August 16, 2018

**DEPARTMENT OF MEDICINE**

**AY 19 CLINICAL FACULTY COMPENSATION PLAN**

**Introduction:**

The Department of Medicine’s Clinical Faculty Compensation Plan has been revised slightly based on faculty input. As in previous years, we are seeking to provide competitive salaries for clinicians that can be supported by the clinical revenue to the Department. The Compensation Plan attempts to incorporate principles of accountability, transparency and fairness in pursuit of this goal. As in the past, we plan to continuously refine the plan in future years based on the input from the faculty and the financial and clinical needs of the Department.

The plan for AY 19 is similar to the plan for AY 18 except that we are not implementing any adverse consequences (e.g., withholding of cost of living increase or salary reduction) for faculty derived from not meeting wRVU targets in AY 18. In addition, wRVU shortfalls will NOT be rolled over as previously planned. We came to this decision after encountering problems in the implementation of the EPIC scheduling software and the substantial delays in obtaining accurate wRVU totals for faculty clinical work performed in May and June, 2018.

**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 19 are budgeted. Changes in individual faculty salaries will be made in accordance with the AY 18 compensation policy and department’s budget in October, 2018 retroactive to July, 2018;
2. Section Chiefs will set individual wRVU targets for faculty, the sum of which **must exceed the UHC median based on 2016-17 benchmarks by specialty** subject to blending of different targets to account for sub-specialty effort distribution and **should be no less than the modified budgeted wRVU target**;
	1. Primary Care Physicians in the Section of General Internal Medicine can opt 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) (subject to FPF approval) according to the following formula:
	1. Fixed: The Department will create a Bonus pool in an amount to be determined for **all** **10 clinical sections** (regardless of whether or not the section ends AY 19 with an operating gain). The amount for each section will be calculated using the 50:50 formula of section wRVU’s/total departmental wRVU’s 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 AY19** 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 50% of the operating margin or $200,000;
	3. Sections with an operating loss in AY 19 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 19, 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 19 to the DOM prior to paying any bonus payments. These funds will be used by the DOM to indemnify sections with an operating deficit and 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 19;
	5. Examples:
		1. Section A has an operating deficit for AY 19. Section A has 10% of the department’s total wRVU’s 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 19 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** $40,000 (50% 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 **wRVU** and ***non-*** **wRVU** that include a range of unreimbursed activities on behalf of the section, department, BMC, and BUSM (see section #6 below for suggestions) to govern distribution of bonus payments to individual faculty. The wRVU portion of the bonus pool should comprise 65-85% of the formula to determine the proportion 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 criteria *will be distributed to the faculty* by September 1, 2018 with the plan submitted to Alice Jacobs by August 31, 2018 to be eligible for DOM incentive funds.
5. **Individual faculty** will be eligible for Bonus payments under the following circumstances:
* Individual wRVU target is achieved during AY 19;
* 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%;
* Compliance with DOM Inpatient Billing Policy. Individuals who submit bills for 5 or more inpatients >14 days from date of service, three or more times will be ineligible for bonus payments.
1. **Suggested Criteria for non-wRVU-based Bonus:**
	* + **Teaching** not otherwise compensated for, including fellows, house staff and students unrelated to current role or position
		+ **Service/Committees** – service to the DOM and/or the section, serving on BMC, DOM and/or section committees unrelated to 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 19 (*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 by September 15.

**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

***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 requirement of 45 half day sessions per year per weekly assigned session:**

* 1. Faculty wRVU targets will be **assigned by Section Chiefs** based on the modified budgeted wRVU target for the section and amount/type of clinical activities (see #2 above);
	2. Faculty with **wRVU’s between 90% and 100%** of the assigned wRVU target at the end of the year will be ineligible for bonus payments;
	3. Faculty with **wRVU’s below 90%** of the assigned target will be:
		1. Ineligible for bonus payments;
		2. Ineligible for a COLA in the following year (AY 20);
		3. Subject to an increase in his/her respective wRVU targets in the following year (AY 20) by **the amount in AY 19 below 90% of their wRVU target.** Specifically, **faculty below 90% of their target will have to** **make up the wRVU deficit** in addition to meeting his/her assigned wRVU target in the following year (AY 20). The wRVU’s rolled over from the previous year will **not** count towards the section’s modified budgeted wRVU target;
		4. Given a “grace” period of one year during which support will be provided to help determine why the wRVU target was not achieved and how to most effectively help the individual faculty meet the wRVU target in AY 20;
		5. Subject to salary reduction only if he/she fails to meet the requirement for >90% of the assigned wRVU target plus the wRVU deficit from the previous year after the one year “grace period” during AY 20;
		6. Salary will be reduced in AY 21 by 2% per 1% below 90% of wRVU target prorated to clinical effort. For example, if a faculty member works 50% time clinically and his/her wRVU’s are at 85% of target, salary will be reduced by 5% for the following academic year.
		7. Faculty subjected to salary reduction can restore **full base salary** by the start of the following academic year (AY 22) by increasing wRVU’s to an amount over target equivalent to the deficit from the prior year and by meeting or exceeding 100% of his/her wRVU target (AY 21);
		8. **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 fully executed for faculty at or below the 25th AAMC northeast salary benchmark by specialty.
	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, to provide support and suggestions for increasing productivity.
	5. **Faculty who do not meet the 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 “make up” the missed sessions in the following academic year (AY 20) in addition to meeting the 45 half day clinic or procedure session requirement for the new academic year;
		2. Individuals who work four or more half day ambulatory sessions per week and attend on the inpatient medical/subspecialty services or on the consult services will be expected to make up two of the missed weekly sessions incurred during their inpatient attending responsibilities;
		3. Will be subject to financial penalty in AY 21 if they have two consecutive years of not meeting the 45 half day clinic or procedure session requirement. Salary will be reduced in AY 21 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 21 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.**

As in past years, special 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 in decisions regarding potential adverse financial decisions.

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