

# Child Health Foundation of Boston Professional Staff Compensation Policy

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**Adopted: 2/1/2016**

**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 Child Health Foundation of Boston, 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.

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## **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 three components: (1) salary from clinical, administrative, contract, research and educational activities (“base salary”), (2) performance metrics, and (3) citizenship.

### 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 commitment. The base salary will be proportionally reduced if a Provider fails to meet the clinical 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 92.5% of the most recent Association of American Medical Colleges (AAMC) Northeast Region median for Assistant Professors for their respective subspecialties.
- b. Associate Professors will receive 92.5% of the most recent AAMC median for Associate Professors for their respective subspecialties.
- c. Professors will receive 92.5% of the most recent AAMC median for Professors for their respective subspecialties.
- d. In the event that there is no AAMC value for a particular rank and subspecialty, the corresponding median value as published most recently by the Association of Administrators in Academic Pediatrics (AAAP) will be used.

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- e. In the event the AAMC (or AAAP) 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 January or July, whichever is sooner.

### (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.

### (3) Primary Care Continuity

- a. Providers who provide, on average, more than 4 (four-hour) primary care sessions each week for the applicable year will receive an additional \$2,500 per year for each such extra session.

For example, if a Provider does 6 primary care sessions each week in the applicable year, the Provider will receive an additional \$5,000 annually.

- b. The primary care continuity amount will be determined by annual clinical primary care hours per year.

### (4) Leadership

See Appendix B for the stipends related to Department leadership roles

### (5) 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.

## 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 salary at risk for productivity metrics outlined below. Both of these measures will be pro-rated. 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. These metrics will be measured in the 12 month academic

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year and be applied to compensation in the following academic year. See Appendix C for examples of the salary calculation.

a. Panel Size (7.5%)

A 1.0 FTE in primary care is expected to have a panel size of 1,100 patients. This target will be adjusted for the Provider's clinical FTE (cFTE) in primary care.

b. wRVUs (2.5%)

Providers are expected to reach the most recent Vizient median wRVU benchmark, adjusted for cFTE. This provision does not apply to any specialty that receives program support funding.

(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 \$4,800 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. Each goal is worth \$1,600, and a Provider must complete each component of a citizenship goal to receive credit for that goal. 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.

(1) Compliance – Flu vaccine, TB testing, fit testing, and HealthStream and Workday required courses

(2) Performance Evaluations - BU Faculty Review, BMC OPPE/FPPE, resident and medical student evaluations

(3) Credentialing – the providers must have the appropriate licensure, privileges and payer enrollment certifications for their clinical work

The Corporation will issue a written warning if any component of a citizenship goal 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 citizenship goal.

Compensation Reset

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

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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. 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, 2021, the first measurement period would begin July 1, 2022, with compensation changed effective July 1, 2023. For a Provider hired February 1, 2022, the first measurement period would begin July 1, 2023 with compensation changed effective July 1, 2024.

### Compensation Reconciliations

At the end of the academic year, the Corporation reconciles activities-based paid salary (based on annual session and/or 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 entire faculty will begin July 1, 2021. The first compensation adjustments for performance will begin July 1, 2022.

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## Appendix A: Annual Hour Commitment

Clinical Division	Total Clinical Hours	Call/Doc Annual Hour Credit	Total
Cardiology	1260	180	1440
CCP	1260	180	1440
Developmental	1080	360	1440
Emergency Medicine	1312	0	1312
Endocrinology	1260	180	1440
Gastroenterology	1260	180	1440
Genetics	1080	360	1440
Hematology / Oncology	1080	360	1440
Hospitalists	1800	0	1800
Infectious Disease	1080	360	1440
Neonatology	1297	0	1297
Neurology	1260	180	1440
Newborn Nursery	1800	0	1800
Primary Care	1440	0	1440
Pulmonology	1260	180	1440
Allergy	1260	180	1440

- 1.0 cFTE Primary Care Physician would work 8 sessions per week X 45 weeks = 360 sessions per year. 360 sessions X 4 hours = 1440 hours per year.
- Hours shown are clinical scheduled hours and do not include multipliers for administrative work
- Specialty denominator will be reviewed and communicated annually to determine necessary changes based on productivity and ratio of ambulatory/inpatient volume.
- All sessions and shifts are reconciled to actual performed

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## Appendix B: Department Leadership Positions

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

<b>Level</b>	<b>Title</b>	<b>Stipend</b>
<b><u>Vice Chair</u></b>		
	Vice Chair of Clinical Services	\$50,000
	Vice Chair of Practice Transformation	\$50,000
<b><u>Medical Director</u></b>		
	Ambulatory Medical Director	\$50,000
	Newborn Medicine Director	\$50,000
	Emergency Medicine Director	\$50,000
	Pediatric Specialty Group Director	\$25,000
	Inpatient Medical Director	\$25,000
<b><u>Education</u></b>		
	Residency Program Director	\$25,000
		<b>\$325,000</b>

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## Appendix C: Compensation Reconciliation Examples

**Annual Salary**     \$    200,000  
**cFTE**                    1.00

	<b>Risk %</b>	<b>Risk \$</b>	<b>Target</b>	<b>Actual</b>	<b>% Change</b>	<b>Comp Change</b>
Sessions / Year	75%	\$ 150,000	360	350	-2.78%	\$ (4,167)
Panel Size	7.5%	15,000	1,100	1,050	-4.55%	(682)
wRVU	2.5%	5,000	4,500	4,350	-3.33%	(167)
Patient Experience	5%	10,000	92%	94%	2.17%	217
Quality	10%	20,000	1.00	1.00	0.00%	-
		<u>\$ 200,000</u>				<u>\$ (4,798)</u>
			Citizenship			<u>(1,600)</u>
			<b>Total Compensation Reconciliation</b>			<b>\$ (6,398)</b>
			<b>Annual Salary after Reconciliation</b>			<b>\$ 193,602</b>

**Annual Salary**     \$    200,000  
**cFTE**                    1.00

	<b>Risk %</b>	<b>Risk \$</b>	<b>Target</b>	<b>Actual</b>	<b>% Change</b>	<b>Comp Change</b>
Sessions / Year	75%	\$ 150,000	360	375	4.17%	\$ 6,250
Panel Size	7.5%	15,000	1,100	1,150	4.55%	682
wRVU	2.5%	5,000	4,500	4,800	6.67%	333
Patient Experience	5%	10,000	92%	94%	2.17%	217
Quality	10%	20,000	1.00	1.00	0.00%	-
		<u>\$ 200,000</u>				<u>\$ 7,483</u>
			Citizenship			<u>(1,600)</u>
			<b>Total Compensation Reconciliation</b>			<b>\$ 5,883</b>
			<b>Annual Salary after Reconciliation</b>			<b>\$ 205,883</b>