



UC San Diego Health, McGrath Outpatient Pavilion

UC San Diego Health

UC San Diego Health Capital Program

UC San Diego Health, the region's only academic health system, is ranked as the best hospital in the San Diego region according to U.S. News & World Report's Best Hospital rankings. Additionally, it is perennially ranked as one of the top ten comprehensive academic medical centers in the nation for quality patient care by Vizient, a national healthcare performance organization. UC San Diego Health has achieved these goals while significantly growing inpatient and ambulatory infrastructure over the past several years, allowing it to care for more of the community and better support the educational and research mission of UC San Diego. UC San Diego Health is continuing this trend in the coming years with significant plans for rebuilding and expanding inpatient capacity and continuing to grow ambulatory care to advance its tripartite mission of clinical care, research, and education.



35

Active Projects



\$272M

Active Projects Investment



6

Completed Projects (FY 2024–25)



\$608M

Completed Projects Investment

CFP Identified Funding
\$2.7 billion in Capital Plan

Priority Areas

- Hillcrest Hospital replacement planning
- La Jolla campus outpatient capacity expansion
- East Campus Medical Center integration and improvements

Key Metrics

- McGrath Outpatient Pavilion Hillcrest opened July 28, 2025
- La Jolla Outpatient Pavilion will further expand ambulatory care services
- Regional expansion of inpatient beds at East Campus Medical Center and potential Joint Powers Authority with Palomar Healthcare District

UC San Diego Health Capital Program

Capital Priorities

Recent investment at the Hillcrest Campus in the form of the McGrath Outpatient Pavilion represents a great leap forward for that campus and has created capacity to serve central San Diego for many years to come. Patient demand at the La Jolla campus continues to be very strong and planning is underway for a new building to provide additional ambulatory and surgical, procedural capacity (La Jolla Outpatient Pavilion). In late 2023, UC San Diego Health acquired an acute care hospital (formerly Alvarado Medical Center, now UC San Diego Health – East Campus) to further enhance its ability to deliver sought-after, high-quality inpatient and outpatient services and support its growing position within the San Diego County region. A project is included in the Capital Financial Plan (CFP) for seismic and other capital improvements at the East Campus Medical Center. The East Campus acquisition facilitates the Hillcrest Hospital Replacement project by enabling relocation of inpatient behavioral health services from Hillcrest Campus to East Campus.



UC San Diego, Shiley Eye Institute

Location-Specific Focus Areas

Strategic Regional Partnership Development

In addition to new capital improvement projects and East Campus Medical Center acquisition, UC San Diego Health is pursuing a potential Joint Powers Authority (JPA) with the Palomar Healthcare District. The JPA will be a vehicle for advancing and growing healthcare capacities in the North County Inland region while potentially relieving capacity pressure on the La Jolla Campus. Significant capital investments are planned in the JPA to support incremental inpatient and outpatient services including completion of two shelled floors of the Escondido inpatient tower.

Recent Accomplishments

Major Campus Expansion and Modernization

Construction recently completed on several major projects on La Jolla and Hillcrest campuses, notably the Shiley Eye Institute Renovation in La Jolla and the first phase of the Hillcrest Campus Redevelopment Project that includes the McGrath Outpatient Pavilion and replacement parking garage. The McGrath Outpatient Pavilion opened to its first patients July 28, 2025. Other completed capital improvements include Trauma Bay renovation and medical equipment upgrades at Hillcrest hospital, equipment upgrades in Jacobs Medical Center operating rooms, and radiology equipment upgrades at Thornton Hospital.

EXHIBIT 49. Completed Projects Distribution by Budget Category

	Budget \$1M - \$10M	Budget \$10M - \$20M	Budget > \$20M	Total
Total Number	4	-	2	6
	67%	-	33%	100%
Total Budget	\$6M	-	\$602M	\$608M
	1%	-	99%	100%

Note: Because of rounding, some totals may not correspond with the sum of the separate parts.

UC San Diego Health Capital Program

Projects In Progress

Multi-Campus Infrastructure Enhancement

Active projects span across all three Health campuses: Hillcrest, La Jolla, and East Campus Medical Center. Planning for Hillcrest Hospital replacement is underway. Other active projects include interior renovation of specialty pharmacy at Moores Cancer Center, interior renovation projects forming the Jacobs Center for Health Innovation on La Jolla Health campus, interior renovation of Emergency Department Staff Wellness Center and Lounge at Jacobs Medical Center, and interior renovations and medical equipment upgrades at Hillcrest hospital, Thornton hospital, Jacobs Medical Center, Shiley Eye Institute, and East Campus Medical Center.

Seismic Snapshot

Campus-Specific Compliance Status

All UC San Diego Health buildings on the La Jolla Campus, with the exception of one 33-year-old medical office building, are seismically compliant. In 2024-25, UC San Diego Health had 14 non-compliant acute care at Hillcrest, totaling 875,095 GSF. Some will be addressed through building demolition as the Hillcrest campus is redeveloped, providing opportunity to modernize facilities while achieving seismic compliance through strategic reconstruction efforts. The Capital Financial Plan includes a project to correct non-compliant structures at the recently acquired East Campus Medical Center.

Restoration and Renewal Snapshot

Strategic Renewal Through Redevelopment

Some older Hillcrest campus buildings with significant renewal needs will be demolished as part of the phased Hillcrest redevelopment plan. At the La Jolla campus, renewal needs in buildings over 30 years old, such as Thornton Pavilion and Perlman Ambulatory Care Unit, are being addressed as part of capital improvement projects, ensuring continued functionality while modernizing healthcare delivery capabilities.

EXHIBIT 50. Active Projects Distribution by Budget Category

	Budget \$1M - \$10M	Budget \$10M - \$20M	Budget > \$20M	Total
Total Number	33	1	1	35
	94%	3%	3%	100%
Total Budget	\$105M	\$17M	\$150M	\$272M
	38%	7%	55%	100%

Note: Because of rounding, some totals may not correspond with the sum of the separate parts.



UC San Diego Health Capital Program

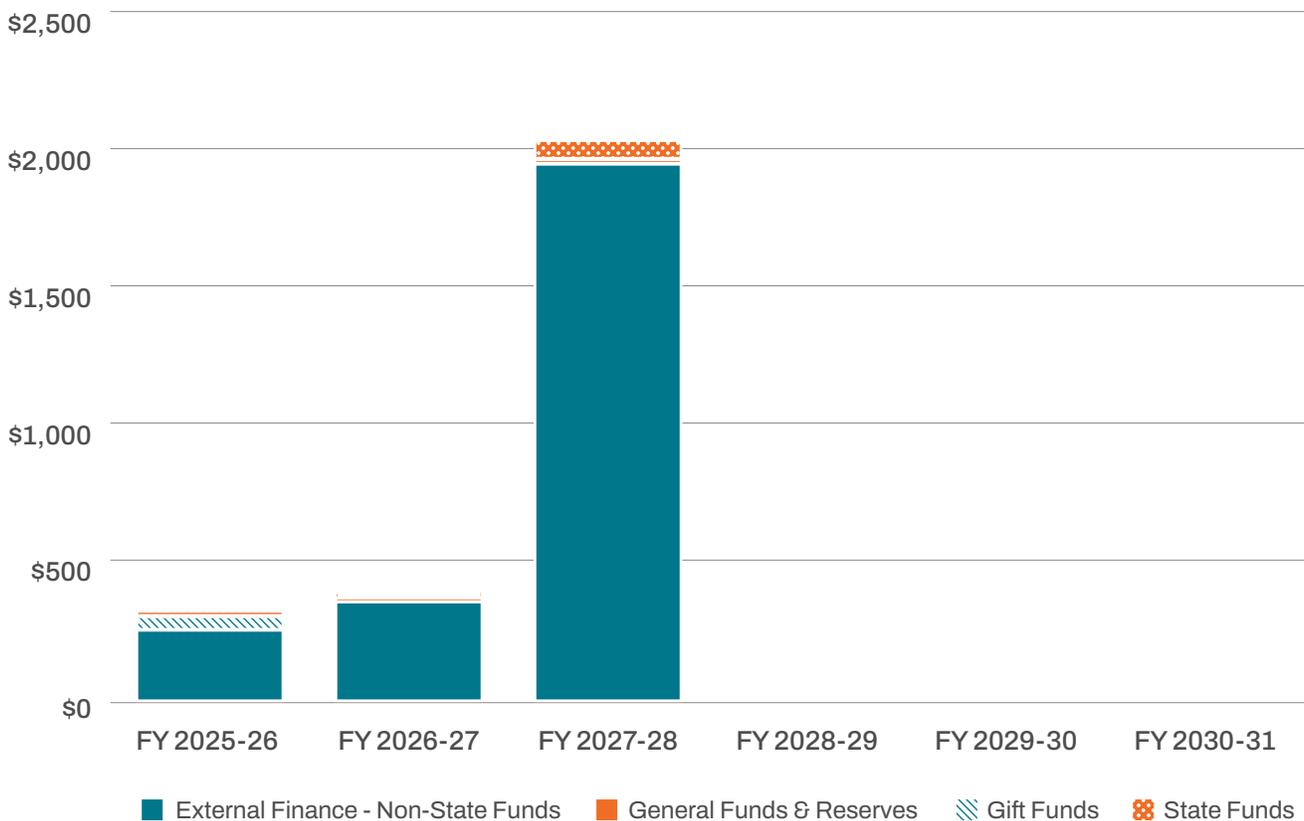
2025-31 Outlook and Progress On Priorities

UC San Diego Health has a significant proposed capital need totaling \$2.7 billion. These projects include the replacement inpatient hospital at Hillcrest and a new outpatient care center in La Jolla. Assuming the JPA with Palomar Health is finalized, there will be additional investment in growing services in that region along with the benefit of addressing current UC San Diego Health System capacity constraints while expanding regional healthcare access.

Unfunded Needs and Advocacy Priorities

Advocacy priorities for funding remain on seismic compliance. For UC San Diego Health, this is directly related to the most challenging project for funding, Hillcrest Hospital Replacement. Also, this project is most directly related to supporting underserved communities—communities where other health systems are walking away or remaining stagnant, making UC San Diego Health's continued commitment essential for regional healthcare access.

EXHIBIT 51. Proposed Capital Program Fund Sources (\$Ms)



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Project Highlight

The McGrath Outpatient Pavilion is the first phase of the Hillcrest Campus redevelopment, featuring a six-level, 250,000 gross square foot facility designed to meet the growing demand for outpatient services. The McGrath OPP provides state-of-the-art diagnostic, treatment, and surgical spaces across several specialty areas, including oncology, neurosurgery, urology, ENT (ear, nose, and throat), and orthopedics. It also houses outpatient surgery operating rooms, endoscopy procedure rooms, advanced imaging, infusion services, and radiation oncology.

A key component of the McGrath OPP is the expansion of multispecialty cancer clinics and infusion centers, significantly increasing access to specialized care. This expansion enables UC San Diego Health and the Moores Cancer Center to enhance services as the region's only National Cancer Institute-designated Comprehensive Cancer Center.

The building's design incorporates a range of sustainable features aimed at energy efficiency. Angled louvers and deep overhangs on the exterior reduce solar heat gain by up to 50% in some areas, minimizing the need for cooling and enhancing overall environmental performance.

PROJECT NAME

McGrath Outpatient Pavilion

TYPE

New Construction

GSF

**263,000
(includes Central Utility Plant)**

BUILDING USE

Clinical

PROJECT COMPLETION DATE

July 2025

PROJECT COST

\$456M

CONSTRUCTION COST

\$312M

PROJECT STATUS

Opened to patients July 28, 2025

ARCHITECT(S)

Arcadis Inc.

CONTRACTOR

DPR Construction