October 8, 2019

**DEPARTMENT OF MEDICINE**

**AY 20 CLINICAL FACULTY COMPENSATION PLAN**

**Introduction:**

The Department of Medicine’s Clinical Faculty Compensation Plan for AY 20 has been revised based on faculty input. As in previous years, we are seeking to provide competitive salaries for clinicians as well as achieve objectivity, accountability, equity, transparency and fairness. Our plan further seeks to recognize valuable non-billable work by our faculty and to meet our goals for clinic access, high quality care, and timely completion of both the medical record and evaluations of our trainees. As in the past, we will continue to refine the plan in future years based on the input from the faculty and strategic goals of the Department.

**Compensation Policy:**

1. Increases in base salary for equity adjustments and promotions in addition to a 2% cost of living increase for the department’s clinical faculty in AY 20 are budgeted. Changes in individual faculty salaries will be made in accordance with the AY 19 compensation policy and department’s budget in October, 2019 retroactive to July, 2019;
2. Section Chiefs will set individual wRVU targets for faculty. The SUM of the wRVU targets for individual faculty **must exceed the UHC median based on 2017-18 benchmarks by specialty and subspecialty** and **the sum** **should be at or above the modified budgeted wRVU target**;
	1. Primary Care Physicians in the Section of General Internal Medicine are encouraged to meet a **“Panel-size”** target instead of a wRVU target for that portion of their clinical effort in primary care. The panel size target will be prorated to a full-time target of 1500 patients attributed to the primary care clinician over an 18 month “look back” period between January 1, 2018 and June 30, 2019. The attribution requires at least one outpatient clinic visit with the primary care clinician during this period.
3. **Section Bonus:** As in past years, a pool for bonus payments will be created from the **Department** (see “Fixed” below) and from the **Sections** (see “Variable” below) according to the following formula:
	1. Fixed: If the central department has an operating gain during AY 20, the Department will create a Bonus pool in an amount to be determined for **all** **10 clinical sections.** The amount for each section will be calculated using the 50:50 formula of section wRVUs/total departmental wRVUs and section cFTE/total departmental cFTE that has been used in past years;
	2. Variable: **Sections with positive net operating income and a positive fund balance** **at the end of AY 20** will be able to distribute an additional bonus to the faculty in their respective sections. Bonus payments from the sections with positive operating margin cannot create a negative fund balance for the section and cannot exceed either 40% of the operating margin or $300,000;
	3. Sections with an operating loss in AY 20 but a positive fund balance will be expected to use their fund balance to pay for their operating loss. Specifically, sections with an operating loss and positive fund balance will not receive funds from other sections to indemnify their operating loss. If such sections have a fund balance after indemnifying their operating loss and have a projected positive operating margin for AY 21, they may use up to $100,000 or 20% of their fund balance, whichever is less, for bonus payments;
	4. Please note that sections with a positive fund balance will be assessed up to approximately 20% of their positive operating margin in AY 20 to the DOM prior to paying any bonus payments. These funds will be used by the DOM to indemnify sections with an operating deficit. The exact amount of the assessment will be adjusted to create a pool of funds sufficient to indemnify sections with an operating loss in AY 20;
	5. Examples:
		1. Section A has an operating deficit for AY 20. Section A has 10% of the department’s total wRVUs in the department and 15% of the cFTE. If the department had a bonus pool of $100,000, the section would receive from the DOM 0.1 x $50,000 + 0.15 x $50,000 = $12,500 for distribution to their section faculty as bonus payments;
		2. Section B has an operating surplus for AY 20 of $100,000. Section B would provide $20,000 to the DOM as an assessment to indemnify deficit sections (20% of section surplus). Section B would be able to distribute **up to** $32,000 (40% of $100,000-20,000) to individual faculty as bonus payments in addition to the fixed bonus pool from the department as calculated in the example above.
4. **Distribution of Section Bonus Pool**: Section Chiefs will create a bonus pool that recognizes billable and non-billable clinical work as well as clinic access, quality of care, and timely completion of evaluations of trainees (see section #6 below for suggestions). The wRVU portion of the bonus pool should comprise 65-85% of the bonus pool to be distributed to individual clinicians. The distribution methodology within each section should also account for the clinical effort since clinical revenue is generally the source for the incentive payments. The non-billable bonus criteria *will be* submitted to Alice Jacobs by September 30, 2019 and *distributed to the faculty* by October 15, 2019 to be eligible for DOM bonus funds. Faculty receiving a bonus will receive a detailed description of metrics used to determine their respective bonus payments. Please note that the bonus pool must account for payment of fringe on the overbase payments, thereby reducing the total amount available to the faculty.
5. **Individual faculty** will be eligible for the BILLABLE (wRVU) COMPONENT OF THE BONUS PAYMENTS under the following circumstances, subject to the modifications described under #6 below:
* Individual wRVU target is achieved during AY 20. Section chiefs may, however, set the bonus threshold for the wRVU component of the bonus at a level *above* 100% of the individual wRVU target
* Number of clinic work weeks is ≥ 45 four hour ambulatory sessions per year per assigned weekly session;
* Compliance with the DOM Outpatient Billable Encounters Policy (Epic Red List). Individuals on the “Red List” (5 or more billable notes unsigned for ≥15 days) for 3 or more consecutive weeks or 5 or more total weeks will be ineligible for bonus payments;
* Clinic cancellation rate ("bump" rate) within 30 days ≤ 3%;
* Completed at **least 90% of evaluations of students, residents, and fellows within 30 days** of completion of a teaching rotation.
1. **Suggested Criteria for Bonus based on NON-BILLABLE activities. Faculty are eligible for the non-billable component of the bonus** if the individual faculty member has achieved greater than **90% of their assigned wRVU target** in the previous year. The following criteria are suggested.
	* + **Service/Committees** – service to the DOM and/or the section, serving on BMC, DOM and/or section committees unrelated to role or position.
		+ **Teaching** not otherwise compensated for, including fellows, house-staff, and students unrelated to current role or position.
		+ **Quality Improvement Projects**

Section incentive payment should be aligned with a section-wide quality goal in one of the following department priority areas for AY 20 (*reducing readmissions*, *optimizing transitions of care, high impact specialty-specific evidence-based quality/performance measures, patient experience*).  The initiative should be planned in conjunction with the Vice Chair for Clinical Affairs and the Director of Clinical Quality, with goals set and distributed to faculty by October 15, 2019.

**Examples of Potential Projects in Priority Areas:**

***Facilitating Patient Access (high priority)***

**Addition of 4 hour clinic sessions beyond the 45 half days per week per weekly session requirement (unless behind on wRVU targets).**

***Optimizing Transitions of Care***

Improving Hand-offs

Discharge Time Out

Improving continuity from discharge to first follow-up visit

Medication Reconciliation at admission, discharge, outpatient

Targeting patients at high risk for readmission

Improving shared care between primary care physicians and specialists

***High Impact Specialty-Specific Evidence-based Quality/Performance Measures***

Lipid management according to new prevention guidelines

LDL screening/management in patients with diabetes

HbA1c control in patients with diabetes

Recommended vaccinations received in immunocompromised patients

Treatment of hypertension to reach guideline recommended target

***Patient Experience***

Patient education strategies

Improving cycle time through clinic

 7. **Plan for faculty who do *not* reach assigned wRVU target *or* who do *not* meet the Access requirement of 45 half day sessions per year per weekly assigned session:**

a. Faculty with **wRVUs below 90%** of the assigned target will be:

* + 1. Ineligible for bonus payments for billable or non-billable activities;
		2. Given a “grace” period of one year during which the section will evaluate and implement a strategy, including billing compliance reviews, intended to help the individual faculty meet the wRVU target in AY 21;
		3. Subject to salary reduction only if he/she fails to meet the requirement for >90% of the assigned wRVU target during AY 21;
		4. Salary will be reduced in AY 21 by 2% per 1% below 90% of wRVU target prorated to clinical effort for two consecutive academic years. For example, if a faculty member works 50% time clinically averaged over the two years and his/her wRVUs are at 85% of target, salary will be reduced by 5% for the following academic year.
		5. Faculty subjected to salary reduction **can restore** **full base salary** by the start of the following academic year (AY 22) by meeting or exceeding 100% of his/her wRVU target (AY 21);
		6. **Salary reduction will** **not**:
			1. exceed 20% of total compensation;
			2. apply to faculty in the first two years of their appointment;
			3. be applied if the section reaches the section’s ***modified budgeted* wRVU target;**
			4. be executed for faculty at or below the 25th AAMC northeast salary benchmark by specialty.
	1. **Faculty who do not meet the ACCESS requirement of working 45 HALF-DAY CLINIC OR PROCEDURE sessions per year per weekly assigned session**:
		1. Since faculty are expected to work 45 half day clinic or procedure sessions per year per assigned weekly session, faculty must **add the missed sessions** in the following academic year (AY 21) in addition to meeting the 45 half day clinic or procedure session requirement for the new academic year;
		2. During inpatient attending rotations, the 45 half day session per weekly assigned session will be modified as follows:
			1. The requirement of 45 half day **clinic sessions** per weekly assigned session will be reduced to two weekly sessions during inpatient attending rotations **for individuals with three or more *clinic* sessions per week** in calculating their total session requirement. For example, an individual assigned three weekly clinic sessions would have their annual clinic session target reduced from 135 (3 x 45) to 129 sessions (39 x 3 + 6 x 2) for six weeks of inpatient attending. These sessions could be scheduled before, during or after the inpatient rotation, however, **morning clinic sessions should not be held while serving as attending on inpatient ward** **teams**;
			2. The requirement of 45 half day procedure sessions per weekly assigned session will be **reduced to three weekly sessions for individuals with four or more procedure sessions per week in calculating their total session number requirement**;
		3. Will be subject to financial penalty in AY 22 if they have two consecutive years of not meeting the 45 half day clinic or procedure session requirement (assumes modification of target to account for inpatient attending as above). Salary will be reduced in AY 22 by 2% per 1% below the assigned number of sessions prorated to clinical effort. For example, if a faculty member with 0.6 cFTE is assigned three half-day session per week (total of 3 x 45 sessions/year x 2 years = 270 sessions over the two year period) and worked only 243 sessions he/she would be subject to a salary reduction in AY 22 of 20% (10% x 2 years as above for the wRVU shortfall) x 0.6 cFTE = 12%. **The salary reduction will be implemented regardless of whether the individual reached his/her respective wRVU target or the section reached its budgeted wRVU target for the two year period. However, *if the section meets the target for new patient access*, the faculty member with less than 45 sessions will *not* have to add the sessions in the following academic year and will *not* be subject to financial penalty.**
		4. It is expected that the Section Chief and Section Administrative Director will meet with any faculty member not less than every 6 months, if he/she is projected to be <90% of the wRVU targets or behind in meeting the session target, to provide support and suggestions for increasing productivity.

As in past years, mitigating circumstances (e.g., medical or family leave beyond the customary two weeks of sick leave or other unforeseen circumstances) will be reviewed for each individual faculty member prior to determining ineligibility for bonus payments or potential adverse financial actions.

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