

Adopted: January 30, 2018

Revised: September 8, 2021

Objectives

To provide a system of compensation for clinical, administrative, research, and educational activities provided by physicians (“Providers” or “faculty”) employed by Boston University Obstetrics and Gynecology Foundation, Inc. (the “Department” 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 physician and the Department. The Department reserves the right to amend this policy at any time, on a prospective basis, 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 plan corporations 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 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 physicians employed by the Department who have had clinical responsibilities for at least two years. Prior to that time compensation will be guaranteed. (Measurement periods and dates the policy applies to newly employed physicians are set forth in the Compensation Reset section.)

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: (a) any receivables, including, but not limited to, any receivables that are outstanding or collected on or after the date of termination; or (b) any shared savings, bonuses, or other incentive payments paid or received after the date of termination, regardless of the performance period to which they are attributed.

Compensation Program

Compensation shall be based on four components: (1) salary from clinical, administrative, and educational activities (“base salary”), (2) performance metrics, (3) citizenship, and (4) an incentive component for academic and professional development.

Base Salary

A Provider’s base salary will be calculated using the elements below and paid based on the Provider’s annual hour commitment (FTE). 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 annual hour commitment will be prorated if a Provider’s cFTE is less than 1.00. Seventy-five percent (75%) of the total base salary will be guaranteed if the Provider completes the annual hour requirement. The base salary will be proportionally reduced if a Provider fails to meet the annual hour commitment. The remaining 25% will be subject to the performance metrics described below. See Appendix A for details on the annual hour commitment.

(1) Subspecialty and Academic Rank

- a. Instructors and Assistant Professors will receive 90.5% of the most recent Association of American Medical Colleges (AAMC) Northeast Region median for Assistant Professors in their subspecialty
- b. Associate Professors will receive 90.5% of the most recent AAMC median for Associate Professors in their subspecialty
- c. Professors will receive 90.5% of the most recent AAMC median for Associate Professors in their subspecialty plus \$20,000
- d. See Appendix B for details on the subspecialty assignment
- e. In the event the AAMC median at a rank decreases, the prior fiscal year AAMC median will be used. The Department will evaluate the feasibility of maintaining this “hold

harmless” as the salary market evolves or if the median should decrease for a second year.

- f. Providers who receive a mid-year promotion will receive a compensation increase in the following month.

(2) Experience

For each completed year after graduation from residency, the provider will receive an additional 1% of the respective median, up to a total of 5%, on the base salary for the Provider’s rank and subspecialty. Providers who receive a promotion will receive an additional 1% each year after the promotion, up to a total of 5%, on the base salary for the Provider’s new rank.

(3) Obstetrics Call Pool

Providers who participate in the obstetrics call pool will receive additional compensation of \$20,000, prorated by their FTE in the pool.*

(4) Fellowship / Education

Providers who have advanced education or who have completed specified fellowship training will receive additional compensation (see Appendix C).*

(5) Leadership

Providers with Department leadership roles will receive stipends (see Appendix D).

(6) Contract and Grant Revenue

Consistent with the terms of a Provider’s Physician Practice Agreement, a Provider may earn salary for research, teaching, clinical, or administrative work performed on behalf of an external organization. The salary included in applications and contracts will be set by the Corporation in accordance with this compensation plan, where feasible. Externally derived salary from contracts or grants will be a “pass-through” to the Provider.

*Department Vice Chairs, because of their leadership roles and overarching responsibility to the Department, are not eligible for elements (3) Obstetrics Call Pool or (4) Fellowship/Education.

Performance Metrics

Twenty-five percent (25%) of each Provider’s total base salary will be at risk based on the productivity and value performance metrics described below.

(1) Productivity

Providers will have ten percent (10%) of their total base clinical salary at risk for a departmental level wRVU productivity metric.

The department is expected to reach the most recent Vizient median wRVU benchmark, adjusted by blended subspecialty benchmark and clinical FTE. For each academic year, the department level wRVU total from the preceding 12 month academic year will be compared to the department level wRVU benchmark. This departmental productivity performance ratio

will be applied to providers' 10% base salary to determine compensation in the academic year. Providers who exceed the target will receive additional base compensation in the subsequent year. Providers who fall short of these targets will have their base compensation reduced in the subsequent year. In particular, the amount attributable to each metric will be adjusted upward by the percent by which the respective metric was exceeded or adjusted downward by the percent by which the respective metric was missed. See Appendix E for specifics of the salary calculation.

(2) Value

Providers will have fifteen percent (15%) of their total base salary at risk for the performance metrics outlined below. Both of these measures will be pro-rated. The Department's compensation committee will define the value metrics each year and communicate to all Providers prior to the start of the measurement period (July 1 to June 30). These metrics will be measured during the 12 month academic year and be applied to compensation in the following academic year

- a. Patient Experience (5%)
- b. Quality (10%)

Citizenship

Providers will have a total of \$4,800 of total base salary at risk for citizenship. The Department citizenship goals are:

- (1) Compliance (\$800) – Flu vaccine, TB testing, fit testing, and all required trainings, including ACLS/BCLS, HealthStream and Workday required courses
- (2) Performance Evaluations (\$4,000) - BU Faculty Review, BMC OPPE/FPPE, resident and medical student evaluations

The Department will review each Provider's compliance and performance evaluations each quarter and one-fourth of the total base salary at risk (\$200 for compliance and \$1,000 for performance evaluations) will be at risk for that quarter.

Providers must complete each component due during a quarter to receive that quarter's credit for the compliance or performance evaluation goal. The Department will issue a written warning if any component of a citizenship goal due for completion that quarter is delinquent 15 days after the component's due date. If the Provider has still not completed the component within 30 days after the component's due date, then the Provider will not receive compensation for that quarter's citizenship goal. If a Provider does not complete a component during a quarter, the Provider cannot receive credit for a later quarter until all current and previously due components have been completed.

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.

Compensation Reset

Provider compensation will be adjusted annually to reflect the base salary, performance, and citizenship components.

If the reset is higher than current base salary, the physician will receive a lump sum payment in September to reflect the underpayment in July and August. The new base salary will then be paid for the following 10 months of September to June.

If the reset is lower than the current base salary, the base salary reduction will be adjusted and spread over the remaining 10 months of September to June.

The measurement period for each metric will be July to June of the academic year and the results will be applied to the Provider's compensation in the following academic year.

No Provider shall receive a compensation increase of more than 20% in any single year.

For Providers who begin employment between July 1 and December 31, then the first measurement period will begin the next July 1. For Providers who begin employment between January 1 and July 1, then the first measurement period will begin July 1 in the following year. For example, for a Provider hired August 1, 2020, the first measurement period would begin July 1, 2021, with compensation changed effective July 1, 2022. For a Provider hired February 1, 2021, the first measurement period would begin July 1, 2022 with compensation changed effective July 1, 2023

Compensation Reconciliations

At the end of the academic year, the Corporation reconciles activities-based paid salary (based on annual hour commitment) to earned salary based on actual work hours performed. Compensation increases resulting from the reconciliations will be paid in the September paycheck. Compensation decreases resulting from the reconciliations will be adjusted in September to June paychecks. The Corporation issues a mid-year salary reconciliation, issued in January that encompasses July through December, to apprise Providers of where they stand.

Implementation

The first measurement year for the performance portion of the compensation plan will begin July 1, 2021. The first compensation adjustments for performance will begin July 1, 2022.

Appendix A: Annual Hour Commitment 1.0 FTE (1)

Role	Hours/Week	Weeks/Year	Total Clinical Hours	Non F2F Multiplier	Adjusted Hours/Week	Total Hours
Generalist: OB Call Pool						
OB Call	11.4	45.0	515	0	11.4	515
8 sessions/week	32.0	45.0	1,440	1.25	40.0	1,800
Total	43.4		1,955		51.4	2,315
Generalist: GYN Call Pool						
GYN Call*	1.4	45.0	63	0	1.4	63
GYN Service*	5.4	45.0	245	0	5.4	245
8.5sessions/week	34.0	45.0	1,530	1.25	42.5	1,913
Total	40.8		1,838		49.3	2,220
OBGYN Generalist: GYN Call Pool + Dire						
GYN Call*	1.4	45.0	63	0	1.4	63
GYN Service*	5.4	45.0	245	0	5.4	245
Dire	3.0	45.0	133	0	3.0	133
8.5sessions/week	34.0	45.0	1,530	1.25	42.5	1,913
Total	43.8		1,971		52.3	2,353
MFM						
Perinatal Call*	9.9	45.0	446	0	9.9	446
9 sessions/week	36.0	45.0	1,620	1.25	45.0	2,025
Total	45.9		2,066		54.9	2,471
Gyn-Onc						
Gyn-Onc Call	8.4	45.0	378	0	8.4	378
8 sessions/week	32.0	45.0	1,440	1.25	40.0	1,800
Total	40.4		1,818		48.4	2,178
Generalist: No Call						
9 sessions/week	36.0	45.0	1,620	1.25	45.0	2,025
Total	36.0		1,620		45.0	2,025

* Off-site Call hours valued at 20% of shift-length

- Hours shown here are clinical scheduled hours and do not include multipliers for administrative work
- All sessions and shifts are reconciled to actual performed

Appendix B: Subspecialty Assignments

AAMC Subspecialty	Training
General	Obstetrics
	Gynecology
	Reproductive Endocrinology
	Uro-Gynecology
Maternal Fetal Medicine	Maternal Fetal Medicine
Gyn-Oncology	Gyn-Oncology

Appendix C: Additional Compensation for Advanced Education or Training

The following compensation will be added to a Provider's base salary for having completed the respective fellowship program(s):

- Uro-Gynecology Fellowship - \$10,000
- Reproductive Endocrinology Fellowship - \$10,000
- Minimally Invasive Gynecologic Surgery Fellowship - \$10,000
- Family Planning Fellowship - \$10,000
- Academic Research Fellowship - \$10,000

Appendix D: Stipends for Department Leadership Positions

The following department leadership stipends will be added to a Provider's base salary:

Title	Increase
Vice Chair of Obstetrics	\$50,000
Vice Chair of Gynecology	\$50,000
Vice Chair of Academic	\$50,000
Ambulatory Medical Director	\$15,000

Appendix E: Compensation Reset Examples

Annual Salary \$ 250,000
cFTE 1.00

	Risk %	Risk \$	Target	Actual	% Change	Comp Change
Sessions / Year	75%	\$ 187,500	360	355	-1.39%	\$ (2,604)
wRVU (Dept)	10.0%	25,000	54,000	52,000	-3.70%	(926)
Patient Experience	5%	12,500	92%	94%	2.17%	272
Quality	10%	25,000	1.00	1.00	0.00%	-
		<u>\$ 250,000</u>				<u>\$ (3,258)</u>
			Citizenship			<u>(1,600)</u>
			Total Compensation Reconciliation			<u>\$ (4,858)</u>
			Annual Salary after Reconciliation			\$ 245,142

Annual Salary \$ 250,000
cFTE 1.00

	Risk %	Risk \$	Target	Actual	% Change	Comp Change
Sessions / Year	75%	\$ 187,500	360	365	1.39%	\$ 2,604
wRVU (Dept)	10.0%	25,000	54,000	52,000	-3.70%	(926)
Patient Experience	5%	12,500	95%	94%	-1.05%	(132)
Quality	10%	25,000	1.00	1.00	0.00%	-
		<u>\$ 250,000</u>				<u>\$ 1,547</u>
			Citizenship			<u>-</u>
			Total Compensation Reconciliation			<u>\$ 1,547</u>
			Annual Salary after Reconciliation			\$ 251,547