

December 19, 2003

TO: ACCM Faculty

FROM: John A. Ulatowski, M.D.
Interim Chair, Department of ACCM

RE: Faculty Compensation Plan

I am pleased to report that we have completed the implementation of the new Faculty Compensation Plan for all ACCM faculty except for one or two individuals who have very special historical situations that do not fit the new model well. The Plan became operational on November 1, 2003 but the Plan is retroactive to July 1, 2003. Thus, many individuals received their increases in their November 30 paychecks which was retroactive from July 1 and extending through October 31, 2003. Others faculty received this in December.

I want to remind you of several key operational points about this plan which will affect you throughout the year.

- 1) Starting November 1, 2003 with the beginning of the implementation, we stopped paying "extra days" and "extra call" immediately after it was worked. The new Plan calls for such payments to be made quarterly in a supplement to the second paycheck of the following month. (i.e. First Quarter, July-September, would be paid October 31, Second Quarter, October-December, would be paid January 31, etc.)
- 2) The quarterly supplement will also include any portion of the Call commitment you work beyond the amount paid in base salary, (recall that 35 units are included in the base salary or 8.75 units per quarter).
- 3) Through December's schedule, we continue to pay "extra days" at the value established last March (\$1,600 per day). We made that commitment before the announcement of the new Plan.
- 4) Effective January 1, 2004, "extra days" will be paid at the \$1,100 per day rate. Call units are valued at \$1000.00 per unit, or approximately \$100.00 per hour of work. For clarification: In house call on university approved holidays equals either 1.5 or 2 call units depending on whether the post call day falls on a weekday or a weekend day.
- 5) Most of the data we need to manage this is available through our scheduling system and through ADR's. However, extra hours worked on the Pain Service are not obtainable through ADR's and must be self-reported to Manpower Scheduling Office via e-mail to Kathe Hammond or Jackie Martin.
- 6) Starting in January and then monthly thereafter, we will report to you your current status for effort compared to your commitment, including call credits accrued toward the amount included in your base salary. We will detail any "extra days" you have accrued or "extra Call" which you have accrued or owe. This report is a cooperative effort of Manpower Scheduling, Finance and Payroll. You will be able to correct any errors at that time. On a quarterly basis, we will ask you to tell us whether you are "banking" days or call against future time off or whether you want to be paid for them that quarter.

Starting in February, we will revisit each faculty member's commitments in the context of his/her personal plan for FY 2005. We will need to determine by late March everyone's clinical commitment, any grants which might be awarded with salary in FY 2005 and any Chair Grant applications which will be made.

The Plan continues to be dynamic in nature. We are reviewing aspects to see if we can better serve the faculty with the money available. The Division Chiefs have worked hard to establish this new Plan based on compensating you at a national standard for your work effort. I ask that you continue to let me and your Chief know how it is working for you and how you might like to take advantage of the Plan's properties for your own personal development and the benefit and growth of the Department.

Thank you.

Faculty Compensation Plan December 19, 2003

Following is the description of a Compensation Plan, which was created through collaborations between division chiefs, department leaders and the SOM CFO. It is designed to be responsive to the needs of the faculty members. The key characteristics of the model are as follows:

- 1) The structure is transparent
- 2) It is linked to national standards for total compensation
- 3) It is designed to reward both academic and clinical efforts and provides a means for the Chair to develop individual faculty
- 4) It requires an annual plan established by the Chairman and Division Chief with each individual faculty member in which annual compensation is linked directly to the annual commitments agreed to each year
- 5) It contains elements that allow a faculty member to vary the original plan to meet his/her personal needs or achievements and reiterates that no faculty will be compelled to sacrifice their academic activities in order to work additional clinical time.
- 6) It reflects the principles of the Gold Book
- 7) It contains the following key elements:
 - Calculated salary base linked to clinical effort
 - Increment for rank and time in grade
 - Explicit pay for Call
 - Recognition of administrative commitment with time and salary
 - Additional salary linked to funded academic effort
 - Process for Chair to make "grants" to support salary for faculty development and unfunded academic activity
 - Target for bonus linked to specific benchmarks and overall performance

Total compensation is comprised of the Annual Base Salary, Quarterly Supplements and the Yearly Bonus. The goal of the program is to maintain total compensation at the SAAC mean salary for each academic rank.

I. Annual Base Salary

Annual Base Salary is comprised of six components:

- 1) Clinical salary
 - 2) Rank plus years at rank
 - 3) Call pay
 - 4) Administrative stipend
 - 5) Academic salary
 - 6) Chair grants
- 1) Clinical Salary: Negotiations for Annual Clinical Salary begins at \$124,000 with a commitment of 3 days of clinical work in the OR per week, or its equivalent in ICU Service or Pain Division service., and 2 days academic work per week.

Definition: The **annual clinical commitment** is calculated as a percentage of the number of potential clinical days, determined as 365 – 104 (weekends) – 8 (holidays) – 22 vacation days = 232 available clinical days. Thus a full-time faculty member at the base 3 days/week (60%) will owe 139 clinical days. The total number of available clinical days will be reduced by one for each weekday after in-house call and after working past midnight when on any type of home call.

In the annual negotiation with the Chair, individual attending faculty members may reduce or increase their **annual clinical commitment** based on their individual career plans. A faculty member may choose to increase their **clinical commitment** and increase their Clinical Salary. Each day per week of additional clinical service above 3 days per week is valued at \$50,820 (\$1100/d for 46.2 weeks). Alternatively, a faculty member may wish to decrease their clinical commitment (in negotiation with the Chair) and accept a reduction in Clinical Salary. Each day per week of reduced clinical service below 3 days per week is valued at \$46,200 (\$1000/day for 46.2 weeks). These values approximate the proportionate share of the clinical salary. The higher value for additional days is designed as an incentive for faculty who choose to take on additional annual clinical assignments. The smaller figure for reduced clinical service is in an effort not to undermine the ability of the more active academician to maintain base salary. These negotiations for Clinical Salary, and the attendant clinical commitment, are designed to be done annually with the Chair in conjunction with the faculty member's Division Chief.

Compensation for a commitment of 4 clinical days per week is the maximum clinical salary that may be annualized. This allows adequate non-clinical days for meetings, etc. Additional clinical time may be worked but the compensation for clinical time greater than 4 days/week will be paid in the quarterly supplement (see II below).

From time to time, the Department may request voluntary days of clinical service over and above those covered by the annual commitments (see II below).

- 2) Rank: This component of the Annual Base Salary is added to recognize promotions in rank, and is used to reflect adjustment upon entry into the faculty as follows:

Instructor	\$ 0	
Assistant Professor	\$ 8,000	plus 10% of next increment up to 50%
Associate Professor	\$32,000	plus 10% of next increment up to 50%
Professor	\$43,000	plus 10% of next increment up to 50%
In service as Professor		plus 10% of next increment up to 50% (\$11,000 increment)

- 3) Call Pay: Based on current reasonable call expectations, the standard full call share is 40 units per year. Unit values are assigned as described in Appendix A. Everyone who is a full-time member of the department faculty has an obligation to take their full share of call, as assigned by their Division Chief. For those committing to 40 units per year, compensation for 35 call units (\$35,000) is included in the annual base salary, and the balance (5 units or \$5000) to complete the full call share is paid in the quarterly supplement (see II below), as the call units are accrued. Thus, 8.75 (35/4) units must be accrued quarterly before there is added compensation received through additional call.

If an individual cannot take their full share of call, this must be arranged with the Chair at the annual salary negotiation and Call commitments can be adjusted according to any agreement reached. However, failure/inability to take full call will affect both the Call Pay and also the bonus possibilities.

For faculty members who are not Anesthesiologists (those who cannot take OR call) and whose call is incorporated into their regular work assignment, their full share of call will be a function of their ICU assignment.

From time to time, the Department may need coverage for units of Call over and above those covered by annual commitments (see II below).

- 4) Administrative Stipend: For faculty members who accept administrative assignments from the Chair, there are two considerations for compensation. First is that the Chair will pay the individual some negotiated amount of additional salary to discharge the assigned responsibilities. Second, that the Chair will allow credit for some portion of clinical time for these responsibilities. For example, a faculty member who works 3 days per week clinically, and who accepts an administrative role may be allowed 1/2 day credit for that work. The person would be assigned to work 2.5 days per week clinically, but would receive clinical salary as if he were working the 3 days/week because he/she would receive funds for the additional 1/2 administrative day from the Chair. Alternatively, the individual might elect to retain the 3 DPW clinical commitment and receive the administrative time as an additional 1/2 day payment. In either case, this stipend and time will be paid as base salary under a letter from the Chair designating this as a Part B payment and therefore subject to elimination at such time as the responsibilities are reassigned.
- 5) Academic Salary: A faculty member who develops an academic program that attracts outside funding for the salary of the faculty member, will use that funding to reduce their clinical commitment to allow them to exert at least the effort contracted by the funding agency. No change in annual base salary will be allowed during a fiscal year. This program must be carefully managed to be consistent with regulations requiring that the federal government grants pay only its proportionate share of expense and that base salary not be contingent upon grant support. Academic salary funds that become available mid-year, that are covered by a grant that extends beyond that year, may be reflected in the subsequent annual base salary, depending on the career plans of the individual faculty member as addressed in the annual negotiations with the Chair.
- 6) Chair Grants: From time to time, the Chair may elect to make a "grant" to a faculty member allowing them to reduce their clinical time to pursue an academic or administrative project yet not reduce their annual base salary. They would reduce their clinical commitment by the time required (for example one day/week) and would reduce their clinical salary by the appropriate amount (\$46,200 in this case). Then the Chair would make an offsetting "grant" of \$46,200 annually for a set period during which time the faculty member would complete the agreed to project. All "chair grants" will require a written proposal including identified mentors, specific timeline with concrete benchmarks, and required resources. Periodic evaluation of progress toward the goals put forth in the "grant" will be performed to help insure the success of the faculty member and/or determine and address the reasons for lack of progress. In situations where an award does not provide full funding for the required academic time, the Chair could make up the difference with a "grant" reflecting that the faculty member had met the basic conditions for support. These grants will be reflected in the Part B letter to a faculty member designating them as limited in time and for a particular purpose.

II. Quarterly supplement

Quarterly supplements will be paid during the month that follows each fiscal quarter. It is comprised of funds from added clinical days and from call units greater than 8.75 per quarter.

From time to time, the Department may request voluntary days of clinical service over and above those covered by the annual commitments. Those days will be offered to faculty members and will be paid at \$1,100 per day. If chosen and worked, compensation for those days will be paid in a quarterly supplement to the regular pay and will not alter the negotiated annual base salary.

These additional days will not count towards the annual commitment and will thus be designated by the faculty member to have come from either vacation or academic time.

From time to time, the Department may need coverage for units of Call over and above those covered by annual commitments. Those units will be offered to faculty members and will be paid at \$1,000 per unit. If chosen and worked, these units will be paid in the quarterly supplement and will not alter the annual negotiated Call Pay component of annual base salary.

III. Yearly Bonus

A bonus pool averaging approximately \$25,000 per full-time faculty member will be distributed according to a set of objective and subjective criteria to be determined. One would predict however that, because all clinical time is compensated throughout the year, clinical activity will not be a criterion for the bonus. The objective criteria, which may include items such as meeting the 40 unit call commitment, exceeding some percentile of resident evaluations, or giving some specified number of resident lectures or conferences, will guarantee specified portions of the bonus when achieved. The subjective criteria will be discretionary per the chair.

Scaling of Program to National Benchmark

The published SAAC mean salary values are for total compensation (including bonus) at 70% clinical commitment and full call. Our clinical salary and additional rank time increments were adjusted to bring the salary of a 3.5 day per week (70% clinical), full call faculty member with 3 years at rank and \$25,000 bonus equal to the 2002 SAAC mean compensation, adjusted for 2 years of 3% inflation. The compensation plan will be annually adjusted for inflation per University practice, and then periodically adjusted to match SAAC values as they become available (every 2-3 years)

Summary:

The 3 components of total compensation are:

- I. Annual Base Salary (determines benefits):
 - Clinical salary (3 days/week)
 - Adjustments to clinical salary depending on committed (+/-) days/week
 - Rank and time at rank
 - Call (35 units included)
 - Administrative time and stipend
 - Academic salary
 - Chair grants
- II. Quarterly supplements will be paid covering
 - Additional clinical days worked
 - Required call (units accrued between 35 and 40 units annually)
 - Additional call (above 40 units annually)
- III. Bonus
 - Objective and subjective criteria
 - Average \$25,000/faculty across department, individual amounts will vary

Example total compensation by rank and clinical commitment

RANK	CLINICAL DAYS/WEEK					
	1.5	2	2.5	3	3.5	4
instructor	\$114,700	137,800	160,900	184,000	209,410	234,820
asst	122,700	145,800	168,900	192,000	217,410	242,820
assoc	146,700	169,800	192,900	216,000	241,410	266,820
prof	157,700	180,800	203,900	227,000	252,410	277,820

These numbers assumes 0 years at rank, \$35,000 call, \$25,000 bonus, no academic salary or chair support, and no administrative time.

Appendix A

Call Program

Taking call and working late are service obligations of the department. Call units and late hours will be tracked and quantified according to the table below. The principle employed in generating these values was that all faculty time is valued equivalently, independent of the specific tasks covered by individuals. In-house call generates fixed numbers of units. All home call includes a base unit value for being available, plus additional units that accrued while working in-house after 6pm. Due to the lack of ADR's for pain and ICU, standard unit values are assigned for these two specialties based on historical averages. In addition, any faculty who work past 6 pm and cannot be relieved by the call personnel will accrue call units at the same rate as late call. Thus, all ADR time generating activity will be compensated after 6pm unless the person is on in-house call.

<u>Call Category</u>	<u>Units</u>
Weeknight in-house	1
Saturday in-house	2
Sunday in-house	1.5
Weeknight home call	0.25
Sat/Sun home call	0.75
Late/no callback ¹	0.125
Late/call hours ²	0.1/ADR hour post 6pm ³
ICU	4.5/ 7-day week

Notes

¹ Late/no callback indicates late call in which there is no obligation to return to the hospital. Examples are JHOC call and Peds late call.

² 3 hours will be automatically accrued for each weekend acute pain call (adult and peds) to reflect average time spent rounding on patients.

³ Cardiac late hours will begin to accrue at 5pm to reflect the one hour earlier start to the clinical day

Frequently Asked Questions

- 1) ***Is the \$35,000 of annualized compensation for call included in the Clinical Salary?*** No. The annualized compensation for call is a separate component of the Annual Base Salary and is in addition to the Clinical Salary.
- 2) ***How will all this be managed to keep the numbers accurate?*** A fulltime accountant is being hired who will be dedicated to maintaining the accuracy of the numbers and assure correct payments. An on-line system is being generated to allow any faculty member at any time to check his/her own balances of clinical days, calls, and compensation.
- 3) ***I am covering the pain service on the weekends and there are no ADR time sheets generated for my time spent in-house rounding on patients. How am I compensated for that time?*** After consultation with those who take this call it was felt that 3 hours was about the average time spent rounding on patients on the weekends. Therefore this time credit (0.3 call units/day) is automatically added to the weekend call units for covering pain service. This holds true for either adult or pediatric pain and is in addition to the units allotted for carrying the beepers.
- 4) ***Is the FEA included in this compensation program?*** The FEA program is separate from this program and will continue in its current fashion.
- 5) ***How does this affect my vacation?*** Since everyone has a clinical obligation for numbers of days per year, the time spent outside the "OR" or ICU is managed by the individual faculty. It is up to the individual faculty member to take their vacation during this time. No vacation will be carried over to subsequent years because the non-OR time will have been already given out through the year. It is a personal decision if someone wants to use their vacation days for academic activity, or to work extra clinically for compensation.
- 6) ***I am just starting my academic career and I want more non-clinical time to start a project and try to get funding. What do I do?*** 2 days per week are allowed for non-clinical activity. A proposal with clear plans and goals can be presented to the Chair to request added non-clinical time and a Chair grant could be awarded that has a specific time limit. People receiving added funds for non-clinical time are discouraged from volunteering for added, compensated, clinical days, although added call for compensation is acceptable.
- 7) ***I just received a grant that pays for some of my salary. Now what?*** First, congratulations! If your contracted time commitment to this grant is 40% or less, you may elect to maintain your clinical commitment at the 60% base and add the salary dollars to your compensation. If your contracted time commitment to the grant is greater than 40%, then the salary dollars will be used (at the rate of \$46,200 per day) to increase your academic time to at least that contracted level. Additional salary dollars may be used to fund further increases in your academic time or may be used as compensation.
- 8) ***What if my grant does not fully support my obligated time?*** As a Department dedicated to academic achievement we will fulfill our obligations for any grants. By University rules all grant proposals, whether or not they fully fund the obligated time, must be signed off on by the Chair prior to submission. In signing the application, the Chair is committing to provide whatever support called for in the application. Such request should be made clear at that time.
- 9) ***I am working past 6pm covering two anesthetizing locations. Do I receive 0.2 units/hour while covering two rooms?*** No. The maximum is 0.1 units/hr for ADR activity after 6pm.
- 10) ***If, after 6pm, I must cover PACU at Wilmer or JHOC before I can leave do I get compensated?*** Yes. If this occurs, instead of using the anesthesia end time on the ADR, the time that the patient is discharged from PACU is the time that is used to define the end of the case. You should note however that, if this happens, the out of PACU time needs to be submitted by you because the time is not maintained in our database and we have no way of otherwise being notified.

11) What if I want to change my annual commitment during the middle of the year? The annual base salary is designed to be defined only once/year. Only under special situations would it necessary to change the commitment in the middle of the year. However, it is always possible to volunteer for added routine clinical time and be paid through quarterly supplements.