

Boston University Neurosurgical Associates, Inc. Compensation Policy

Adopted: January 31, 2017

Revised: June 9, 2021

Objectives

To provide a system of compensation for clinical, administrative, research, and educational activities provided by the faculty of Boston University Neurosurgery Associates, Inc. (the “Corporation” or the “Corporation”) that

1. supports the clinical and academic missions of the Department, Boston Medical Center (“BMC”), and Boston University School of Medicine (“BUSM”)
2. provides equity among faculty by matching compensation to effort
3. establishes a link between provider clinical productivity and compensation
4. recognizes academic productivity and mission-critical activities including departmental citizenship
5. enables financial sustainability

Limitations

This Policy is intended to have general applicability. It is, however, within the discretion of the President of the Corporation (the “Chair”) to depart from this policy as he or she deems appropriate; provided, however, that any deviation from this policy will be set forth in the salary letter provided to each physician.

This policy does not constitute an employment contract between the Provider and the Department. The Department reserves the right to amend this policy at any time as it deems necessary.

All compensation paid directly or indirectly to Providers will be in compliance with the policies and procedures of the Department, the Faculty Practice Foundation, Inc., d/b/a Boston University Medical Group (the parent corporation for all faculty practice plans at BMC known as “BUMG”) and BUSM, and in accordance with the Physician Practice Agreement signed by each Provider.

Additionally, the Compensation Policy is intended to comply with all applicable laws and regulations governing physician compensation arrangements. In no instance shall a Provider’s compensation vary with or take into account the value or volume of referrals for designated health services made by, or other business generated by, a Provider or otherwise be inconsistent with applicable law.

In the event of a change in law or regulation, or any change in interpretation of a law or regulation, that might raise questions regarding whether the policy complies with applicable law, the President will take

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appropriate action to remedy the situation immediately. This action may include modifying individual physician compensation amounts retroactively or prospectively.

Affected Faculty

This policy applies to all Providers employed by the Department who have had clinical responsibilities for at least three years.

In the first three years of employment compensation will be guaranteed. A Provider's initial base salary will be set at 90% of the most recent three-year rolling average median of the Association of American Medical Colleges ("AAMC") Northeast Region Neurosurgery specialty for Assistant Professor, adjusted, as applicable, for faculty rank (as described below). The President has the discretion to adjust the base salary to account for experience of the candidate, subspecialty or other market conditions. After the initial three years of employment compensation is based on this policy. A Provider may, prior to the fourth year of employment, elect to change the basis of his or her compensation from a guarantee to this compensation policy.

In the event of termination of employment, the Provider shall be entitled to compensation only with respect to services rendered through the effective date of termination. The provider shall not have any claim whatsoever to any receivables, including, but not limited to, any receivables that are outstanding or collected on or after the date of termination.

Compensation Program

A Provider's compensation shall be based on: (1) total base salary from clinical activities; tenure with the Department; performance metrics; and citizenship, (2) additional compensation based on faculty rank, and (3) non-clinical compensation.

Total Base Salary

(1) Clinical Base Salary (45%)

- a. Forty-five percent (45%) of a Provider's total base salary will be set at 90% of the most recent three-year rolling average median of the AAMC Northeast Region Neurosurgery specialty for Assistant Professor.
- b. Providers are expected to complete 180 clinical sessions per academic year for a full-time clinical provider (1.00 cFTE).
- c. The Department will work with each Provider each year to establish an annual clinical effort commitment prior to the start of the academic year. The clinical session requirement will be prorated for a provider's cFTE, if less than 1.00.
- d. The clinical base salary compensation will be proportionally reduced if a Provider fails to meet the clinical session expectation.

(2) Tenure / Experience (up to 5%)

Beginning in a Provider's second year, the Provider will earn an additional amount of compensation equal to 1% of the most recent three-year rolling average median. The Provider will earn an additional 1% each year up to a maximum of 5%. For Providers receiving a guaranteed salary, the additional earnings will not be reflected in their compensation until the Provider is subject to this policy.

(3) Performance Metrics

Forty-five percent (45%) of each Provider's total base salary will be at risk based on the wRVU performance. To receive the full 45% in compensation, providers need to produce 110% of the most recent 3 year rolling average Vizient Neurosurgery wRVU median, cFTE adjusted. Partial completion toward the wRVU target will earn a proportionate amount of the productivity measurement. Provider's whose specialty is functional neurosurgery will have a 30% reduction in their wRVU target.

Any wRVUs earned above the wRVU target will be compensated at 66% of what the department generates in professional FFS revenue per wRVU, including Net Patient Service Revenue and wRVU Support from CARE+. For example, if the Department generates \$100 in professional revenue per wRVU, the provider would receive \$66 in compensation.

The wRVU target and the percentage above the target wRVUs will be reviewed annually by the Department, and if changes are made they will be communicated to the faculty prior to the measurement period.

(4) Citizenship

Providers will have 5% of total base salary at risk for citizenship. Citizenship goals will be measured for the 12 month academic year and, for each goal a Provider does not meet, will serve to reduce the Provider's compensation in the following academic year. Partial completion of any citizenship goal will earn a proportionate amount of the base salary. The citizenship goals may be revised annually by the Department's compensation committee and will be communicated to the Providers prior to the beginning of the academic year.

a. Academics (3%)

1. 1% Generate scholarship – at least 1 publication or presentation per year or active involvement in at least 3 ongoing projects.
2. 1% Attendance at Curriculum Conferences and Departmental Meetings – attend 80% of all curriculum conferences (exceptions made for vacation and procedures scheduled during this time).
3. 1% Participate in the educational mission by teaching residents and fellows – average or above average evaluations from residents.

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- b. Clinical and Departmental (2%)
 - 1. 1% Quality and Patient Experience – Department meets or exceeds annual patient access goal (% of new patient seen within 14 days). The goal is set annually by the Chair and BMC Leadership and will be communicated to the faculty prior to the start of the academic year
 - 2. 1% Continued participation in a leadership role that contributes in a meaningful way to the Department or the BMC community by either serving on a hospital committee or by serving in a named leadership post in the Department, as determined by the Chair.

Additional Compensation Based on Faculty Rank

- (1) Associate Professors will receive an additional \$125,000 each year
- (2) Professors will receive an additional \$150,000 each year
- (3) Providers who receive a mid-year promotion will receive a compensation increase in the following January or July, whichever is sooner.

Non-Clinical Compensation

Providers may earn compensation for research, teaching, clinical, or administrative work performed on behalf of an external organization. This non-clinical generated compensation will be a “pass-through” to the Provider.

Compensation Reset

Provider compensation will be adjusted every six months to reflect the base salary, academic rank and wRVU performance. Tenure and citizenship performance will be adjusted on an annual basis.

Measurements in each 6 month “activity period” will form the basis for compensation paid in the next 6 month “salary period.” For example, productivity for the activity period July to December will determine the base salary paid in the period January to June. Productivity in the activity period January to June will be used to calculate the base salary paid in the following 6 month period July to December.

The actual salary adjustments will typically be implemented each September and March.

If the reset is higher than current base salary, the physician will receive a lump sum payment in September (or March) to reflect the underpayment in July and August (or January and February). The new base salary will then be paid for the following 4 months of September to December (or March to June). This new base salary will also be paid in the first two months of the next period (January and February or July and August), until the next reset is implemented.

If the reset is lower than the current base salary, the base salary reduction will be adjusted and spread over the remaining 4 months of September to December (or March to June). This new base salary will also be paid in the first two months of the next period (January to February or July to August), until the next reset is implemented.

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Compensation resets happen semiannually, so for Providers hired between January and June, the first productivity measurement period will begin on the first day of the Provider's third July. For Providers hired between July and December, the first productivity measurement period will begin on the first day of the Provider's third January. For example, for a Provider hired August 1, 2021, the first productivity measurement period would begin January 1, 2024, with compensation changed effective July 1, 2024. For a Provider hired February 1, 2022, the first productivity measurement period would begin July 1, 2024 with compensation changed effective January 1, 2025.

Citizenship goals are measured annually, so the measurement period will begin six months prior to the productivity measurement period.

Implementation Schedule

wRVUs

The measurement of wRVUs will start on January 1, 2022 (AY22) and will be applied to the salaries paid in July –December 2022

Citizenship

The measurement of the citizenship factors will begin on July 1, 2021 (AY22) and will be applied to the salaries paid in July 2022 – June 2023 (AY23).

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Appendix 1: Salary Calculation Example

	Provider A	Provider B
Academic Rank	Assistant Professor	Associate Professor
Rolling 3 Year ASTP	\$ 601,000	\$ 601,000
Tenure	10	8
FTE	1.00	1.00
cFTE	1.00	0.80
CARE+ Admin Role	-	0.20
Session Requirement	180	144
Sessions Completed	175	144
wRVU	12,086	9,000
wRVU Target (110% Med)	12,086	9,669
Productivity Index	1.10	1.02
Citizenship	4%	5%
45% Clinical Base	\$ 262,938	\$ 216,360
5% Tenure	\$ 30,050	\$ 30,050
Rank	\$ -	\$ 125,000
45% wRVUs	\$ 270,450	\$ 201,399
5% Citizenship	\$ 24,040	\$ 30,050
Non-Clinical	\$ -	\$ 150,715
Total Base Comp:	\$ 587,478	\$ 753,574
2019-2020 AAMC Median	\$ 625,000	\$ 800,000
Compensation Index	0.94	0.94