AY16 DOM Clinical Compensation Plan Committee

Alan Farwell, Chair
Chava Chapman
Amy Fitzpatrick
Felicia Patch
Rick Ruberg
Meg Sullivan
Josh Safer

Alice Jacobs, ex officio

DOM Finance: Dennis Chow, Maureen O’Sullivan
AY16 Clinical Compensation Plan

Goal/Charge: review AY15 compensation plan and provide recommendations to Dr. Coleman regarding incentives/disincentives for AY16 compensation plan.
# FPF Compensation Principles

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simple</td>
<td>Straightforward, easily understood and not unnecessarily complex</td>
</tr>
<tr>
<td>Transparent</td>
<td>Clear rationale and necessary details are provided</td>
</tr>
<tr>
<td>Fair</td>
<td>Equitable and justly compensate effort</td>
</tr>
<tr>
<td>Consistent</td>
<td>Sufficiently broad in application that frequent revisions are not required</td>
</tr>
<tr>
<td>Flexible</td>
<td>Adaptable to changing healthcare environment and allow the Chair latitude to manage unforeseen or difficult situations</td>
</tr>
<tr>
<td>Competitive</td>
<td>Result in compensation that is consistent with the local and national market</td>
</tr>
<tr>
<td>Incentive based</td>
<td>Compensation is linked to performance measures that support our mission</td>
</tr>
<tr>
<td>Responsible</td>
<td>Delivers sustainable financial performance</td>
</tr>
</tbody>
</table>
# FPF Incentive Based Performance Measures

<table>
<thead>
<tr>
<th>Category</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clinical productivity</strong></td>
<td>Revenue, net income, wRVUs, clinical service time, hours of availability, sessions, on-call duties, panel size</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td>Process and outcome measures, resource utilization, patient satisfaction, access</td>
</tr>
<tr>
<td><strong>Administration</strong></td>
<td>Leadership roles, program development and oversight</td>
</tr>
<tr>
<td><strong>Teaching</strong></td>
<td>Defined roles above baseline expectations, awards</td>
</tr>
<tr>
<td><strong>Research and scholarly activity</strong></td>
<td>Extramural funding, publications, scientific presentations, professional society leadership</td>
</tr>
<tr>
<td><strong>Alignment</strong></td>
<td>Teamwork, referral management or leakage</td>
</tr>
<tr>
<td><strong>Citizenship</strong></td>
<td>Interpersonal effectiveness, collegiality, committee service</td>
</tr>
<tr>
<td><strong>Professionalism</strong></td>
<td>Patient focused, accountable, life-long learning, responsive, act with honor and integrity, respect for others</td>
</tr>
<tr>
<td><strong>Compliance</strong></td>
<td>Billing, coding and documentation; confidentiality, conflicts of interest, infection control</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td>Meaningful use, e-prescribing</td>
</tr>
</tbody>
</table>
AY16 Clinical Compensation Plan

Concerns

• Not simple
• Many aspects are overly punitive – emphasis on disincentives
• Many variables in clinic and inpatient service beyond clinicians control
  ✓ No Shows
  ✓ Payor mix, payment/wRVU
  ✓ Volume
• Administration of incentives by section chiefs is often not transparent
• Salary equity – goal is AAMC median salary/rank
  ✓ Fixed to academic rank
  ✓ Seniority issues
AY16 Clinical Compensation Plan

Realities

• Complete overhaul in not within current time limit for this committee
  ✓ Possible task force charge

• Clinical revenue is main driver of budgets – reason for wRVU-based targets

• Changes have to be fiscally sound

• Increases in incentive pools, COLA need to be offset by decreases elsewhere
AY16 Clinical Compensation Plan

Incentives

- **wRVU-based** - current individual wRVU targets – UHC 50th percentile, adjusted by section chief
  - Move toward section targets

- **Non-wRVU-based** – trial of quality projects in AY15
  - Teaching
  - Service/Committees
  - Quality Projects
  - National Reputation
AY16 Clinical Compensation Plan

- **Incentive pool**
  - ✓ Current incentive funds too low to be actual incentives
  - ✓ Complicated formula for AY15 allows uses of section surpluses but may not be equitable across sections
  - ✓ DOM budget deficit
  - ✓ Discussed and discounted withholds

- **Novel proposal**
  - ✓ Those eligible would have to apply for projects to be funded by the incentive pool
AY16 Clinical Compensation Plan

Disincentives/eligibility

• Mainly ambulatory criteria
• Individual wRVU targets
  ✓ Reasonable to set targets as directly related to revenue
• 45 Sessions per weekly session
  ✓ Pro-rated for inpatient wards/intensive inpatient consult service
• Meaningful use
  ✓ Other institutions direct MU finds to clinical faculty
• Red list
  ✓ Likely to be more strict with Epic as linked to billing
• Bump rate – 30 d <3%, 90 d <5%
  ✓ 90 d likely to be adjusted or eliminated
• Section criteria – meeting attendance, etc
AY16 Clinical Compensation Plan

Salary reduction/at risk

- Few faculty have been subjected to salary reduction
- Demoralizing
- Issues with the faculty member that does not pull their own weight
  ✓ Remediation committee

COLA

- Lack of COLA = salary reduction
- DOM costs ~$500,000/1% COLA
- Should more funds be put into COLA than incentives?
- Graded COLA vs incentives
AY16 Clinical Compensation Plan

Remaining topics

• Salary equity
• Other suggestions?