

**USF MCOM Financial Summary Data**  
**Frequently Asked Questions**  
**December 2017**

**1. What is the current financial status of USF and how does this impact USF MCOM?**

The University of South Florida System financial position is stable. The Morsani College of Medicine will have full access to FY 18 E&G and carry forward budget. The university anticipates being able to maintain its strong AA2 Moody rating.

**2. Has state funding increased or decreased, and what is its purpose?**

Increased. State funding (defined here as recurring General Revenue and Lottery funding from the state) is part of the University's annual appropriations and generally provides funding for education, research and administration of the colleges. Under a performance based funding model, the MCOM will receive its share of funding, estimated to be \$960k to fund salary increases. We also received \$1m in new tuition from the PA Program. World Class Scholar or Pre-eminence Funding will be used to hire NIH funded investigators and Heart Institute Recruits.

**3. Has grant funding increased or decreased?**

Research expenditures are the best way to track the College of Medicine research portfolio on a year to year basis. Total grant expenditures (direct and indirect) for FY17 are up ~4% compared to FY16. Total grant awards (direct and indirect) excluding affiliates and non-projects are down by ~6%.

**4. What happens to any residual state dollars (carry-forward dollars)?**

Any carry forward state dollars (residual funds from the previous year's state allocation) will be distributed to enhance the missions of the MCOM following the dean's priorities. For FY17, there was an approximate \$10M residual in state dollars that was distributed as follows: Research Support, Recruitments and Startup Packages \$2.6 million; Information Services Licenses, Equipment and OPS support, \$1.95 million; College Support Units, Development, Facilities and International Affairs, \$1.8 million; NIH Heart/Neuroscience Recruitments and Startup Packages, \$2.25 million; Salary Increase pools, \$550,000; Academic and Educational Support, \$850,000.

**5. What percentage of the USF MCOM state funding is provided by tuition?**

Tuition revenues comprised ~34% of MCOM's FY 16 state budget. The FY17 percentage is expected to remain the same. Tuition has remained flat and the only increase has come from the new PA Program (\$1m). Current MCOM tuition rates are above the national average for public medical school tuition.

**6. Tuition Percentile – where do we compare with the rest of the country?**

MCOM ranked 63 out of 88 schools for resident tuition and at 60 out of 84 schools for non-resident tuition. Tuition is ranked highest to lowest and only includes public institutions that supplied tuition data to the AAMC for the FY18 time period.

**7. Was there a salary increase in FY17?**

There was no base salary increase in FY 17 for faculty, but Faculty merit base increases will be given in FY 18 based on FY 17 performance. The Average increase was \$2,132. Merit Bonus payments were provided in FY 17.

**8. What are the incentive plans for basic science faculty?**

The formula for the research incentive program: Bonus = NIH Bonus + [(salary savings >25%) x IDCR X E]. The NIH bonus component was based on 1 R01 = \$3K, 2 R01 = \$5K, 3 R01 = \$7K, and R21 = \$1,500. The “E” for Economy Factor was 1.25 for last year’s calculation. There was ~329\$K provided in bonuses during FY17. In FY18 we provided \$ 425k in research bonuses for FY 17 performance.

**9. What are the incentive plans for teaching?**

Faculty members were recommended for a bonus based on both the quantity and quality of their teaching/educational roles in the College of Medicine for both the UME and Graduate Education programs. For the UME program, the quality piece included not only students’ evaluation of the faculty member, but also data on the faculty member’s completion of student evaluations for non-lecture components of the curriculum. We established a floor of .30 EVUs for all non-clinical teaching (UME and Graduate Education EVUs were examined separately to determine eligibility) and .15 for those with just clinical teaching. Additional points were given based on whether (and to what degree) their student evaluations and the proportion of evaluations that were completed (as needed) fell, compared by percentile, to all involved in MCOM teaching/education. There was \$ 350k in FY 18 allocated for Teaching bonuses. The formula for the educational incentive program is attached.

**10. What is the current financial status of the USF Practice Group?**

The USF Practice Group is projecting a loss of approximately \$3.4M for FY17 versus a budgeted loss of \$3.5M. The audited financial statement should be used. (?) The loss is part of an overall investment in the FPG of \$12M, which began in FY16, and includes conversion from Allscripts medical record to Epic electronic medical record system, improvements to the call center, and initiatives to improve patient access. These investments were presented to and approved by the USF Board of Trustees and are projected to result in annual revenue increases of \$10M-\$15M annually. The USF Practice Group has budgeted to break even in FY18 and generate positive margins in FY19 and beyond to rebuild the practice plan reserves.

**11. Will there be a clinical bonus paid by USFPG for FY17 clinical performance?**

No clinical bonuses will be paid to faculty during the FY17 USF Practice Group investment period. The practice plan implemented a new compensation plan and as a result, many physicians’ base salaries will increase effective 10/1/17. The new compensation plan also includes a structured bonus plan that rewards performance in the following areas: productivity, commitment rate, access, quality, patient satisfaction, and citizenship.

**12. I hear that USF Health Care has decided to focus on three critical areas in fiscal year 2018. What are these and how will this affect me as a faculty?**

We will be focusing on three (3) primary areas. The three (3) are: 1) Access – entails working with departments to optimize provider schedules and the central call center; 2) Revenue Optimization – entails optimizing collections/wRVU by improving documentation and coding, charge capture, managed care contracting and front and back end billing performance; 3) Ambulatory Surgery Center – changing its operations to look more like a free-standing operation with the intent to provide exceptional customer service while driving positive margins.

All three (3) are important to the faculty because achieving success in these would allow departments to not meet but exceed budgeted targets which would have a positive impact on future compensation of the faculty.

**13. There has been talk about “the new clinical faculty compensation plan”. What is being implemented?**

The new compensation plan is about matching work effort to compensation in a more accountable manner. We have provided the compensation plan document to everyone and the chairs have begun to implement it in FY2018. The effects of the plan should be noticed by all by October 1, 2017.

**14. What are the components of the AAMC salary tables?**

AAMC Salary Survey asks for the following salary components:

- Fixed/Contractual Salary: Base Salary (UCS/ASF/VA); Administrative Stipends
- Medical Practice Supplement: Call Pay; Med Practice Support; ASF Special Pay; ASF Bonus
- Bonus/Incentive Pay: UCS Bonuses

**15. Are central administrative costs at USFPG increasing?**

No, Central administrative costs at USFPG decreased by 7% from FY16 to FY17.

**16. What percentage of revenue goes to overhead?**

No more than 15% for UMSA OH and 5% for Dean’s Tax.

**17. What are the components of overhead?**

Overhead consists of four (4) components: Central FGP Shared Services overhead, FGP Front End overhead, Dean’s Academic Fund overhead, and departmental overhead. The Shared Services overhead supports the FGP administration, Finance & Accounting, Legal, Managed Care & Credentialing, Human Resources (HR), Revenue Cycle Operations (RCO) Back End, Information Systems (IS), Patient Access, Marketing, Quality, Safety, & Risk, and Clinical Operations. The RCO Front End overheads are allocated separately from the Back End costs. The departmental overheads include all department expenses other than physician expenses.

**18. What are “Other Expenses” as listed in the Excel Spreadsheets?**

All “Other Expenses” are those that are not related to salaries/benefits, research subcontracts, university overhead, transfers to direct support organizations. Other expenses include but are not limited to services (patient care, participant costs, etc.), utilities, lab and office supplies, travel and travel related costs, computer store purchases, telephone charges, postage and delivery, repairs and maintenance, financial aid, etc.

**19. What are “Transfers to Direct Support Organizations” as listed in the Excel Spreadsheets?**

These transfers include activity between USF and DSO (Foundation, UMSA, etc.) and are primarily related to GME (resident health insurance, malpractice insurance, resident fringe benefit, etc.)

In addition to USF, which is a legal corporate entity, this mission is extended to several University Direct Support Organizations (DSOs). A Direct Support Organization (DSO) is a separate, not-for-profit corporation organized and operated exclusively to assist the University to achieve excellence by providing supplemental resources for private gifts and bequests, and valuable education support services. These organizations are authorized by Florida Statute to receive, hold, invest and administer property and to make expenditures to or for the benefit of the University. An independent certified public accountant conducts an annual audit of each organization's financial statements and the annual audit report is submitted to the Auditor General and the Board of Trustees. USF Foundation funds may be transferred to support expenses incurred directly by

the University, its Direct Support Organizations (DSOs) and other affiliated entities in cases where direct payment to the vendor (the final use of the funds) cannot be processed through the Foundation. All such transfers of USF Foundation funds must be in accordance with the donor restriction on the specific fund from which the expenses are to be paid, and must comply with IRS regulations and USF policy as it applies to the activities of Direct Support Organizations.

**20. What are the updates regarding the downtown campus?**

The building in downtown Tampa in the Water Street district that primarily house the Morsani College of Medicine and the Heart Institute is scheduled to open in Fall, 2019 if all stays on schedules. The FY 18-19 LBR requests the final allocation of state PECO dollars at \$21m. The project also was originally approved at \$153m with \$40m in private fundraising efforts. Approximately 50% of this amount has been secured with the major original gift pledge from the Morsanis at \$18m. There have been discussions to expand the project to \$173m to include two additional floors for potential growth opportunities and additional Furniture, Fixtures and Equipment (FF&E) requirements. This was approved by the BOT.

<p><b>Educational Bonus Formula</b></p> <p>Educational Merit Points=EMP; RB = Recommended Bonus; AB = Actual Bonus</p> $EMP = UME_1 + UME_2 + UME_3 + GE_1 + GE_2 + GE_3 + GE_4 + GE_5 + f(UME, GE) + VD + Chair$ <p>If <math>EMP &lt; 6</math> then <math>RB = \\$(250 \times EMP + 500)EMP</math></p> <p>if <math>EMP \geq 6</math>, then <math>RB = \\$10,000</math></p> $AB = \frac{\text{Available Pool} \times RB}{\text{Total of RB}}$ <p>Where <math>UME_1 = UME / ATEP</math> EVU amount</p> <p><math>UME_2 =</math> Student evaluations of faculty <math>\geq</math> Z score of 4</p> <p><math>UME_3 =</math> Faculty completion rate of student evaluations <math>\geq</math> 75%</p> <p><math>GE_1 =</math> GE EVU amount</p> <p><math>GE_2 =</math> Student evaluations <math>&gt;</math> 3.5</p> <p><math>GE_3 =</math> Student evaluations <math>&gt;</math> 4.0</p> <p><math>GE_4 =</math> Exception PhD mentoring as evidenced by student receiving a national award (NIH, American Heart, Ford Foundation, or equivalent)</p> <p><math>GE_5 =</math> Excellence in new course design</p> <p><math>f(UME, GE) =</math> UME EVU <math>\geq</math> 30% &amp; GE EVU <math>\geq</math> 30%</p> <p>VD = Vice Dean Special Recognition</p> <p>Chair = Department has input to increase or decrease within total department allocation</p>
---

Note: ATEP = Athletic Training Education Training Program  
 GE = Graduate Education Masters and PhD Programs