

UNIVERSITY OF FLORIDA
COLLEGE OF MEDICINE-*Jacksonville*

Faculty Compensation Plan

Effective
July 1, 2017

I. INTRODUCTION

The goal of the University of Florida (UF) College of Medicine - Jacksonville's (COM-J) faculty compensation plan is to promote and reward both departmental and individual success in research, service, administration and patient care through monetary incentives and to assure the fiscal health of the COM - J.

The COM-J financial health requires that revenues exceed expenses annually. When COM-J revenues exceed expenses, part of this margin maybe distributed as additional compensation in three (3) pools: (1) Productivity Incentive Pool, (2) Departmental Bonus Pool, and (3) Chair Pool. The Dean of the COM-J will determine, with input from the department chairs, the compensation committee, and concurrence from the UFJPI executive committee, the distribution of excess revenue to these three pools. Faculty are also eligible to participate in the Individual Research Incentive.

The COM-J Compensation Committee will annually review and recommend to the COM-J Executive Committee revisions to the COM-J Faculty Compensation Plan. Without revising the plan, incentive payments or other elements of this plan may be modified in specific cases (e.g., suspended in cases of financial exigency, or loss of a major contract during an academic year) where the COM-J fails to meet its budget targets, as determined by the Dean. To encourage flexibility and creativity in compensation arrangements, the Dean may approve departmental or divisional compensation plans which differ from the terms of this compensation plan. Those departments and faculty which have a separate compensation plan cannot participate in this plan.

Financial exigency may include anything that jeopardizes the financial viability or solvency of the operations of COM-J, or any division, department, of COM-J. A consistent pattern of negative variance of actual performance from budget of any of these entities over a period of three consecutive months within a single fiscal year shall be sufficient to initiate the process for declaring financial exigency and implement appropriate responsive action.

Academic year (AY) is defined as the period between July 1 and June 30.

II. PRINCIPLES

1. Before any funds can be designated as additional compensation by the Dean, the Practice Plan must exceed the Board-approved budgeted bottomline, for the Academic Year (AY),
2. When the Dean determines that funds can be designated as additional compensation, the amount of funds will be divided into three (3) pools (as defined in Section IX).
3. To be eligible to receive a distribution from either the Productivity Incentive or the Departmental Bonus pool, an individual must be a regular, benefit-accruing, faculty (tenure or non-tenure track).

4. In addition to item II.3., to receive a productivity incentive, a faculty member must meet the following criteria:
 - a. Have an overall faculty performance evaluation rating (Section V.) no lower than “Achieves Performance Standard”.
 - b. Exceed productivity target (based on gross charges) for that year.
 - c. Remain on the faculty for the entire year. Any faculty member who terminates their academic appointment (i.e. employment with UFCOM/J) before the end of that respective AY, is not eligible for any distribution.
 - d. Be in the employment of UFCOM/J on the date the distribution is made.
5. Chairs are not eligible to participate in either the Productivity Incentive or Departmental Bonus pools.
6. Faculty with the academic title of Senior Associate Dean, with less than .50 FTE of clinical activity, may not participate in the Productivity Incentive pool.
7. Via this compensation plan, departments, or divisions within a department, will be classified as either “Unitized” or “Non-Unitized”. A Unitized department or division is one where fair and/or equal assignment of productivity targets, by the Chair or Division Chief, is not possible due to the diverse nature of the department in terms of how patient care is assigned and/or the inability of the organization to accurately tracking specific revenue generation by provider. For purposes of this incentive plan, four departments are defined as “Unitized”; **Anesthesia, Emergency Medicine, Pathology and Radiology**.
8. Within each of the remaining 13 departments, the option for a division to elect to participate in the plan as a “Unitized” service versus a “Non-Unitized”, is included. Should a division in a department other than one that is designated as “Unitized” elect to be classified as “Unitized”, that decision must be made, and documented, at the beginning of the AY (no later than 7/15/20xx). And, that decision must be documented, in writing, by 100% of the eligible faculty within that division.

III. ELIGIBILITY

The compensation plan covers both clinical and research faculty employed by the COM-J. All faculty (MD, DO, PhD, DDS, DMD) employed by UFCOM/J, in a salaried, benefits-eligible position, with a minimum of 25% time assigned to clinical service may participate. “Clinical Service” is defined as either; 1) services provided directly to patients for which a specific charge is generated with the expectation that payment will be made on these charges or 2) documentation that the clinical services provided, directly contribute to the fiscal efforts of the department or division. In the case of the second criterion, this contribution must be defined in writing, by the department chair, at the beginning of the fiscal year, but no later than August 31, 20XX. Postdoctoral associates are not eligible to participate in any incentive or bonus plan. At his/her

discretion, the Dean may provide bonuses to benefits-eligible faculty with administrative appointments of Administrative Affairs Dean, Associate Dean or Senior Associate Dean.

Faculty hired after the beginning of the fiscal year, but not later than the end of the 3rd quarter (March 31, 20XX), will be eligible to participate in the Productivity Incentive and the Departmental Bonus on a pro-rated basis (adjusted for actual FTE and date of hire). Date of hire used to calculate the percent of eligible time, will be the first day of the month in which the faculty reports. E.g. if a faculty reports on January 17, his/her date for participating in the incentive/bonus plan will be January 1. Thus, this individual would be pro-rated at 50%, i.e. January 1 – June 30.

Faculty who are covered by a different UFCOM/J Compensation Plan are not eligible to participate in this plan.

Each new hire, with a report date between July 1 and March 31, will be assigned a gross charges productivity target. Actual performance to this assigned target will determine the individual's qualifying to participate in that year's plan. Performance expectations for first year of eligibility will be outlined in an "initial gross charges productivity target" letter, provided by the chair as part of the new hire faculty checklist... Eligibility to participate does not, of itself, guarantee a faculty member will receive a productivity incentive or departmental bonus distribution.

IV. JOB EXPECTATIONS

Annually, the department chair or the faculty member's direct supervisor will define the job expectations in consultation with each individual faculty member and the percentage of effort each faculty member shall spend in patient care, education, research and leadership/service. An individual faculty member may have time allocated to one or more of the four mission categories. The criteria each department uses to determine distribution of effort allocation should be applied equitably to all faculty members of that department.

All of an individual faculty member's effort must be allocated to one or more of the mission categories or other approved activities. In the context of an individual faculty member's job expectations and effort allocation, performance goals will be jointly developed by the faculty member and supervisor on an annual basis. Goals should be based on individual, departmental and COM-J priorities. Explicit goals should be established in all categories to which effort is allocated and objective criteria shall be used to measure performance. A key concept is for goals, objectives, evaluations and compensation plan targets to be appropriately weighted in proportion to the effort assignment to the individual faculty member.

V. FACULTY PERFORMANCE EVALUATION

A formal performance evaluation process is a key requirement of this compensation plan. Performance will be evaluated using objective criteria. The department chair or the faculty member's direct supervisor will provide each faculty member an annual written performance evaluation, no later than August 31, based upon goals outlined at the start of the performance cycle. The evaluation period under this plan will be based on the AY (July 1 – June 30).

In preparation for the annual evaluation, an individual faculty member shall have an obligation to provide data that demonstrate how he/she has met his/her goals for the evaluation period. The COM-J also will provide timely data on performance, as applicable, in such areas as teaching evaluations, clinical productivity, and quality and safety metrics. Department chairs may select additional criteria from a core list of performance standards for each mission (EXHIBIT 3). The list of performance standards can be revised upon recommendation of the COM-J Compensation Committee and as approved by the Dean.

Because the annual evaluation is narrative in format, the evaluator writes an appraisal of the faculty member's relevant activities associated with each mission area for which the faculty member had an assignment. Evaluative comments are required for each mission area being evaluated. An overall evaluation rating should be stated in the letter of evaluation using one of the following categories that best describes the faculty member's overall performance during the AY: 1) Outstanding Performance; 2) Exceeds Performance Standard; 3) Achieves Performance Standard; 4) Below Performance Standard; or 5) Unsatisfactory Performance. In order for a faculty member to be eligible to participate in either the incentive or bonus plan, an annual performance ranking of; "Achieves Performance Standard" (3) or higher, is required.

VI. CLINICAL PRODUCTIVITY TARGETS

The chair must approve productivity targets for each faculty member or for each unit. Targets will be based upon a core set of performance measures for each mission and should be appropriate for faculty rank and opportunity. Individual expectations and targets are set by the chair, using appropriate applicable COM-J principles and with input from the faculty member, and division chief, if applicable. The assigned target will take into consideration base salary allocated to clinical activities, clinical hours or sessions, historical performance, and opportunity. The sum of individual productivity targets assigned by a Department Chair must equal the total Gross Charges for the Department as stated in the UFJPI Board approved budget for any given year.

For each clinical faculty member, a gross-charges target must be assigned in writing by the chair for the corresponding AY (no later than August 31) and included in the faculty member's annual letter of evaluation. (An exception to this requirement is noted in **Section III ELIGIBILITY**) It is necessary that the assignment of the gross-charges target be acknowledged in writing by the chair and by the faculty member since individual clinical financial incentives paid in accordance with the provisions of the COM-J faculty compensation plan are based on clinical productivity. Section XIII addresses the resolution of conflict and grievances when a faculty member and chair disagree on productivity targets.

Once target productivity assignments have been made and submitted to the Dean's office, each faculty will be provided with a regular summary of their individual productivity, on a monthly and YTD basis. Methodology for calculation of an individual faculty member's productivity performance to budget is described in Exhibit 2.

Targets may be adjusted, by the Chair, with approval of the Senior Associate Dean for Clinical Affairs, under changed circumstances, such as approved Family Medical Leave Act or sick leave. Prior to new target assignments, faculty should use prior year targets.

VII. TOTAL COMPENSATION

Compensation is measured on an annual basis and is the amount of money, not including benefits, paid to a faculty member over a twelve month period for performing her/his job responsibilities. Compensation may be paid as base salary only, or as base salary in combination with incentive/bonus compensation and/or a stipend. In determining compensation levels, a department will use comparable and objective market data. At COM-J, the source to determine compensation is the most recent faculty salary survey from the Association of American Medical Colleges (AAMC), specifically Table 12 - Total Compensation/All Public Schools.

Base salary is subject to reduction, not to exceed 10%, if recommended by chair and approved by the Dean. At the time of the annual evaluation, base salary is at risk and may be reduced (not to fall below the AAMC 20th percentile) depending on performance against the prior year productivity targets. The next year's base salary is adjusted based on University directives and/or performance ranking. Base increases are made in accordance with UF and COM-J guidelines, including increases due to promotions. Clinical productivity, measured by wRVUs, should minimally exceed the 25th percentile of the MGMA specialty benchmark adjusted for clinical effort for each faculty member with a clinical assignment.

In circumstances where the 25th percentile of wRVU production is not surpassed (and lack of productivity is not the result of a protected event or condition), mandatory review of the presumptive salary decrease by the Compensation Committee will occur and the faculty member will be notified of the presumptive decrease in writing by the COM-J. Within 10 days of receipt of the notice, the faculty member may appeal to the chair for relief from the salary decrease. If the chair declines the appeal, the decision is final. If the chair accepts the appeal, the faculty member may appeal the base pay adjustment to the Dean by providing written documentation of an assignment change, alternative salary support or other extenuating circumstances. A chair's letter of support must accompany the faculty member's appeal as well as a profit-loss statement for the faculty member for informational purposes. The Compensation Committee will advise the Dean of its recommendation and the Dean will decide. If the appeal is denied, the faculty member's base pay will be reduced, as recommended by the Compensation Committee, following its review, not to exceed 10%. Negative base pay adjustments will not occur if the faculty member's base pay is at or below the 20th percentile of the AAMC salary benchmark. Base pay may be restored, at the chair's discretion, with annual clinical activity that exceeds the 25th percentile of the MGMA specialty benchmark adjusted for clinical activity.

In years in which salary increases are available, individuals receiving negative salary adjustments will not be eligible for an increase based on that aspect of their overall assignments that triggered the salary reduction but will be eligible for raises based on other areas of assignment. Any salary increases will be calculated after applying the negative salary adjustment.

Faculty members will not be subject to negative base pay adjustments in the first 36 months of appointment unless COM-J and/or department financial circumstances warrant revised financial considerations. In addition, negative base pay adjustments related to performance will not occur when productivity was impacted by conditions protected by law (such as, by way of illustration, personal or family illness) or a change in assignment that results in unanticipated low productivity. Other sources of appropriate salary support, such as revenue derived from assignments fulfilling University contracts or foundation support determined by the chair to be appropriately applied to the faculty member's efforts will be considered as part of clinical or research productivity by converting these dollars to wRVU or research salary support equivalents.

VIII. COMPENSATION PLAN ASSESSMENT

Based on a faculty member's overall annual performance, the department chair will complete a compensation plan assessment, no later than August 31, to determine if a faculty member, who meets all eligibility requirements can participate in the incentive plan.

IX. PRODUCTIVITY/BONUS/CHAIR ADDITIONAL COMPENSATION

The Dean will determine, at year end, with the concurrence of the UFJPI executive committee, the amount of funds that will be made available for distribution to faculty as Additional Compensation. If UFJPI has fewer than 100 days in cash, the aggregate amounts of these distributions cannot exceed 50% of the positive variance to the UFJPI budgeted bottom line.

The total Additional Compensation consists of three (3) distinct pools of funds; Productivity Incentives (individual and unit departments/divisions), Departmental Bonuses, and Chair Bonuses. Criteria for an individual faculty member to participate in the productivity incentive category are outlined in Section II.4. Criteria for a unit department/division to participate in the productivity incentive category are outlined in Section II.7.

1. Chair Bonus Pool.

The Dean will have the option to designate a Chair Bonus pool, not to exceed 5% of total Additional Compensation, to be distributed to individual Chairs as an end-of-year bonus. No chair can receive a bonus that is greater than \$50,000 for any given academic year.

2. Productivity Incentive Pool

- a. As determined by the Dean, the Productivity Incentive pool will be a sum that is between 50%-60% of the total Additional Compensations that remains after determination of the Chair Bonus pool. This pool will pay earned individual faculty and unit department/division incentives.
- b. For an individual faculty to receive a distribution from this pool, they must meet criteria as outlined in Section II.4.

- c. For a unitized department, or division, to receive a distribution from this pool it must exceed the budgeted year-end gross charges per budgeted FTE (see example).
 - d. The Productivity Incentive distributed to individual faculty, and unit departments/divisions, will be prorated to the funds available in this pool and will not exceed \$50,000 for any individual faculty member.
3. Departmental Bonus Pool
 - a. As determined by the Dean, the Departmental Bonus pool will be a sum that is between 40%-50% of the total Additional Compensation that remains after determination of the Chair Bonus pool. This pool will pay bonuses to departments that exceed their year-end budgeted bottom-line.
 - b. A department must exceed its board-approved budgeted bottom line to be eligible for a departmental bonus,
 - c. Department Chairs, with the approval of the Dean, will determine distributions from the Departmental Bonus pool to individual faculty based on merit, the criteria for which are clearly defined and documented.
 - d. Under special circumstances and with approval of the Dean, the Chair may elect to deposit up to ten percent (10%) of the Departmental Bonus pool into a departmental PSA account to be used to support faculty programs and projects.
 - e. No individual or chair is guaranteed a distribution from this pool.
4. Any funds not distributed from the Departmental Bonus pool, as a result of an exclusion (e.g. non-renewal; termination prior to bonus payout; productivity + bonus payment exceeding \$50,000) or failure to qualify (e.g. below performance standard or unsatisfactory performance; faculty hired during the 4th quarter of the fiscal year (April 1 – June 30, 20XX) within this document cannot be used to pay additional compensation to individual faculty. However, these funds may be retained in a departmental PSA account to be used to support faculty programs and projects. Funds placed into a PSA account under this section (IX.4.) are in addition to, and separate from, any funds placed into a departmental PSA account under Section IX.3.d.
5. A faculty member who has earned a productivity payment (IX.2) and/or a bonus payment (IX.3) may elect to receive the total sum either in the form of payroll distribution or as an addition to individual Professional Expense Account (PEA) (no split is allowed). Election must occur no later than the deadline established by the practice plan for this election, and cannot be changed after that date has passed. Any funds deposited to a PEA account are subject to being “frozen” in the event of financial exigency or poor financial performance of the organization. Frozen funds may be unfrozen at the discretion of the Dean if future financial circumstances permit. A faculty member who is no longer employed is not entitled to these funds should they become “unfrozen” at some future date.

6. Neither the department chair nor the Dean may make a Productivity Incentive payment to an individual faculty that exceeds that faculty's calculated incentive amount (as prorated, if applicable) or \$50,000, whichever is greater. In addition, no individual faculty may receive total Additional Compensation (productivity + bonus payments) that exceeds \$50,000.

X. INDIVIDUAL RESEARCH INCENTIVE

Any faculty member, regardless of FTE assignment to research, may participate in the research incentive. Faculty members assigned to research are expected to have the research portion of their base salary derived from research grants.

Eligible grants and contracts (EXHIBIT 4) must require Institutional Review Board (IRB) and/or Institutional Animal Care and Use Committee (IACUC) approval and provide at least 5% salary and benefits support to the investigator. Grants and contracts that primarily support clinical service and/or programs are not eligible for the research incentive. The Office of Research Affairs will review each grant or contract and will notify the PI, Chair, and the Compensation Committee about those grants and contracts that are determined to be eligible for the research incentive. The research incentive will be calculated as 5% of the total IDC in the fiscal year for which the incentive plan is operative. The "total" is the total IDC for that specific grant allocated for the specific fiscal year.

Note that this incentive is in addition to the 10% Principal Investigator IDC return from the Division of Sponsored Research (DSR) to an account in the investigator's name.

XI. TIMELINE

The evaluation period under this plan will be based on the AY (July 1 – June 30). Letters establishing clinical productivity targets must be given to the faculty no later than August 31 as delineated in Section VI. Targets will be determined annually beginning with the start of the fiscal year. Faculty evaluations and compensation plan assessment must be signed by faculty by August 31.

XII. SHARED-RISK MODEL

1. Objective

The objectives of Shared-Risk for faculty incentivization are to encourage and tangibly reward clinical productivity, cost-effective practice management, and overall support of the clinical and academic programs at various "Stand-Alone" clinical sites ("Practice"). "Practice" sites are those clinical operations below the level of a Department that have their own Board-approved budget and bottom line. The bottom line for all "Practice" sites is annually set at \$0.00. By definition, "Practice" sites generate a pro-rated share of practice plan administrative costs and Dean's taxes.

2. Qualifications

Shared Risk entities are expected, at a minimum, to meet their annual Board approved budgeted bottom line. The expectation is that a Shared Risk entity will meet its Board approved budget (set

at \$0.00) by the end of the second year of operations, but not longer than five years from the date it began operations. During the first five (5) years of operations, 50% of any/all positive variance to budget will be a holdback, accrued during those 5 years, as a possible offset to any losses (negative variance to budget). For any given quarter, one of three possible scenarios will exist:

- A. **Net revenue exceeds actual expenses.** In this scenario, all excess net revenue to actual expenses, less any accrued losses and holdback (years 1-5), will be distributed to the physician(s) as incentive/bonus. (XII. 4.A-F.)
- B. **Net revenue meets actual expenses.** In this scenario there is no distribution. Any accrued holdback remains within the practice plan.
- C. **Net revenue is less than actual expenses.** In this scenario, the negative variance to budget is accrued as a liability against any future positive variances. If there are funds in a holdback account, these are applied against any negative variance.

3. Basis of Calculation

- A. The physician will receive Productivity-Based Variable Compensation (“Incentive/Bonus”) payments based on the clinical productivity, as determined by net revenue over expenses, for all direct patient care services and contract services provided on behalf of the University of Florida, and credited to the “Practice”.
- B. The total “Practice” revenue will be calculated based upon the direct patient care revenue, contract revenue and other revenue sources (meaningful use, PQRS, UPL, etc.) accruing from billings for the “Practice”, minus all costs incurred by the University for operating the “Practice”. The University’s operating costs will be included, but may not be limited to, all physician and physician extender salaries, bonuses, and fringe benefits, all support staff salaries and fringe benefits, all clinic supplies and fees, utilities and maintenance expenses, lease expenses, insurance and depreciation expenses, marketing costs, practice plan management fees, Dean’s tax, and any other costs incurred in the operation and management of the “Practice”, including the cost of substitute physician coverage for the “Practice”, if required. The remaining sum, if positive, will constitute the “Incentive/Bonus” Pool available for distribution.
- C. The Incentive/Bonus for distribution to the physician(s) will be calculated based on the total “Practice” net revenue for the entire medical practice and will not be calculated for each individual physician assigned to the “Practice”. The distribution of the Incentive/Bonus to the various physicians assigned to the “Practice” will be determined by the Medical Director of the “Practice” as set forth in Section XII.4., subject to review and approval of the Chairperson of the Department within which the “Practice” is located.

4. Payment of the Productivity-Based Variable Compensation

- A. **Team Productivity Payment.** At the end of each quarter, the total practice net revenue, after all expenses are paid, shall be divided in half. Fifty percent (50%) of the total positive variance

will then be divided amongst the physician(s) based on their individually assigned FTE and Job Description (the role of Medical Director adds 0.1FTE). The Team Productivity Payment is meant to represent a team approach to management of patients, with all physicians contributing equally to the “Practice’s” success.

Example: If the total practice net revenue for Quarter #1 (July 1 – Sept 30) is \$100,000, then \$50,000 would then be split equally between the physicians as a Team Bonus Payment. If there are four physicians, one of whom is Medical Director, and one of whom is working a reduced schedule of 0.9FTE, the Medical Director would earn \$13,750, each of the physicians working 1.0FTE would earn \$12,500, and the physician working 0.9FTE would earn \$11,250.

- B. **Individual Productivity Payment.** Each quarter the fifty percent (50%) remaining from Section 4.A above becomes the pool of funds to be distributed for Individual Productivity. This “Incentive/Bonus” will be calculated and disbursed to each physicians based on their individual productivity as measured in wRVU’s.

Example: If the total practice net revenue for Quarter #1 (July 1 – Sept. 30) is \$100,000, then the remaining half (\$50,000) would be disbursed as Individual Productivity Payments based on each individual physician’s wRVU’s as compared to the total wRVU’s for the “Practice”. If there are four physicians who, based on wRVU’s, performed 17%, 32%, 29% and 23% of the work respectively, they would earn \$8,500, \$16,000, \$14,500, and \$11,500 respectively.

- C. A physician is not eligible for any “Incentive/Bonus payments during his/her first two (2) quarters of employment.
- D. A physician is eligible for 25% of his/her “Incentive/Bonus” for the 3rd and 4th quarters of employment if he/she achieves at or above the average level of all physicians’ productivity.
- E. A physician is eligible for 50% of his/her “Incentive/Bonus from the 5th through the 8th Quarts of employment.
- F. A physician is eligible for 100% of his/her “Incentive/Bonus” from the 9th quarter of employment.
- G. “Incentive/Bonus” payments to the physician will be made no later than 90 days following the end of each quarter of the fiscal year.

5. **Termination of Employment**

- A. If a physician leaves the “Practice” to pursue another job, he/she will receive 50% of his/her eligible “Incentive/Bonus” (as explained above) from the last full quarter worked (subject to the limitations set forth in Sections XII.4.D-E. above). The other 50% will be forfeited to the “Practice”.

- B. If a physician leaves the “Practice” to pursue another job, there must be less than 10 days of any type of leave taken in the last quarter of employment to qualify as a “full quarter worked”. This restriction on leave only effects the “Incentive/Bonus” compensation; that is, a physicians will continue to receive their base salary as appropriate during any amount of accrued leave or FMLA-qualifying leave.
- C. If a physician leaves the “Practice” due to retirement, death, or approved long-term disability that precludes working, he/she will be eligible for the full “Incentive/Bonus” from the last full quarter worked.
- D. All College of Medicine faculty members are subject to the College’s minimum resignation notice requirement policy, which requires a faculty member to provide at least four (4) months’ notice prior to resignation or retirement.
- E. If a physician leaves under circumstances in which any or all of their “Incentive/Bonus is forfeited to the “Practice, the forfeited amount will be added to the total “Practice” net revenue and divided as described above amongst the remaining physicians.

6. Miscellaneous Provisions

- A. “Incentive/Bonus” payments will be withheld until all health insurance premiums paid by the “Practice”, on behalf of the physicians, have been paid back.
- B. If a physician’s productivity is 10% less than the average level of the other physicians’ productivity (pro-rated for actual FTE) for two consecutive quarters, that physician will forfeit the Team Productivity Payment described in section XII.4.A. until that physician’s productivity has been within 10% or above the average level of the other physicians’ productivity for two consecutive quarters. The forfeited amount will be added to the total “Practice” net revenue and divided as described above amongst the remaining physicians.

XIII. RESOLUTION OF CONFLICT AND GRIEVANCES

In the situation where a faculty member and chair disagree on productivity targets, the issue will be decided by the chair, with the faculty member having available the established UF grievance rights, including appeal to the Dean. The Dean may refer the issue to the COM-J Compensation Committee or select another designee for investigation and recommendation.

A grievance shall be filed no later than thirty (30) days from the date following the act or omission giving rise to the grievance, or thirty (30) days from the date the grievant acquires knowledge, or could reasonably have been expected to acquire knowledge, of the act or omission, if that date is later.

**University of Florida College of Medicine-Jacksonville
Faculty Compensation Plan**

**SAMPLE MODEL FOR DETERMINING END OF YEAR
DEPARTMENTAL BONUS DISTRIBUTION FROM TOTAL AVAILABLE FUNDS**

The following example provides \$1,000,000 as the total available to bonus compensation pools:

Corporate End of Year Bottom-line:	<u>\$4,000,000</u>
- Unitized Departments and Divisions Bottom Line	\$1,000,000
- Non-Unitized Departments Bottom Line	\$3,000,000

Total Allocated Distribution from Dean: (≤ 50% of positive variance) **\$1,000,000**

Chair Bonus Pool \$1M x 2% (0-5%) **\$20,000**

**Amount of allocated funds available for distribution
as Incentive or Bonus.** **\$980,000**

Productivity Incentive Pool \$980,000 x 55% \$539,000

Departmental Bonus Pool \$980,000 x 45% \$441,000
(Depts. Unitized Depts. and Unitized Divisions)

Total Pool Available for Distribution as Productivity and/or Bonus **\$980,000**

Department Bonus Pool Distribution Example:

Unitized Departments/Divisions

Unit A Productivity	\$600,000*	\$.6M/\$4M x \$441,000	\$66,150
Unit B Productivity	\$400,000*	\$.4M/\$4M x \$441,000	\$44,100
Unit C Productivity	(\$200,000)*	\$0	\$0
Unit D Productivity	(\$100,000)*	\$0	<u>\$0</u>

Total Distribution All Unitized Departments **\$110,250**

*. Variance to budgeted bottom line

Non-Unitized Departments

Dept A Productivity	\$200,000*	$\$.2\text{M}/\$4\text{M} \times \$441,000$	\$22,050
Dept B Productivity	\$300,000*	$\$.3\text{M}/\$4\text{M} \times \$441,000$	\$33,075
Dept C Productivity	\$400,000*	$\$.4\text{M}/\$4\text{M} \times \$441,000$	\$44,100
Dept D Productivity	\$800,000*	$\$.8\text{M}/\$4\text{M} \times \$441,000$	\$198,450
Dept G Productivity	(\$400,000)*	\$0	\$0
Dept H Productivity	(\$200,000)*	\$0	<u>\$0</u>

Total Distribution All Non-Unitized Dept **\$297,675**

Total Amount Available for Distribution All Depts **\$441,000**
(Unitized and Non-Unitized)

Total Departmental Bonus Paid (Unitized and Non-unitized) **\$407,925**

University of Florida College of Medicine-Jacksonville
Faculty Compensation Plan

CALCULATION METHODOLOGY OF EARNED INCENTIVE

The faculty member's gross charges are converted into net collections (Net Collections equals actual gross collections less billing refunds paid, dean's tax collected and practice plan's operating costs) using average ratios of gross charges to net collections for the appropriate operational unit (department/division/specialty) updated annually. Net collections equal gross collections less billing refunds paid, dean's tax and practice plan costs.

An individual is eligible to receive an incentive once the assigned clinical incentive gross charges target is exceeded. The incentive will be calculated as 20 percent (20%) of the product of gross charges above target times the departmental/division/specialty average net collections to gross charges. The remaining 80% is allocated as 70 percent to the department and 10% to the Dean. The 10% of net collections that accrue to the Dean will be used solely for individual clinical, research, and educational incentives provided for in the plan and identified as practice plan funds in Exhibit III.

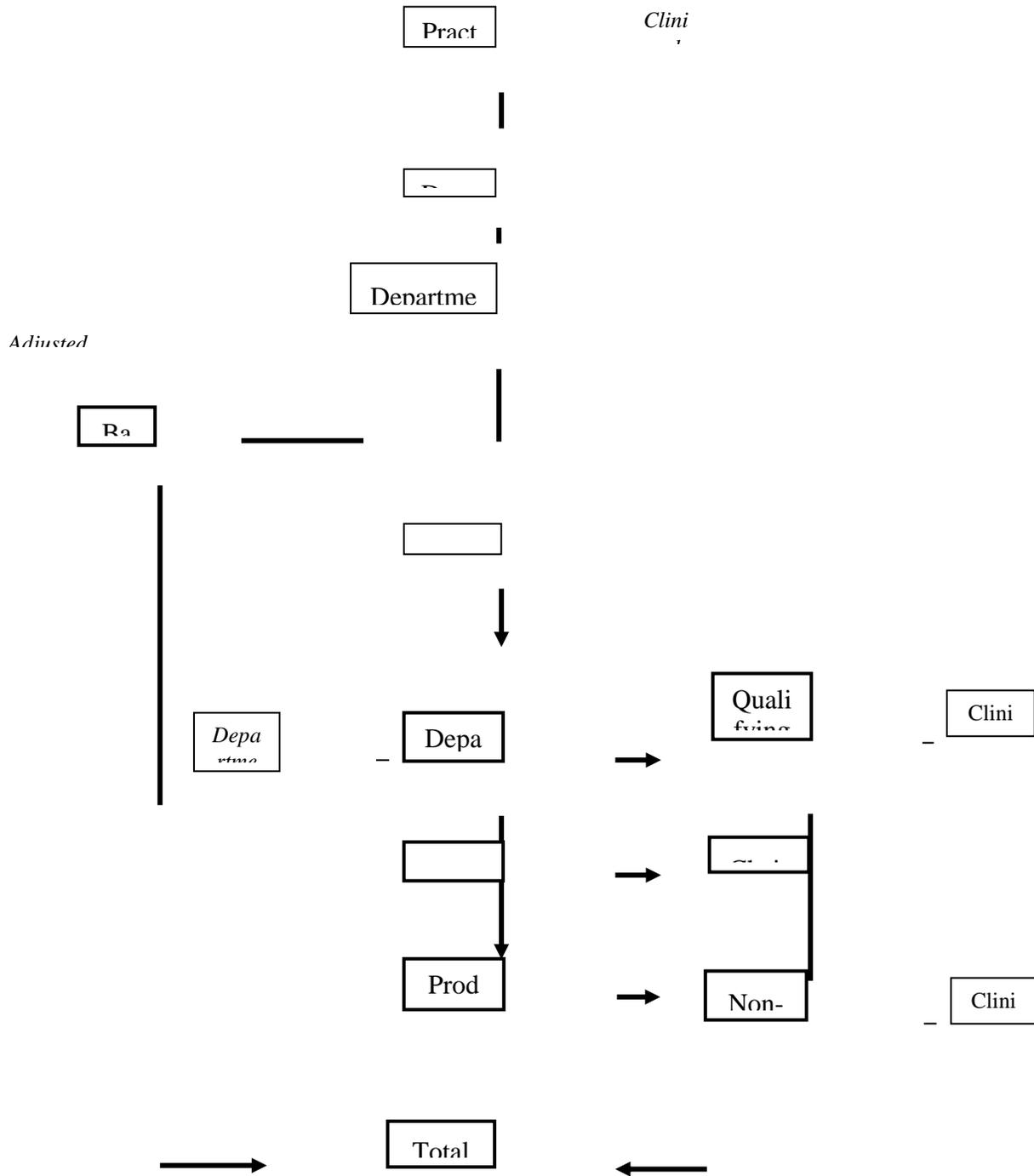
Example:

Dr. Smith earns a base salary of \$125,000 with a clinical FTE assignment of 0.60, an annual evaluation ranking of, "Achieves Performance Standard", and a gross charges target of \$100,000. Based on FTE assignment, Dr. Smith's clinical salary is \$75,000 (60% of \$125,000). The departmental conversion factor of net collections to gross charges is 30%.

If Dr. Smith produces \$200,000 gross charges, then Dr. Smith would be eligible for an incentive equal to \$ 6,000. [individual gross charges less assigned target, (\$200,000 - \$100,000), times departmental conversion factor (30%) times his/her share of the net collection (20%) i.e. $\$100,000 \times 0.3 \times 0.2 = \$6,000$.

**University of Florida College of Medicine-Jacksonville
Faculty Compensation Plan**

INCENTIVE COMPENSATION POOL MODEL



**University of Florida College of Medicine-Jacksonville
Faculty Compensation Plan**

PERFORMANCE STANDARDS

Mission	Category	Measures	Example	Tracking
Clinical	Production	Gross charges per clinical FTE	Generate 100,000 gross charges	Central
		Scheduled clinic time	Participate in 100 assigned shifts	Department
		Call participation	On call 40 nights per year	Department
	Financial Performance	Billing	Provides appropriate billing information	Central
		Net collections (including contracts) per clinical FTE	Generate \$ 200,000 net collections	Central/Dept
		Cost constraints/efficiency ratios	Achieve cost per outpatient visit of \$ 35	Central
	Quality	Referring physician survey, patient satisfaction survey	Survey score of 80 out of 100	Central
Education	Production	Number of instructional hours	200 hours teaching students	Central
		Service on college or department education committees	Member Curriculum Committee Member Medical Selection Committee Member Residency Training Committee	Central/Dept
		Development of teaching aids	Develop computer instructional program	Individual
		Serve on national or international education committees or functions	Chair AAMC section on accreditation	Individual
	Financial	Not applicable		
	Quality	Student/peer evaluation	Exceed Dept average student or resident evaluation score Achieve satisfactory peer-evaluation	Central/dept
Teaching awards		Teacher of the Year	Individual	

**University of Florida College of Medicine-Jacksonville
Faculty Compensation Plan**

PERFORMANCE STANDARDS

Mission	Category	Measures	Example	Tracking
Research	Production	Research applications submitted	Submit 2 grant proposals	Individual
		Research applications funded	Applications funded	Central/Dept
		Program project or training grant	Submitted or funded	Central/Dept
		Sponsored clinical trials		
		Study section, research advisory group, local research committee	Member of study section	Individual
		Activities that enhance research potential of college		Individual
		Publications/Presentations	List per university format	Individual
	Patents awarded	List per university format	Individual	
	Financial	Percentage of salary covered by grants	Should have 50% of FTE devoted to research covered by third year	Central
		Amount of indirect costs		Central
	Quality	Research recognition and general assessment of research quality	Department	
Admin- istration	Production	Departmental assigned responsibilities	Division Chief Search Committee Mentor junior faculty	Department
		UFCM responsibilities	Institutional Review Board	Central
		Hospital committees and responsibilities	Chief of Staff	Individual
		Medical and professional organizations		Individual
		Public or community service		Individual
	Financial	Not applicable		

**University of Florida College of Medicine-Jacksonville
Faculty Compensation Plan**

GRANTS AND CONTRACTS – Qualification for Research

- I. Funds from local, state, and federal agencies; foundations; private industry; and other sources will be considered to be “research funds” under the jurisdiction of the physician compensation plan if the funds are prospectively awarded with one of the following purposes:

To conduct research to answer a hypothesis-driven question
To acquire clinical data (e.g., for a registry) for the purpose of generating data-driven hypotheses

Examples:

A grant from NIH that funds the operation of a clinical trial

A pharmaceutical grant to investigate the prevalence and risk factors for hypertrophic cardiomyopathy

- II Funds will not be considered “research funds” under the jurisdiction of the physician compensation plan if the funds are awarded with one or more of the following intents:

To provide, enhance, or supplement individual patient care
To establish new program or enhance existing programs of patient care

Examples:

A grant from XYZ Foundation to provide nutritional services to patients with cystic fibrosis

A state contract to staff and administer Early Steps

A contract from Brooks to pay for inpatient medical director services

- III. In situations where a funding award provides for both research and non-research efforts as defined in I and II above, only the portion of funds quantified and justified to support only research will be eligible for consideration under the physician compensation plan.

Example for Section (X.1.a.iii)

Unitized Department “A” has a board approved budget for;

1. gross charges = \$1,000,000.
2. total FTE = 10.0

Target for Unitized Department "A" is \$100,000 per budgeted FTE. ($\$1M / 10 \text{ FTE}$)

Unitized Department "A" starts the AY with 9.0 FTE. The department faculty elect to not recruit someone as the 10th FTE. One additional faculty leaves at mid-year and the department faculty also elects not to replace this individual.

Unitized department "A" ends the AY with an actual YTD FTE of 8.5.

At end of year, Unitized Department "A" has total Gross Charges of \$900,000 and actual (YTD) FTE of 8.5

Based on budgeted gross charges per budgeted FTE, each faculty member of that department has a target of \$100,000 in gross charges ($\$1,000,000/10$). At the end of year, the actual gross charges per FTE is $\$900,000/8.5 = \$105,882$.

Thus each member of that faculty is eligible to participate in the incentive pool since individual faculty performance to target ($\$105,882$) exceeds the budgeted target of $\$100,000/\text{FTE}$.

However, if that department elected to recruit the 10th FTE and replace the faculty who left, then the performance of the faculty would have been $\$90,000$ ($\$900,000/10$) and no one would have been eligible for an incentive.

**University of Florida College of Medicine-Jacksonville
Faculty Compensation Plan**

PRODUCTIVITY POINTS SCHEME

To be determined by Chair as applicable to Medical Specialty/Sub-Specialty

Total points