee
Sakamoto, Kyoko, MD	Chief, VA Medical Center
Sur, Roger, MD	Director, Comprehensive Kidney Stone Center EPIC EMR Provider Optimization Group Patient Safety Committee
Woo, Jason, MD	
Rajasekaran, Raj M., PhD	

ADULT UROLOGY FACULTY	DEPARTMENT
Albo, Michael E., MD	Urology Residency Program, ACGME Clinical Competency Committee member Residency Program Evaluation Committee Meeting Clinical Learning Environment Review Core Faculty Committee Urology Care Stream Work Group
Buckley, Jill C., MD	
Derweesh, Ithaa H., MD	
Hsieh, Tung-Chin (Mike), MD	Member, Clinical Competency Committee Urology Residency Program
Jamieson, Christina, PhD	Annual Research Symposium Committee, Department of Surgery Resident Interviews, Department of Urology
Kader, Andrew Karim, MD, PhD	Moores Cancer Center, GU Team Leader CAP, Department of Surgery Chair, Clinical Competency Committee Department of Urology Chair VA Transfusion Committee

	Course Director, Postgraduate Course Department of Urology Member, Clinic Optimization Steering Committee Moores Cancer Center
Kane, Christopher J., MD, FACS	Member, Clinical Competence Committee, Department of Urology
Parsons, C. Lowell, MD	
Parsons, John Kellogg, MD, MHS	
Sakamoto, Kyoko, MD	Member, Clinical Competency Committee Urology Residency Program VA Site Director, Urology Residency Program
Sur, Roger, MD	Director, UCSD-Kaiser Endourology/Laparoscopy Fellowship Program Co-Director, 3rd Annual UCSD Urology Postgraduate Course Founding Program Director, UCSD Hands-On Endourology Surgery for Residents course Program Director, 2nd Annual UCSD Hands-On Endourology Surgery for Residents Course Co-Director, 8th Annual UCSD Urology Postgraduate Course Co-Director, 9th Annual UCSD Urology Postgraduate Course
Woo, Jason, MD	
Rajasekaran, Raj M., PhD	Committee Member, Institutional Animal Care and Use Committee (IACUC), VASDHCS (2015-)

PEDIATRIC UROLOGY FACULTY	SCHOOL OF MEDICINE
Alagiri, Madhu, MD	
Chiang, George, MD	
Kaplan, George W., MD	
Marietti, Sarah, MD	UCSD Medical School Clerkship Lecture
Swords, Kelly, MD	

PEDIATRIC UROLOGY FACULTY	DEPARTMENT
Alagiri, Madhu, MD	Senior Medical Student Clerkship Director, Rady Children's Hospital Pediatric Urology Vice Chief, Rady Children's Hospital Pediatric Urology
Chiang, George, MD	UCSD Urology Assistant Program Director

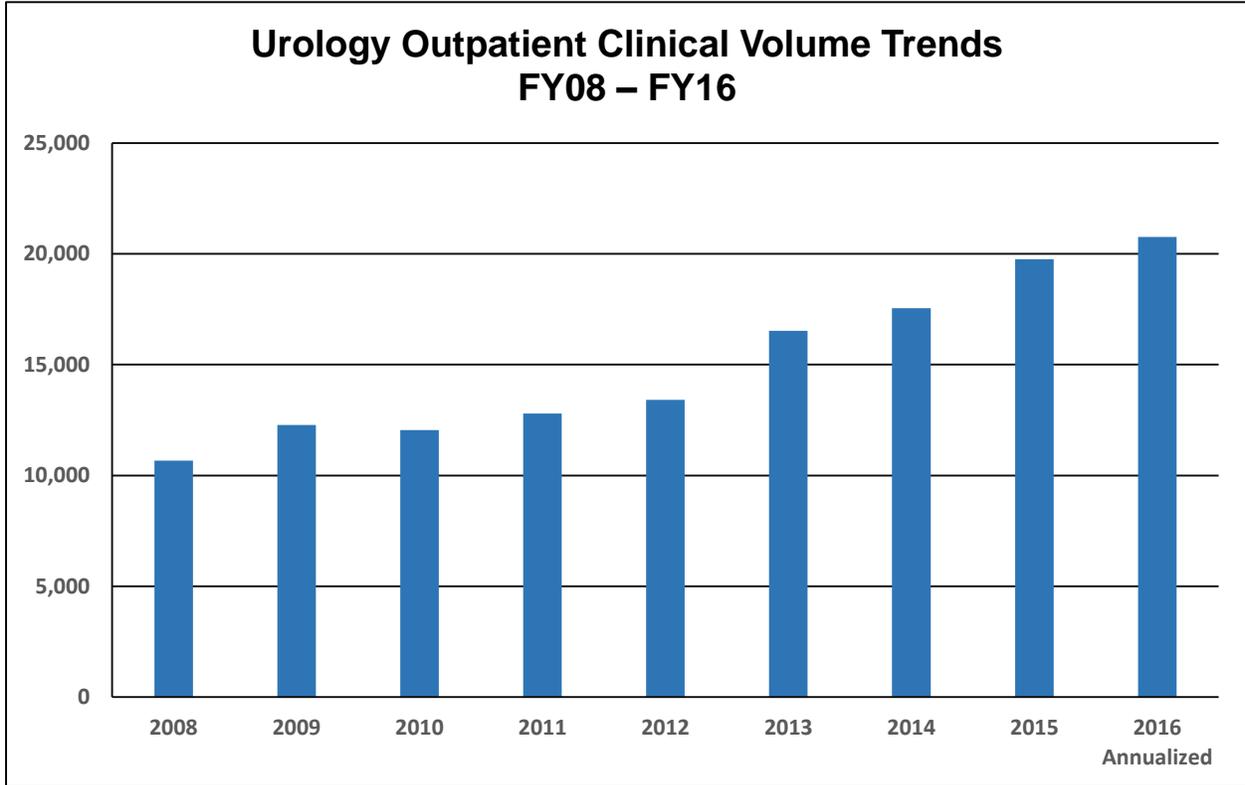
	<p>UCSD Pediatric Urology Fellowship Director</p> <p>Residency Program Evaluation Committee (PEC)</p> <p>Chief of Pediatric Urology</p> <p>Advisory Board for Rady UCSD Biorepository</p> <p>Member of Scientific Committee Rady's Genome Institute</p> <p>Chair RCSSD Surgical Research Grant Committee</p> <p>RCHSD Medical Staff Executive Committee</p> <p>CSSD Executive Committee</p> <p>Reviewer UCSD CTRI</p> <p>Faculty Advisor UCSD Project Nicaragua</p> <p>Advisor UCSD APAMSA</p> <p>Proctor of UCSD SOM Surgery Skills Workshop</p>
Kaplan, George W., MD	<p>Clinical Practice Committee Rady Children's Hospital</p> <p>Kidney Transplant Selection Committee Rady Children's Hospital</p> <p>Nominating Committee Rady Children's Hospital</p> <p>Invited Speaker Scripps Mercy NICU</p> <p>Invited Speaker Update in Practice of Pediatrics</p> <p>Rady Children's Hospital Nursing Student Urology Lecture</p> <p>UCSD/Rady Children's Pediatric Urology Assistant Fellowship Director</p>
Marietti, Sarah, MD	
Swords, Kelly, MD	

Clinical

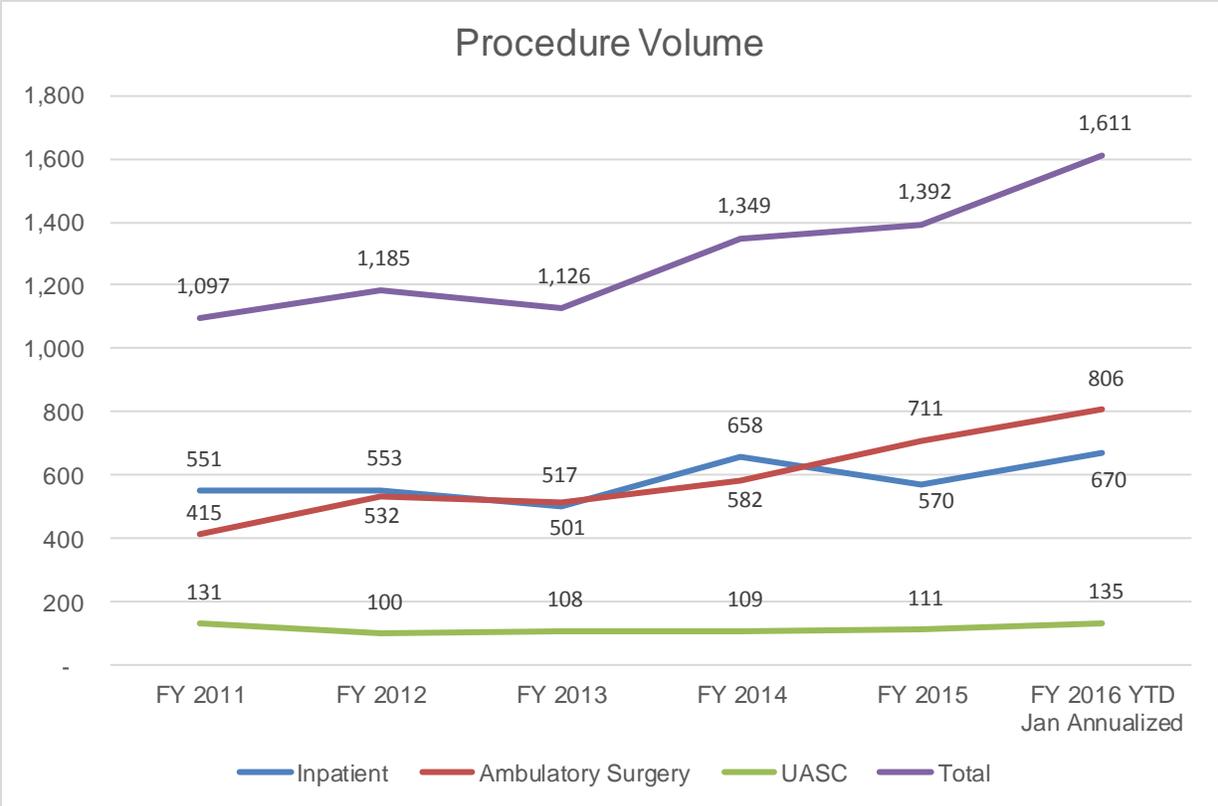
Urology has experienced significant growth in clinical volume, patient visits and procedures, with commensurate growth in revenue, work RVUs, and regional market share.

Urology has four clinic locations: Moore’s Cancer Center, Chancellor Park, Hillcrest and Encinitas. Clinic volume has increased each year since 2008 on average 9% per year for a total

of 77% over the full time period, from 10,665 visits to just under 19,000 visits in 2015, with more than 20,000 projected for 2016.



Urology performs surgical procedures at Thornton, the UASC and Hillcrest. Volume has grown 23% since 2011, with jumps in 2012 and 2014 coinciding with the arrival of new recruits.



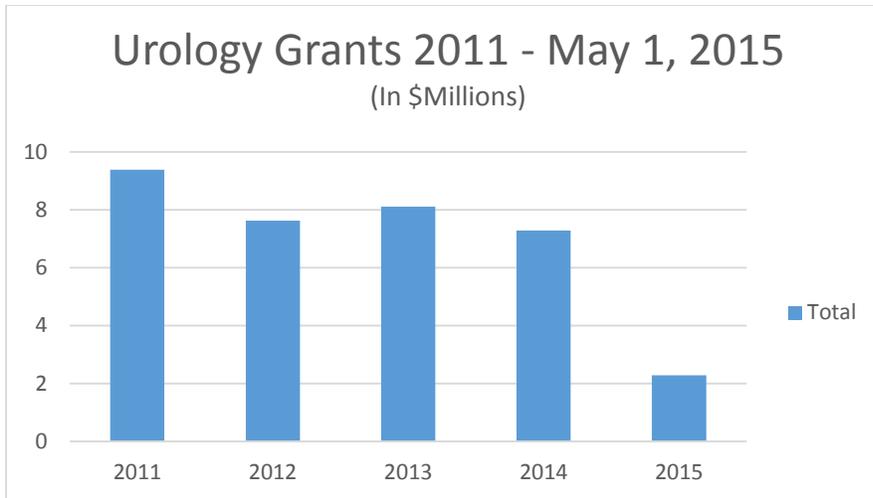
Research

Our faculty are very active in research, with many innovative and impactful projects that will have a significant impact on improving the understanding of urologic diseases and ultimately the quality of patient care. UCSD Urology patented the only FDA-approved oral therapy for interstitial cystitis/painful bladder syndrome; a very significant clinical advance that yielded patent royalties for the University and Urology. We were among the first in the nation to report a single-incision laparoscopic radical nephrectomy. We have the greatest collective robotic surgery experience in San Diego and have pioneered a number of procedures that are now common nationally, including robotic simple prostatectomy. We have an active bone metastasis research lab that has federal, industry and private foundation funding. Dr. Kane and Dr. Karin in the Dept of Pharmacology are collaborating on a trial to examine the impact of B-cell inflammation reduction on prostate cancer progression, translating some of Dr. Karin’s world-renowned research to the clinic. We were the first in San Diego to offer MRI-guided prostate biopsy and we have a joint research and clinical program with the Department of

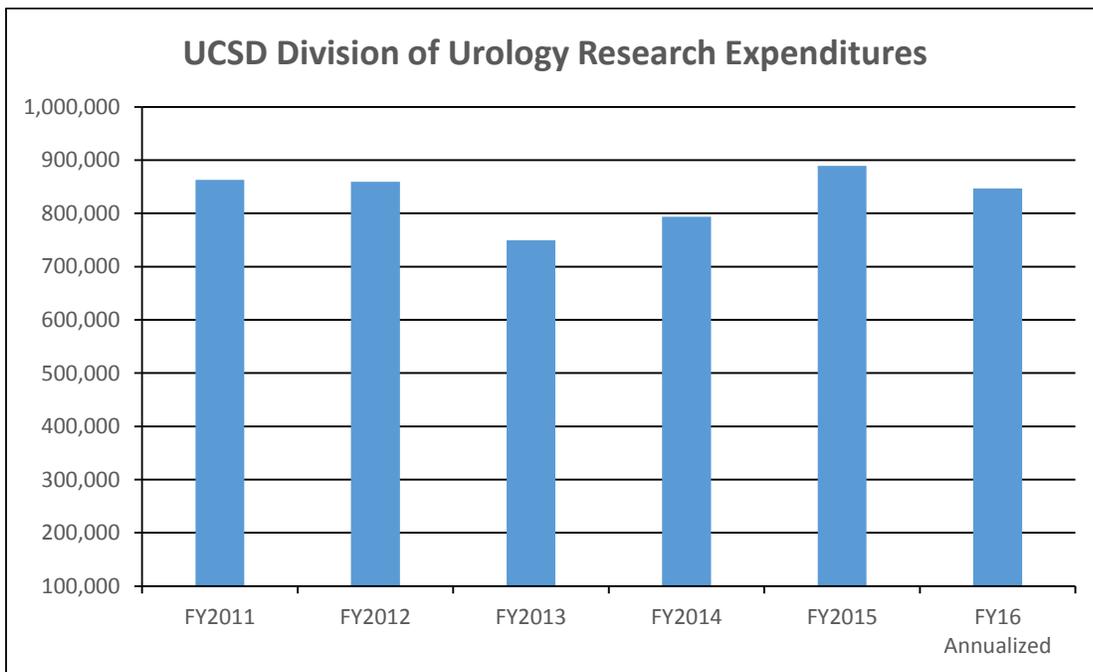
Radiology supported by a DoD grant, with additional support pending, and has yielded five significant publications. We have a new collaboration with Professor Donna Hansel and Trey Ideker and with Human Longevity Incorporated, to perform whole genome sequencing of the surgical pathology material of 200 prostate cancer patients cared for at UCSD with known outcomes and follow-up. The goal of the ambitious project is to determine biomarkers of progression that could be applied to newly diagnosed patients to select patients for multimodal therapy. We also carried out the first clinical trial to examine the effect of diet on bladder cancer, and secured a \$1.6 million contract from the National Cancer Institute to perform a first-of-its-kind, Phase II randomized placebo-controlled multi-site trial of a vaccine for early-stage prostate cancer (PROSTVAC[®], opened May 2015), just to name a few achievements. Dr. Albo is co-principal investigator of the largest clinical site in the multicenter Urinary Incontinence Treatment Network (UITN). The UITN involves clinical research centers throughout the United States in a cooperative, ongoing effort to evaluate the effectiveness of medical and surgical treatments for urinary incontinence.

We have averaged between \$6-8 million per year in total award grant funding over the past 5 years with a dip in 2015 due to the expiration of two grants. The 2015 grant data shown below does not reflect all NIH income expected for FY2015. NIH grant funding is allocated per year; Department of Defense funding is allocated per award. We currently have 8 grants pending at NIH and the Prostate Cancer Foundation that will create a stable funding pattern in the coming years. Our direct expenditures are approximately \$850,000 per year and stable (see graph below). Our grants are managed through the both the Department of Surgery and the Moores Cancer Center.

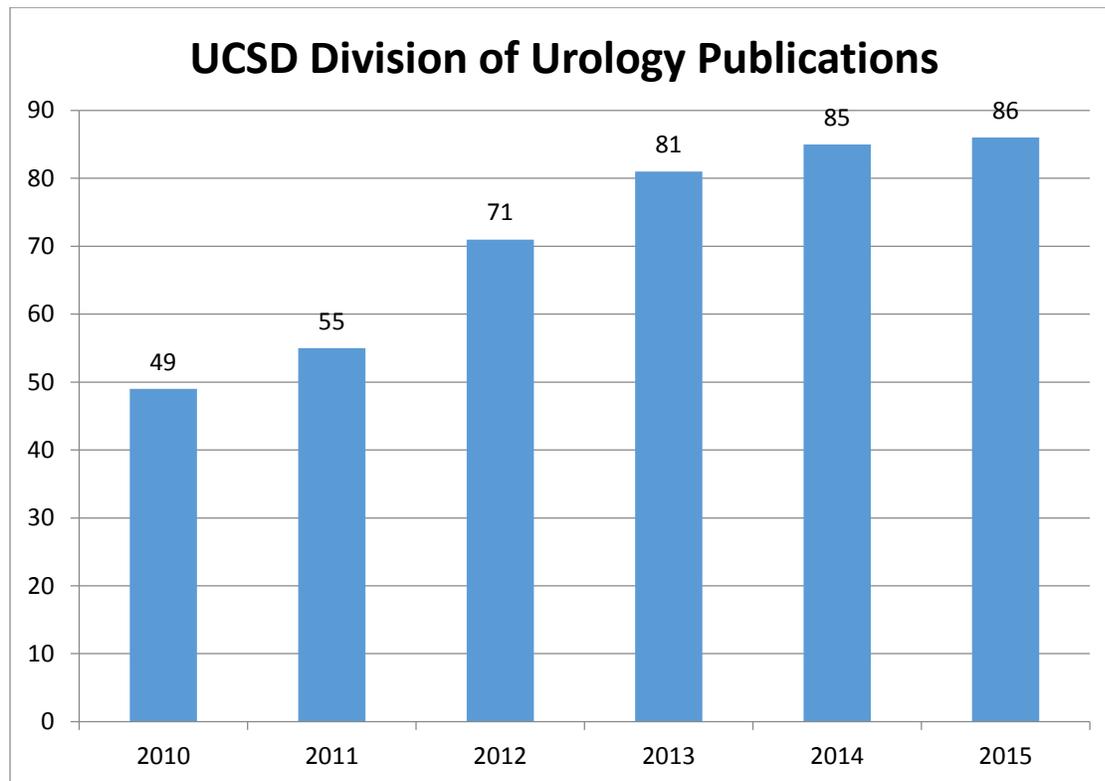
Urology has had two FTEs from the Dept. of Surgery FTE pool since the 1970s. Drs Schmidt and Parsons held them in prior years. Currently Kane (1.0), JK Parsons (0.5) hold FTEs and 0.5 FTE is unallocated. We attempted a change in series for Albo to receive the other 0.5 that was unsuccessful in 2015. We have an open 0.5 FTE recruitment for a basic science faculty member. **We seek and are actively fundraising to add additional FTEs to expand the research volume, impact and quality goals of the Department.**



Urology maintains a strong research program, with an average of nearly \$850K of direct expenditures per year. With the addition of planned future recruits we will continue to build on this solid foundation.



The number of peer-reviewed research publications increased by 73% from 49 in 2010 to 85 in 2014.



Education

Our residency program expanded from a 2:4 to a 1:4 format with 3 residents per year instead of 2 effective July 1, 2015. This shorter format is more common nationally and is favored by most urology residents and applicants. We had 230 applicants for our three positions in the current 2015-16 year, up from 190 last year. In 2014 we received commendation from the ACGME Review Committee for our substantial compliance with the Institutional Requirements for Graduate Medical Education. The leadership of the Urology residency was transitioned from Dr. Kane to Dr. Jill Buckley in 2014. For 2015-16 we have 13 residents in Urology including our 3 categorical Urology interns.

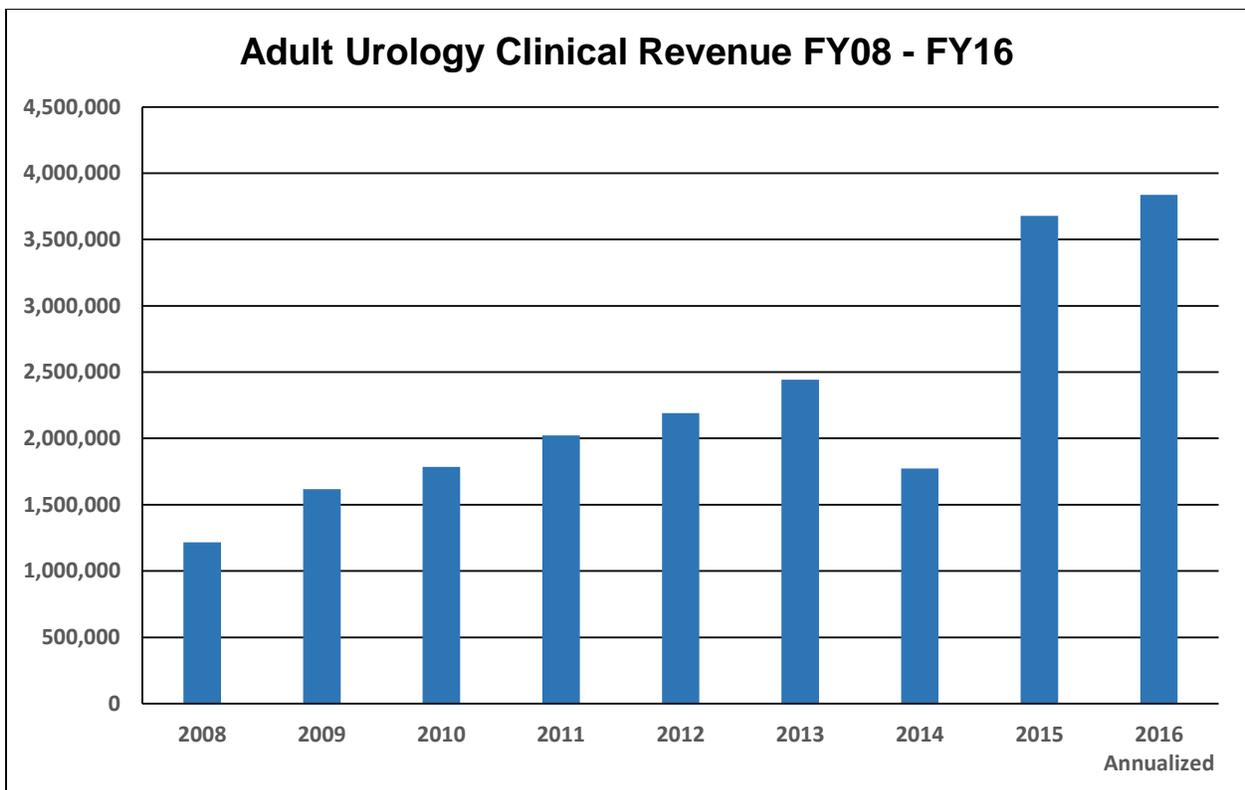
We offer three fellowships in **Endourology/Laparoscopy, Pediatric Urology and Urologic Oncology**. In addition, Urology Vice Chief Dr. Albo is a key member of the Female Pelvic and Reconstructive Surgery fellowship coordinated by Reproductive Medicine in collaboration with Kaiser. Our faculty teach medical students, residents and fellows in the

classroom, clinic and hospital setting, and consistently receive high scores on teaching evaluations. Our residency program and all the fellowship programs are accredited, in good standing and highly competitive.

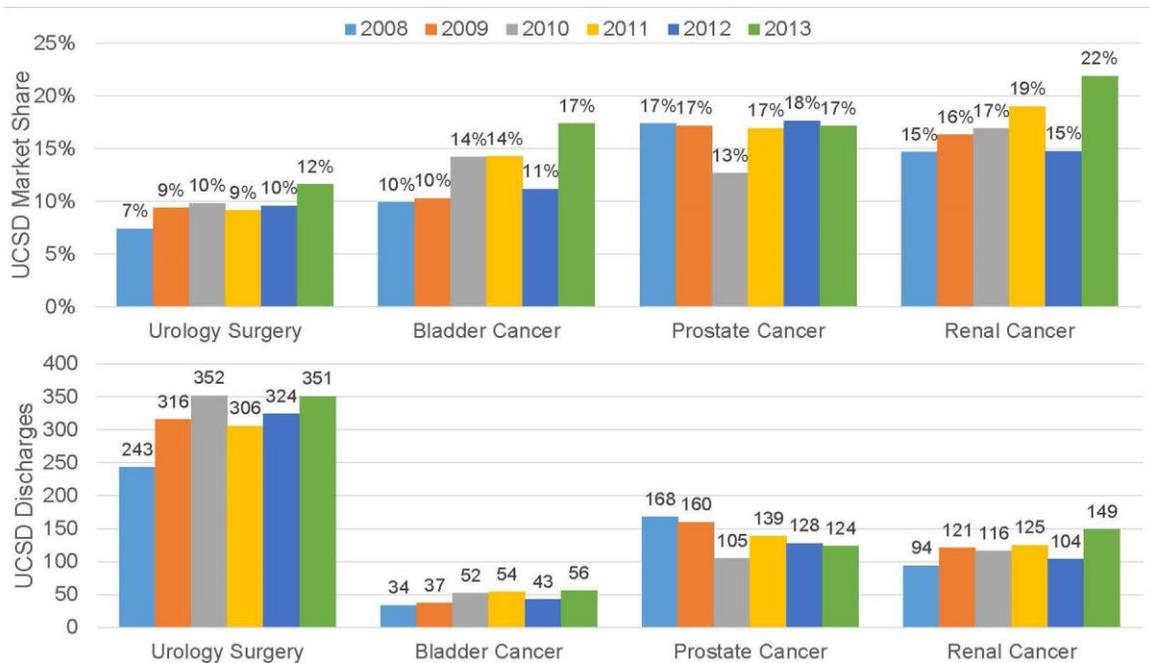
Financial

Urology has experienced significant year over year growth in clinical volume, which is commensurate with growth in faculty, revenue, work RVUs, and market share. Both Department and Medical Center profitability of the Urology program remain strong. **Urology's professional fee revenue has grown 233% from \$1.2 million in 2008 to just under \$4 Million in 2016.** The dip in 2014 and bolus in 2015 are illustrative of billing issues during the Epic electronic medical record implementation in October 2013. Urology has fully recovered from this and collections have stabilized. We model continued 8-10% growth of volume and 5-8% growth in professional revenue per year in the next 3-5 years as new faculty are recruited and outreach and affiliation efforts enhance continue our growth.

Note: Decrease in 2014 and major increase in 2015 due to Epic EMR implementation.



The data below shows **San Diego inpatient market growth** from 2008 to 2013 (the most recent year available from OSHPD). Overall, between 2008 and 2013, Urology’s market share has nearly doubled, growing from 7% to 12%, or 71% growth. Within that total, Urology sees significant market growth in Bladder Cancer (10% to 17% market share increase) and Renal/Kidney Cancer (15% to 22% growth). This correlates to Urology’s reputation of excellence in those fields. With respect to Prostate Cancer, the market share has remained steady at 17%, however with a decreased volume, illustrative of the community decrease in prostate cancer screening.



Source: OSHPD 2008-13 (SD Small), UCSD Health Sciences Planning

The next table details the hospital **financial performance** of the Urology service line from 2011 to 2015. Procedure growth was covered above in the Clinical section. Encounters are based on the ICD9 Procedure MD. Procedures are generated from EPIC. UCSD Expected Payments = Net Revenue less Bad Debt. UASC expected payments are based on projected revenue provided by UASC. Expenses are based on UASC income statement. Variable costs include medical supplies, salaries, benefits and other variable costs. Fixed expenses include

depreciation, interest, management fees, provisions for doubtful accounts, and other fixed expenses. Variable expenses are calculated on a per case basis. Fixed expenses are a percent of total costs based on Urology's percent of total cases.

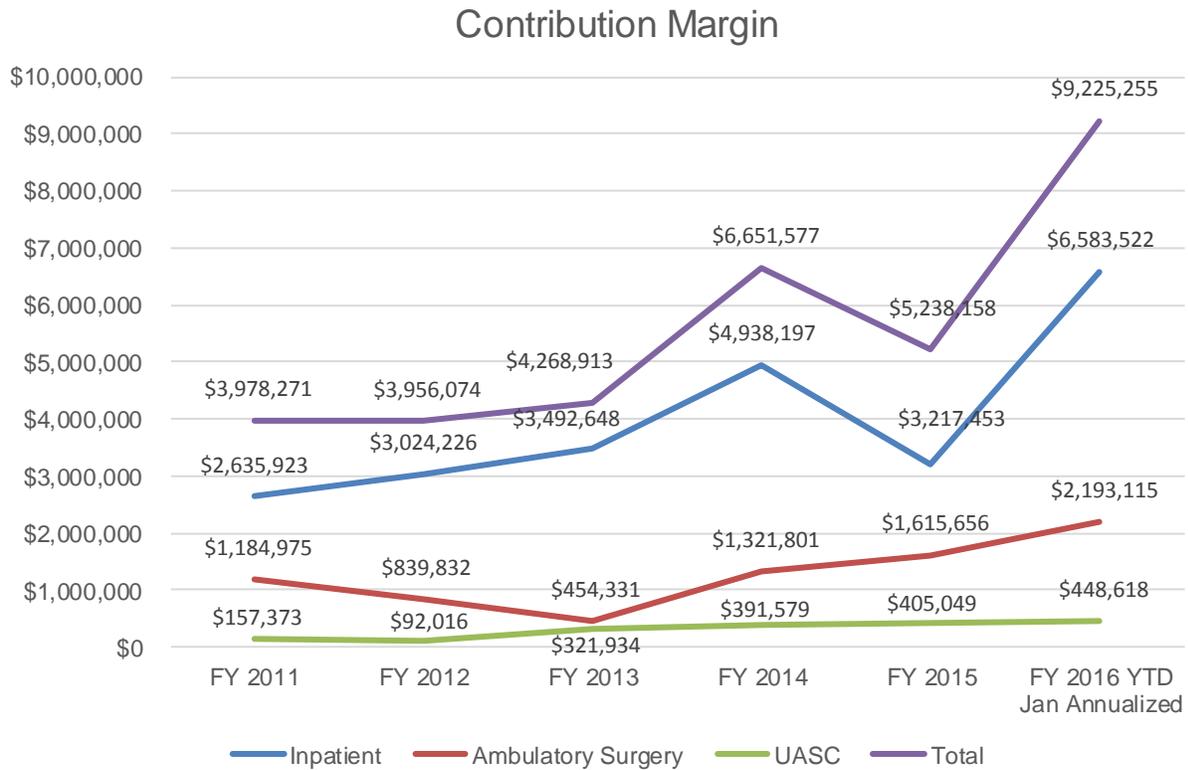
Urology: Inpatient	Encounters	Procedures	Patient Days	ALOS	Charges	Expected Payments	DSH	Total Net Revenue	Direct Cost	Contribution Margin	% CM
FY 2011	572	551	2,354	4.1	\$28,726,309	\$7,600,701	\$1,292,713	\$8,893,414	\$6,257,491	\$2,635,923	30%
FY 2012	569	553	2,643	4.6	\$32,762,440	\$9,251,378	\$1,246,058	\$10,497,436	\$7,473,210	\$3,024,226	29%
FY 2013	499	501	1,938	3.9	\$30,074,441	\$8,628,085	\$917,810	\$9,545,895	\$6,053,247	\$3,492,648	37%
FY 2014	677	658	2,516	3.7	\$43,139,623	\$11,801,088	\$1,528,324	\$13,329,412	\$8,391,215	\$4,938,197	37%
FY 2015	574	570	2,059	3.6	\$38,758,680	\$9,634,643	\$1,469,960	\$11,104,603	\$7,887,150	\$3,217,453	29%
FY 2016 YTD Jan Annualized	634	670	2,297	3.6	\$53,790,626	\$16,404,243	\$1,208,750	\$17,612,993	\$11,029,471	\$6,583,522	37%
FY 2016 YTD Jan Annualized*	633	669	2,239	3.5	\$44,515,689	\$10,180,761	\$1,208,750	\$11,389,510	\$8,460,576	\$2,928,934	26%

Urology: Ambulatory Surgery	Encounters	Procedures	Patient Days	Charges	Expected Payments	DSH	Total Net Revenue	Direct Cost	Contribution Margin	% CM
FY 2011	352	415	-	\$ 9,405,823	\$ 2,876,921	\$ 207,766	\$ 3,084,687	\$ 1,899,712	\$ 1,184,975	38%
FY 2012	477	532	-	\$ 12,743,008	\$ 3,209,977	\$ 224,929	\$ 3,434,906	\$ 2,595,074	\$ 839,832	24%
FY 2013	502	517	-	\$ 8,359,861	\$ 1,837,012	\$ 188,515	\$ 2,025,527	\$ 1,571,196	\$ 454,331	22%
FY 2014	554	582	-	\$ 10,027,941	\$ 2,797,367	\$ 219,903	\$ 3,017,270	\$ 1,695,469	\$ 1,321,801	44%
FY 2015	727	711	-	\$ 14,067,674	\$ 3,493,243	\$ 241,597	\$ 3,734,840	\$ 2,119,184	\$ 1,615,656	43%
FY 2016 YTD Jan Annualized	830	806	-	\$18,347,883	\$4,234,435	\$293,662	\$ 4,528,097	\$2,334,982	\$ 2,193,115	48%

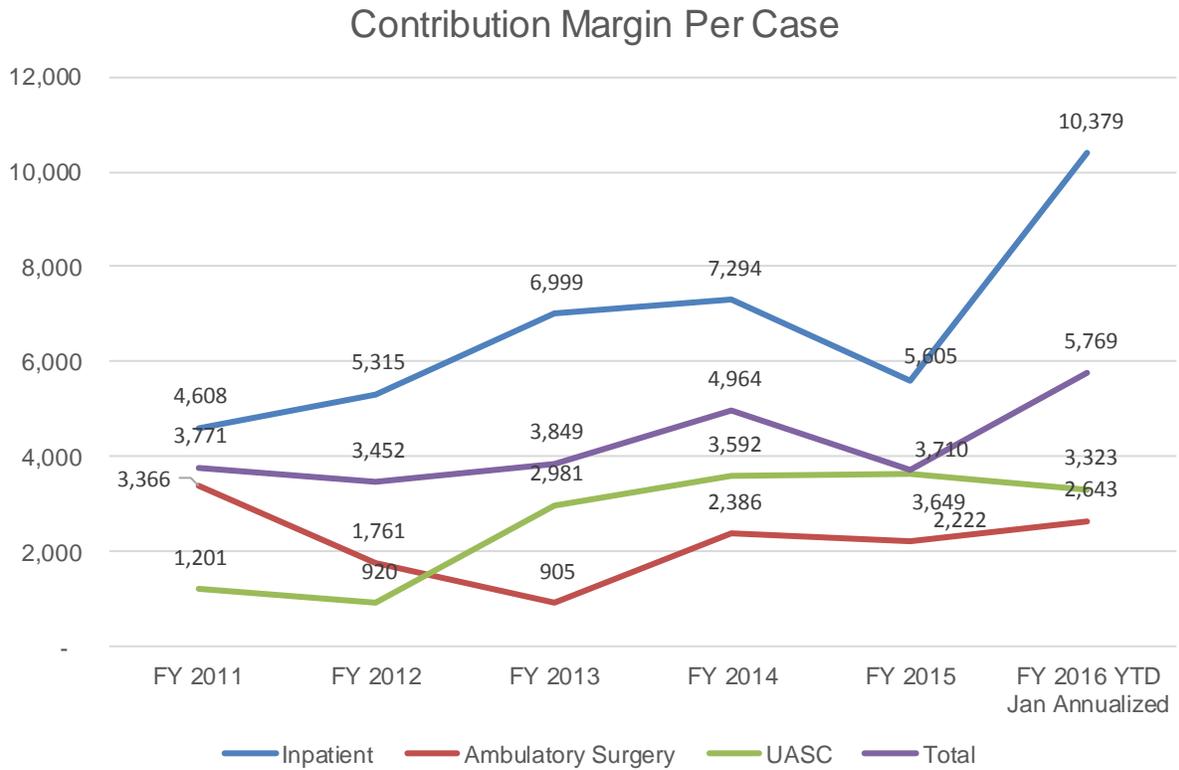
Urology: UASC	Encounters	Procedures	Patient Days	Charges	Expected Payments	DSH	Total Net Revenue	Variable Cost	Contribution Margin	% CM
FY 2011	131	131	-	\$ 1,009,883	\$ 396,859	\$ -	\$ 396,859	\$ 239,487	\$ 157,373	40%
FY 2012	100	100	-	\$ 698,788	\$ 279,881	\$ -	\$ 279,881	\$ 187,866	\$ 92,016	33%
FY 2013	108	108	-	\$ 1,220,990	\$ 516,870	\$ -	\$ 516,870	\$ 194,935	\$ 321,934	62%
FY 2014	109	109	-	\$ 1,542,709	\$ 614,289	\$ -	\$ 614,289	\$ 222,710	\$ 391,579	64%
FY 2015	111	111	-	\$ 1,435,340	\$ 606,665	\$ -	\$ 606,665	\$ 201,616	\$ 405,049	67%
FY 2016 YTD Jan Annualized	135	135	-	\$ 2,096,396	\$ 704,170	\$ -	\$ 704,170	\$ 255,552	\$ 448,618	64%

Urology: Total	Encounters	Procedures	Patient Days	Charges	Expected Payments	DSH	Total Net Revenue	Direct Cost	Contribution Margin	% CM
FY 2011	1,055	1,097	2,354	\$ 39,142,015	\$ 10,874,481	\$ 1,500,479	\$ 12,374,960	\$ 8,396,690	\$ 3,978,271	32%
FY 2012	1,146	1,185	2,643	\$ 46,204,236	\$ 12,741,236	\$ 1,470,987	\$ 14,212,223	\$ 10,256,150	\$ 3,956,074	28%
FY 2013	1,109	1,126	1,938	\$ 39,655,292	\$ 10,981,967	\$ 1,106,325	\$ 12,088,292	\$ 7,819,378	\$ 4,268,913	35%
FY 2014	1,340	1,349	2,516	\$ 54,710,273	\$ 15,212,744	\$ 1,748,227	\$ 16,960,971	\$ 10,309,394	\$ 6,651,577	39%
FY 2015	1,412	1,392	2,059	\$ 54,261,694	\$ 13,734,551	\$ 1,711,557	\$ 15,446,108	\$ 10,207,950	\$ 5,238,158	34%
FY 2016 YTD Jan Annualized	1,599	1,611	2,297	\$ 74,234,905	\$ 21,342,848	\$ 1,502,412	\$ 22,845,260	\$ 13,620,005	\$ 9,225,255	40%

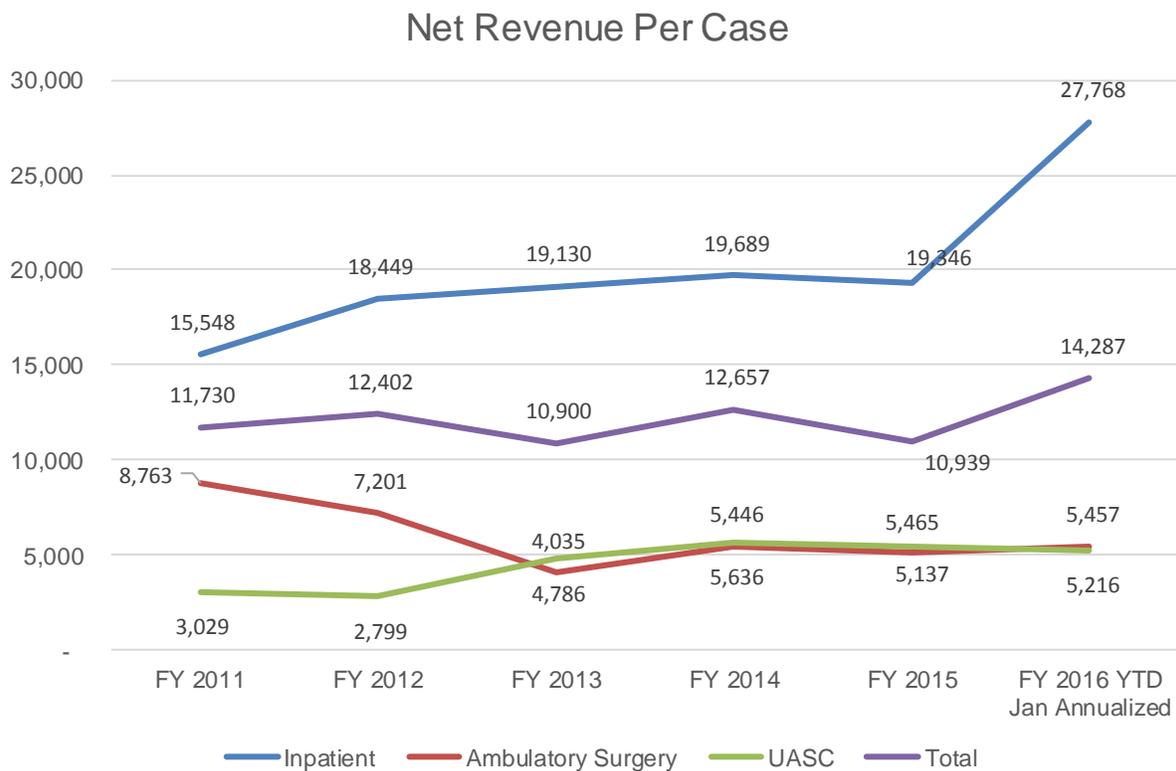
Contribution margin (CM) in total has increased from 2011 to 2016, with a dip in 2015. The downturn in 2015 was driven by payor-mix changes impacting the entire institution, which are not specific to Urology. The main factor is growth in undercompensated care.



CM per case follows the trend seen in overall contribution margin, with an increase over time with some fluctuation. The decline in 2014 was due to unfavorable changes in payor mix and increases in direct expenses per case.



Overall, **net revenue** per case from 2011 to 2016 has grown to the mid \$14,000's, while inpatient net revenue per case has grown from \$15,548 to \$27,768. Ambulatory surgery net revenue per case has dropped in the hospital based setting from \$8,763 to \$5,457, a result of payor mix shift and increased costs. As seen in the Contribution Margin figures above, the strongest financial performance and trend is seen at the UASC, with a growth in net revenue per case of \$2,565, from \$3,029 to \$5,216.



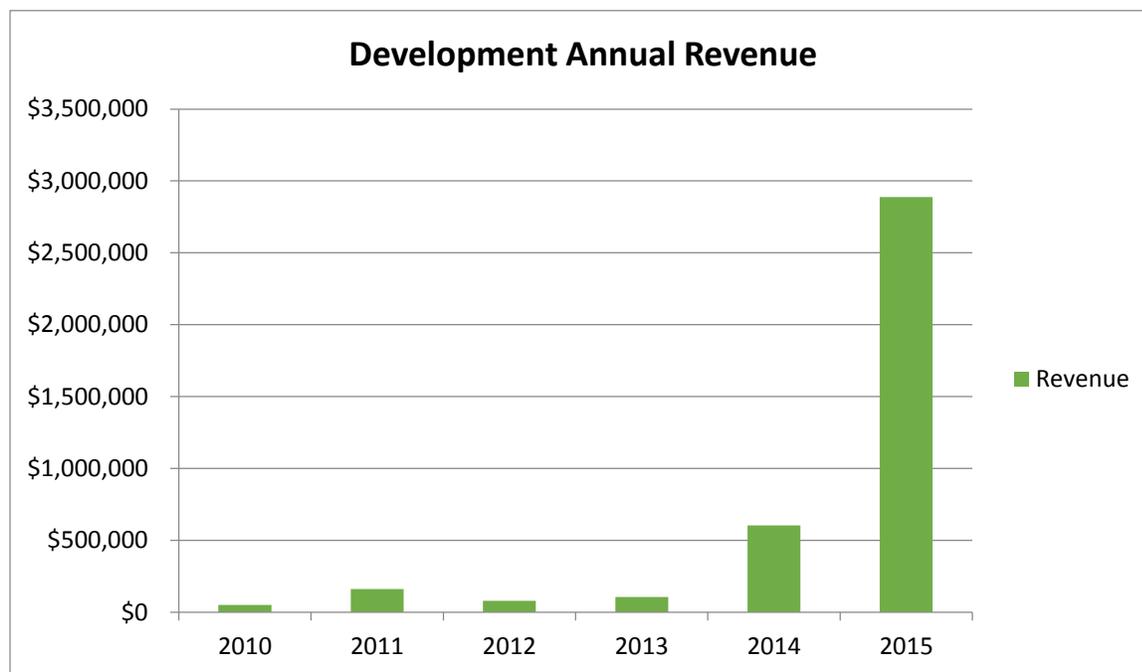
The following Pro Forma shows the **five-year projected financial performance for the Department of Urology**. The department began FY16 with positive reserves of \$176,672 and is projecting to make another significant contribution to reserves at the conclusion of the fiscal year. All future years are projected to end with a surplus and a positive contribution to reserves. This model reflects a change in funds flow effective FY17 and onward, consistent with the Resource Alignment 2016 principles. The key factors in the new funds flow model are: 1) a transition away from traditional revenue sources to a CARE payment, which is a dollar per work

RVU tied to specialty-specific national benchmarks; and 2) transition of direct clinical expenses from Department books to the Health System. Note that the shared services expenses are included in the pro-forma as well as the majority of the expenses associated with advanced practice professionals. We will continue to negotiate with the Department of Surgery to share expenses for some staff support functions so that this transition will not add overhead or expenses. Three faculty recruitments are planned for the projected time period and are built into the model in terms of revenue, expense and productivity. The net result is a financially healthy Department with a positive contribution to reserves each year.

Department of Urology Finance	FY17	FY18	FY19	FY20	FY21	Total
Clinical Revenue (Collections, Care Pmt)	3,438,906	3,808,014	4,125,735	4,335,549	4,465,615	20,173,818
ASC Funds	451,605	465,153	479,108	493,481	508,285	2,397,632
Other Revenue	39,100	40,273	41,481	42,726	44,007	207,587
FTE	204,144	210,268	216,576	223,074	229,766	1,083,828
Fellow Support	67,200	67,200	67,200	67,200	67,200	336,000
Endowed Chair	103,775	106,888	110,094	113,397	116,799	550,953
Research Salary/Benefit Support	57,318	59,038	60,809	62,633	64,512	304,310
CEDF Start Up	185,000	289,000	93,000	-	-	567,000
Inpatient/Outpatient Incentive	225,000	231,750	238,703	245,864	253,239	1,194,556
Total	4,772,047	5,277,584	5,432,706	5,583,923	5,749,425	26,815,685
Faculty Salaries	3,430,475	3,798,924	3,887,017	3,986,729	4,095,531	19,198,677
Faculty Benefits	52,826	54,411	56,043	57,724	59,456	280,460
APP Salaries	275,561	283,828	292,343	301,113	310,147	1,462,993
DBO Salary/Benefits	75,190	77,446	79,769	82,162	84,627	399,194
Fellow Salaries/Benefits	160,000	164,800	169,744	174,836	180,081	849,462
Research Salaries/Benefits		147,884	152,321	156,890	161,597	618,691
Staff Salaries/Benefits	293,731	302,543	311,620	320,968	330,597	1,559,459
Non-Payroll Expenses	225,773	232,546	239,522	246,708	254,109	1,198,657
UCOP Tax	5,172	5,327	5,487	5,651	5,821	27,457
Finance/Purchased Services	50,000	51,500	53,045	54,636	56,275	265,457
Shared Services ARC	35,521	36,586	37,684	38,814	39,979	188,584
Shared Services HR	17,530	18,056	18,598	19,156	19,731	93,071
Shared Services IT	48,028	49,469	50,953	52,481	54,056	254,987
Shared Services RSC	6,151	6,336	6,526	6,722	6,923	32,657
Total Expense	4,675,958	5,229,655	5,360,670	5,504,592	5,658,930	26,429,806
Profit(Loss)	96,089	47,928	72,035	79,331	90,495	385,879

Regarding **fundraising**, the Urology major gift portfolio in 2010 was three people (two with principal gift capacity - \$1 million and above – and one with major gift capacity- \$25,000 - \$999,999). There was one endowed chair – C. Lowell and JoEllen Parsons Endowed Chair in

Urology. Since then, Urology has made significant progress in its fundraising activity. There is a 76-person portfolio of qualified major and principal gift prospects. Recently, the Joseph D. Schmidt, MD Presidential Chair in Urology was established. This administrative endowed chair amounts to \$3.3 million in support and will provide valuable discretionary funds annually. Currently, there is an outstanding solicitation of \$5 million to name the Center for Urologic Cancers, which will provide a healthy endowment for urologic oncology activities. It is likely this gift will close soon. From 2010 to 2015, there was a 5740% increase in annual revenue via philanthropic vehicles to UCSD Urology. With the first gift secured, fiscal year 2015 marked Urology's most significant year in fundraising revenue.



IV. SUMMARY

In summary, the UCSD Clinical Department of Urology has increased its clinical, research and educational performance significantly over the last 5 years. Becoming a School of Medicine Department will be critical for us to continue our trajectory to become a top 10 Urology Department nationally and contribute more significantly to UC San Diego. We are seeking funding for two additional FTEs to expand our research volume, impact and visibility. We propose the transition to a School of Medicine Department in July 2016.