

# Boston University Medical Center Urologists Compensation Policy

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**Adopted: May 30, 2017**

**Revised: December 4, 2024**

## **Objectives**

To provide a system of compensation for clinical, administrative, research, and educational activities provided by physicians (also referred to as “providers” or “faculty”) employed by Boston University Medical Center Urologists, Inc. (the “Department” or the “Corporation”) that

1. supports the clinical and academic missions of the Department, Boston Medical Center (“BMC”), and Boston University Chobanian & Avedisian School of Medicine
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 Department (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 provider.

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, 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 the Chobanian & Avedisian School of Medicine, 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

# Boston University Medical Center Urologists Compensation Policy

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.

In the first two years of employment, compensation will be guaranteed. A provider's initial base salary will be set based on the Total Base Salary section of this compensation plan. After the provider's second year of employment, compensation will be based on this policy. The first measurement period for the transition from guaranteed compensation to this compensation plan will start on the second October 1 after the provider's start date. For example, for a provider hired July 1, 2024, the first measurement period would begin October 1, 2025, with any change in compensation effective October 1, 2026.

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, bonus, 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: (1) salary from clinical, administrative, and educational activities ("total base salary"), (2) performance metrics (productivity and citizenship), and (3) research.

## **Total Base Salary**

Total Base Salary will be calculated using the elements below and paid based on the provider's full-time equivalent (FTE). Instructors and Assistant Professors will both be paid at the rank of Assistant Professor. Associate Professors and Professors will both be paid at their respective ranks.

- (1) First year post fellowship: a provider's initial 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 Urology specialty
- (2) Second year post fellowship: the provider's salary will be set at 95% of the most recent three-year rolling average median of the AAMC Northeast region Urology specialty
- (3) Third year post fellowship and beyond: the provider's salary will be set at 100% of the most recent three-year rolling average median of the AAMC Northeast region Urology specialty

In the event the most recent three-year rolling average median of the AAMC Urology specialty decreases, the prior fiscal year rolling average will be used for one year. 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.

## Boston University Medical Center Urologists Compensation Policy

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Providers who receive a mid-year promotion will receive a compensation increase the following October or April, whichever is sooner.

### Performance Metrics

- (1) Eighty percent (80%) of Total Base Salary will be at risk based on meeting productivity targets.
  - a. A provider must meet a productivity index target or a cash collection target in order to receive the Total Base Salary at risk
    - i. Individual targets will be established during the annual budget process
    - ii. A provider's cash collection target is the provider's wRVU target multiplied by the Department's total net revenue per wRVU
    - iii. A provider's wRVU target will be adjusted for the provider's FTE and clinical full-time equivalent ( cFTE)
  - b. Partial completion of a wRVU or cash collection target will earn a proportional amount of the compensation at risk
  - c. If a provider produces wRVUs over their target, they are eligible for the Incentive Component, defined below
    - i. If a provider does not meet the wRVU target but meets the cash collection target, the provider is not eligible for the Incentive Component
  
- (2) Ten percent (10%) of Total Base Salary will be at risk based on a clinical session target.
  - a. A 1.0 cFTE provider is expected to complete (9) clinical sessions per week. A clinical session includes ambulatory clinic and operating room
  - b. The Department will establish each provider's clinical session target, based on the provider's cFTE and notify the provider of the target, prior to the start of the fiscal year
  - c. Partial completion of the clinical session target will earn a proportional amount of the compensation at risk
  - d. There is no additional compensation for exceeding the target
  
- (3) Five percent (5%) of Total Base Salary will be at risk based on an Equity and Access target.
  - a. A provider must schedule at least twelve (12) patients each ambulatory session in order to receive the Total Base Salary at risk
  - b. The Department will establish each provider's Equity and Access target, and notify the provider of the target, prior to the start of the fiscal year
  - c. Partial completion of the Equity and Access target will earn a proportional amount of the compensation at risk
  - d. There is no additional compensation for exceeding the target
  
- (4) Five percent (5%) of Total Base Salary will be at risk based on a Research and Education target.
  - a. A provider must meet at least 5 of 14 research and education metrics (see Appendix A) in order to receive the Total Base Salary at risk

## Boston University Medical Center Urologists Compensation Policy

- b. Partial completion of the Research and Education target will earn a proportional amount of the compensation at risk
- c. There is no additional compensation for exceeding the target
- d. At the beginning of the year, the Provider, will notify the Chair the (5) five metrics they will complete. The Provider may choose to change metrics during the year, but they must notify the Chair prior to the end of the fiscal year

### Incentive Component

A provider may earn incentive compensation based on generating wRVUs above the provider's target. Each wRVU above the target will be compensated at a pre-determined percentage of the department's net revenue per wRVU. (Net revenue is defined as patient cash collections from payers plus wRVU subsidy less revenue cycle costs and department support tax. Revenue cycle costs are defined as third party billing fees and PBO cost allocation.) Each provider's wRVU target will be determined annually by the department and communicated to the provider prior to the start of the fiscal year.

The measurement period for evaluating the incentive component period is October 1 to September 30, and incentive compensation will be paid in a one-time lump sum payment paid November/December.

### Compensation Reset

At the beginning of the fiscal year, a provider's total base salary will be adjusted to reflect the provider's tenure and most recent three-year rolling average median of the AAMC Northeast region.

All performance metrics will be measured on the fiscal year (October to September). The Department will provide monthly reports to providers to track progress toward performance metrics. If providers do not meet 100% of the performance metrics, their new annual base salary, effective October 1, will be prorated based on the most recent measurement period performance. Any compensation increase/decrease will be adjusted in the November/December paychecks.

### Year End Incentive

The year-end incentive will be equal to the expected profit, if any, of the overall Corporation after accounting for all expenses and an amount of retained earnings for the Corporation. The retained earnings shall be determined by the President and BUMG Senior Leadership, prior to the fiscal year in which it will be applied, based on the needs of the Corporation to fund its charitable purposes, ability to meet BUMG's reserve policy of 30 days cash on hand and the maintenance of reasonable reserves in relation to strategic objectives and general market conditions.

At the end of a fiscal year, the President and BUMG Senior Leadership may determine, based on those same considerations and the Department's actual financial performance, that it is not prudent to use the

## Boston University Medical Center Urologists Compensation Policy

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expected profit. The President and BUMG Senior Leadership may also determine, at the end of a fiscal year, that the Department has additional profit available for the Department's use. The President, based on the needs of the Corporation to fund its charitable purposes and outstanding obligations, the overall level of Provider salaries compared to median benchmarks, and the need for additional reserves, may decide to use the additional profit to supplement the Department's total bonus pool.

In order to receive a year-end incentive payment, a provider must reach the goals set forth by the department during the annual budget process. The goals will be established and communicated to the faculty prior to the start of the fiscal year.

Year-end incentive payments will be calculated at the end of the fiscal year and distributed to the eligible faculty when the fiscal year-end financial statements are finalized.

## Appendix A: Research and Education Metrics

The Department will notify providers prior to the beginning of any fiscal year if these metrics change.

1. Review all resident ERAS applications assigned by the Program Director on time and interview resident applicants if requested by the Residency Program Director
2. Completing all resident evaluations quarterly prior to the next quarter
3. 80% attendance at Grand Rounds
4. 100% participation in medical school urology affinity group meetings
5. Participation in one yearly resident work/life balance activity
6. Participate as co-investigator in a funded clinical trial or as a principal investigator on a clinical trial (could be local for multi-center study)
7. Publish a peer reviewed case report/series, review article or research article or a peer reviewed research article as first or last author (not case report/series or review article)
8. Primary mentor of a resident or student research project
9. Present a poster at a national meeting as first author or principal investigator
10. Submit a grant application to research funding agency
11. Obtain extramural grant funding (Federal Sponsor, Pharma, Foundation)
12. Review meeting abstracts for a regional or national meeting (for example, the New England Section of the American Urological Association or the American Urological Association)
13. Review at least six (6) manuscripts for peer reviewed journals
14. Perform QI/QA projects resulting in a presentation at Boston Medical Center's Annual Quality And Safety Week Meeting (held in conjunction with the yearly Raphael Miara Lecture in Patient Safety)

# Boston University Medical Center Urologists Compensation Policy

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## Appendix B: Compensation Example

Assistant Professor with 7 years of post-graduate tenure

**3 Yr RA AAMC Median**     \$     **476,872**  
**Tenure: 7 Yrs**                                     **100%**  
**Salary**     \$     **476,872**

Salary Component	% at Risk	Salary @ Risk	Performance	Target	Result
Productivity	80.00%	\$ 381,498	8,626	9,584	72.00%
Sessions	10.00%	47,687	380	405	9.38%
Equity and Access	5.00%	23,844	13	≥ 12	5.00%
Research & Education	5.00%	23,844	4	5	4.00%
	<b>100.00%</b>	<b>\$ 476,872</b>			<b>90.38%</b>

In the next fiscal year, the 90.38% performance result will be applied to the new targeted salary to account for the performance during this measurement period

**3 Yr RA AAMC Median**     \$     486,409  
**Tenure: 7 Yrs**                                     100%  
**Target Salary**                                     \$     486,409  
**Prior Year Performance**                     90.38%  
**New Annual Salary**                             \$     439,630

**Appendix C: Incentive Calculation**

Example:

Target wRVUs		7,500
MD wRVUs		7,800
wRVU > Target		300
Net Revenue per wRVU	\$	55.00
	35% \$	19.25
Incentive	\$	5,775