

Clinical Department Chair Performance Criteria and Pay Model

I. Introduction

In accordance with the University of South Florida College of Medicine Clinical Faculty Compensation Policy (the Compensation Policy), Clinical Department Chair compensation consists of five components: University Contracted Salary, ASF Pay, VA Pay, Administrative Stipend and Bonus. The University Contracted Salary, ASF Pay, VA Pay and Administrative Stipend components are budgeted at the beginning of each fiscal year and are referred to as **Budgeted Total Salary.** The Budgeted Total Salary compensates Chairs for their administrative, academic, research and clinical care responsibilities.

Generally, the Budgeted Total Salary is divided by 12 and Chairs receive their budgeted ASF Pay monthly from the USF College of Medicine Academic Support Fund (ASF). They also receive pay from the VA Hospital/s monthly. Administrative Stipends funded from State appropriated funds are paid bi-weekly. Administrative Stipends paid from ASF are paid monthly.

It is the intent of this document to coincide with the changes of culture in USF Health that emphasize transformation to new methods of shared governance and accountability with transparency specifically of the financial accountability of departmental chair compensation in various components related to clinical activities in the USF Physicians Group specifically. The HART system is one portion of the AIMS accountability system.

II. Components of Clinical Department Chair Pay

A. The Maximum Potential Salary = Budgeted Total Salary plus Bonuses.

The Maximum Potential Salary for a Clinical Department Chair cannot exceed 150% of the 75th percentile of the salary range for Chairs in the relevant discipline for all medical schools as reported in the most recently published American Association of Medical Colleges Report on Medical School Faculty Salaries (the "AAMC Report") (as adjusted for CPI) as approved by the Dean of the College of Medicine. Exceptions to the cap for the payment of a greater Maximum Potential Salary amount to an individual Chair must be approved by the Vice President for USF Health.

B. Budgeted Total Salary (BTS) = University Contracted Salary + ASF Pay + VA Pay + Administrative Stipends. Budgeted Total Salary must be a percentile of the AAMC salary range for Chairs by specialty. *(Debate has occurred with regard to the final authority for establishing Chair ASF – 1) CEO Practice Plan, or 2) Dean or 3) Mutual agreement of Dean and Chair or 4) Mutual agreement of CEO, Dean, and Chair. What if any is to be the transparent accountability to faculty in the department/division.)*

ASF Pay will be based on productivity. Clinical Department Chairs will be guaranteed ≤ \$150,000 plus an additional stipend related to support and mentorship to ranked faculty with recognition of additional effort required for mentorship of junior ranked faculty to compensate for their administrative, academic and research responsibilities as described in paragraph 4.

1. University Contracted Salary and State Funding Guarantee

- a. The University Contracted Salary (UCS) is made up of State appropriated funds, grants/contracts and/or funds derived from the Practice Plan. The UCS is paid by the University bi-weekly.
- b. Beginning July 1, 2010, State appropriated funds will be allocated to support the University Contracted Salary based on the minimum college-wide effort requirements (5,5,3,2).
- c. Effective July 1, 2010, the College/Department will guarantee a \$150,000 University Contracted Base Salary to Clinical Department Chairs.¹
- d. With prior approval from the Dean, Administrative Stipend(s) may be provided in recognition of the assignment of a specific administrative role and related duties. The Administrative Stipend(s) is removed if the related administrative assignment is discontinued.

2. Academic Support Fund (ASF) Pay

ASF Pay is that portion of the Budgeted Total Salary that varies monthly based on the productivity of the Chair/Department and the availability of funds

- a. Departmental Practice Plan funds may be used to ensure equitable ASF as a component of total compensation for the chair based upon rank and discipline.
- b. ASF Pay for Chairs is subject to fund availability in the approved annual budget and
- c. Additional criteria approved annually by the Executive Management Committee of the USF Physician's group related to achievement of performance goals such as, but not limited to, the maintenance of the departmental margin required by the CEO of the Practice plan.
- d. The department may assess an overhead for support of ASF for the chair in an amount as approved by the Dean of the College of Medicine which shall be dependent upon management of departmental fiscal resources and maintenance of a profitable Revenue & Expense Report (R & E) for the department and group in an amount not to exceed 7% for all departmental expenses including contribution to support of the Chair. *(Note: there is debate over whether the Dean or CEO USFPG approves internal departmental overheads; it is likely that USFPG has no promulgated policy relative to minimum, maximum or range and it is likely that there will be debate over whether this should be related only to department's R & E or that of USFPG) {Note 2 – There is discussion of the principles and amounts for the department to support a chair's ASF in those instances where the chair does not self support from clinical activity. The Dean has determined that all dept expense overhead attribution internally which includes contribution to managerial activities shall not exceed a gross percent of 7% for FY 2010 and may be revised annually}*

¹ The guaranteed University Contracted Base Salary may exceed \$150,000 if the tenured portion of the UCS exceeds \$150,000.

3. VA Pay

VA Pay is that portion of the Budgeted Total Salary that is directly paid monthly by the VA Hospital/s to Chairs that have faculty appointments at the University and VA Hospital/s that, together, equal a 1.0 FTE.

4. Administrative Stipends

- Effective July 1, 2008, the College/Department will guarantee an annual University Contracted Administrative Stipend of up to \$50,000 (\$25,000 from College and the balance from the Department as ASF) to compensate for administrative responsibility for the academic, clinical, and research programs of the Department.
- In addition, If the number of ranked faculty exceeds five, an additional ASF Administrative Stipend shall be authorized , calculated at the beginning of each fiscal year which will be guaranteed for the fiscal year for each additional faculty member as follows:
 - \$500 for each faculty member at the rank of Associate Professor and Professor (including Distinguished Professor); and,
 - \$1,000 for each faculty member at the rank of Assistant Professor in support of the additional mentorship and guidance required.
 - Continuation in subsequent years shall be dependent upon evidence of satisfactory or greater performance of mentorship as reviewed by the Dean of the College of Medicine within the individual chair's performance addendum and assessment. Amounts may be amended on the recommendation by the EMC and the Dean in the annual budget cycle for implementation in the following fiscal year.

C. Bonus Pay

Bonus Pay may only be paid following the **end of the fiscal year** after the year-end audited financial statements have been issued (generally, November or December).

- Departmental bonuses are generally awarded based on clinical performance and may be paid to faculty if the Division/Department/Practice Plan budgets (*budget or annual R & E result?*) have a positive balance, including the operating reserve required by the CEO of the Practice Plan with prior approval from the CEO. Exceptions may be made by the CEO of the Practice Plan for individuals with extraordinary productivity. (*Debate occurred over whether the EMC/Finance Committee or CEO of USFPG determine and*

approve departmental bonus to Chair or it is self determined and if there is an appeal or other process to the Dean in case of disagreement For elucidation see mechanism in position description of CEO which clearly grants this authority to the CEO and EMC without further appear and simply requires reporting of this amount to the Dean)

- College bonuses are awarded by the Dean and are generally based on achievement of the clinical, research, education and leadership performance of the Chair and the Department as defined annually in performance goals appended to the individual departmental chair job description for the fiscal year and as amended annually.

III. Revenue & Expense Analysis for Departments/Divisions and Chairs

The relevant Department/Division, shall prepare a Revenue & Expense Analysis (R&E Analysis) for each Chair and USF clinical faculty member as required by this document to support the administration of the clinician pay model. The individual R&E Analysis will be shared with each faculty member including chairs and shall include:

- Revenues from all sources attributable to the faculty member/Chair in connection with their University employment/duties (e.g. patient service, contract/grant, etc.),
- All expenses attributable to the faculty member/Chair in connection with their University employment/duties (e.g. salary and benefits, staff and office support, applicable administrative overhead assessment of Department/Division/Practice Plan, etc.); and
- The operating reserve required by the CEO of the Practice Plan.

IV. Annual Determination of Budgeted Total Salary (BTS) and Maximum Potential Salary (MPS)

As referenced in Section VI below, the Budgeted Total Salary and Maximum Potential Salary for each fiscal year will be budgeted beginning July 1 of each fiscal year generally at the same amount that a Chair was being paid as of April 1 of the previous fiscal year.

- Prior to finalization of the practice plan annual audit and report to the USF Board of Trustees, the Dean and Department Chair will meet to discuss the previous fiscal year's performance and any increases/decreases in the BTS proposed to be effective December 1 or within 30 days after receipt of the audit whichever event first occurs.
- BTS must be a percentile of the AAMC salary range for Chairs by specialty of practice.
- MPS cannot exceed 150% of the 75th percentile of the salary range used for BTS except as otherwise provided in Section II A.

- The Department Chair and Dean/Dean's Designee will review the following information available on the HART Dashboard or from the Practice Plan:
 1. Revenue and Expense Analysis (R&E Analysis) for Individual, Division and Department over the previous Fiscal Year.
 2. wRVUs over the previous fiscal year and compare to most recent UHC Survey for comparable discipline at the 75th percentile.
 3. Attainment of Hospital and clinic based quality performance indicators over the previous fiscal year months where applicable.
 4. Attainment of Practice Plan revenue cycle (i.e. 30 day service-to-post dates) and clinical quality metrics over the previous fiscal year (effective between 7/1/2009 and 6/30/2010)..
 5. Attainment of Department/Division metrics research and educational metrics over the previous fiscal year as applicable.
 6. Review of FAR effort reports for the previous academic year to confirm achievement of college-wide minimum percentages of effort by all departmental faculty.
 7. Completion of annual assignment/evaluation of Department faculty.
 8. Evidence of adherence to College financial and human resource policies and procedures.
 9. Other performance metrics of the annual updated performance expectations appended to the departmental chair job description as recommended by the Chairs AIMS Committee and as updated annually to achieve group goals and the strategic mission of the College.

It is strongly recommended that full disclosure of the summary results of the metrics used in this process be presented to the entire faculty either in person at a convened departmental meeting or in written format in those circumstances which may preclude full faculty attendance.

If the Practice Plan, Department and Division have a positive balance with the required operating reserve and the Chair meets the College minimum performance metrics **and** the Chair has a positive R&E Analysis balance, the Chair's BTS may be increased as compared to the previous year's BTS in accordance with the Compensation Policy and Department/Division pay policy.

If the Practice Plan, Department and Division does **not** have a positive balance with the required operating reserve OR the Chair does not meet the College-wide performance metrics or the personal performance metrics enunciated by the Dean in the annual review with the Chair OR the Chair has a negative R&E Analysis balance, the Chair's annual BTS may be reduced in accordance with the Compensation Policy and Department/Division pay policy.

Any portion of the UCS that is funded with Practice Plan dollars may be reduced, at the beginning of the University employment contract year if annual review of individual, Division or Department R&E Analysis indicates a negative balance. Decreases in University Contracted Salaries must be approved by the Dean and will require a written plan to increase revenues and/or decrease expenses

resulting in a positive R&E balance during the first quarter of the upcoming fiscal year.

V. First Quarter Performance Review

After the first quarter R&E Analysis is complete, Chairs/Division Chiefs will meet with each faculty member to discuss progress in meeting performance requirements for ASF Pay. The Chair/Division Chief will review performance data referenced in IV. above, for the previous quarter.

If the Individual Chair's R&E Analysis indicates insufficient funds to support the Chair's Budgeted Monthly ASF Pay, **a revenue enhancement plan plus an expense reduction plan resulting in a positive R&E balance must be developed.** In addition, if other performance metrics are not met, the plan must include reasonable actions to meet such metrics approved by both the CEO of the Practice Plan and the Dean of the College of Medicine.

VI. Mid-Fiscal-Year Adjustments in ASF Pay

In March of each year, an R&E Analysis including the months of July through January will be completed for each department chair . Effective April 1, the monthly ASF Pay is **increased or decreased** for the following three months based on the on the individual meeting the metrics identified in IV. above for the first seven months of the fiscal year and on the projected available funds as reflected on the first seven- month R&E Analysis for the Individual and Division/Department.

If the corporate group has a deficit, proposed increases in ASF **must be approved in advance by the CEO of the Faculty Practice Plan.**

If R&E Analysis indicates insufficient funds to support the Chair's Budgeted monthly ASF Pay, the monthly ASF Pay may be decreased April 1 in accordance with the Clinical Compensation Policy and Department/Division pay policy. Exceptions may be made for individuals whose productivity reports during April, May and June of the previous two years indicate a trend that productivity increases during the last quarter of the fiscal year resulting in a projected positive year-end R&E analysis. If R&E Analysis indicates that revenues exceed expenses, the monthly ASF Pay may be increased in accordance with the Clinical Faculty Compensation Policy and Department/Division pay policy for the remainder of the fiscal year as long as individual revenues continue to exceed expenses.

The increased or decreased ASF will generally continue through the first five months of the new fiscal year in order for the year-end financials to be completed. However, ASF pay for the fiscal year may be adjusted beginning December 1 depending upon the year-end R&E analysis of each faculty member and the Department.