

UAHSF Department of Pediatrics Physician Incentive Plan (Revised for FY19)

I. Purpose

The purpose of the UAHSF Department of Pediatrics (“Department”) Physician Incentive Plan (“Incentive Plan”) is to encourage and achieve maximum efficiency and economy in operations of the department and enhance performance by department faculty to further the academic, research, and superior patient care mission of the University of Alabama Health Services Foundation (“Foundation”) and the Department of Pediatrics.

II. General Guidelines

The Incentive Plan may result in an annual Physician Productivity Supplemental Incentive Plan Payment (“Supplemental Incentive Payment”), depending on the physician’s personally performed services during the fiscal year. The Supplemental Incentive Payment shall be in addition to the physician’s base salary and benefits; however, the physician’s total compensation (including base salary, supplemental payment, any additional compensation, and all fringe benefits) shall be reasonable and shall not exceed the fair market value for the actual services personally performed by the physician, as compared to national benchmarks or other comparable compensation surveys.

Whether a Supplemental Incentive Payment is made, shall be determined in accordance with the Department of Pediatrics Compensation Policies, as set forth in Paragraph III below and the Operations of the Incentive Plan set forth in Paragraph IV below.

III. Incentive Compensation Policies

It is the policy of the Department of Pediatrics that this Incentive Plan will be used to determine the Supplemental Incentive Payment for each clinical department faculty member who generates professional fee revenue from patient care services and who is otherwise eligible to participate in the Incentive Plan (see eligibility criterion attached).

- a. The procedures to be followed in calculating the Physician Incentive Plan Fund and each individual Supplemental Incentive Payment for those department faculty members who qualify and elect to participate in the Incentive Plan are outlined in Paragraph IV below.
- b. All currently employed clinical department faculty members and any additional M.D./Ph.D.’s who join the faculty of the department and generate professional fee revenue from patient care services will be considered as possible participants in the department’s Incentive Plan.
- c. During the preparation of the department’s budget prior to the beginning of the next fiscal year, the Department of Pediatrics Chair shall review the department’s operational results and needs, and other capital or operational budget requirements, and then determine a specific amount to be set aside in the Pediatric Department

Budget, to be designated as the “Physician Incentive Plan Fund” (“Fund”). The Fund will be a line item in the budget for Total Physician Compensation (or formally approved by HSF administration prior to the upcoming fiscal year) and shall be used to pay any Supplemental Incentive Payment earned in the fiscal year for which the Fund was budgeted. Once the Fund amount is set in the Budget for the fiscal year, the Fund amount shall not be changed during the fiscal year; however, the actual payment of any Supplemental Incentive Payment from the budgeted Fund amount pursuant to the Incentive Plan shall be subject to and contingent upon the department having adequate resources available, in the sole discretion of the Chair of the Department. The Fund will be reviewed/adjusted annually based on department goals and individual physician productivity.

- d. Any Pediatric Department faculty member who is entitled to a Supplemental Incentive Payment in accordance with Paragraph IV below shall receive such payment at or shortly after the end of the fiscal year for which it was earned, i.e. September 30. The following policy guidelines apply:
 - i. This Incentive Plan and any Supplemental Incentive Payment to any department faculty member pursuant hereto, shall be evaluated, approved, and monitored by the Department Chair and approved by the Compensation Committee. The Compensation Committee shall be comprised of outside and/or disinterested Directors of the Foundation.
 - ii. The Incentive Plan may be modified in writing at any time by the Department Chair with approval of the Compensation Committee. Any such change shall be limited by and consistent with all the applicable federal and state laws, rules and regulations, governing physician compensation.
 - iii. The Supplemental Incentive Payments shall be subject to the Foundation and/or UAB policy, and shall be subject to the reasonable fair market value total compensation and other caps set forth in Paragraph II above.
 - iv. Part-time faculty of the department shall be eligible to participate in the plan, at the discretion of the Department Chair and the Compensation Committee, on a pro-rata basis.
 - v. Physician faculty members who join the department after the first month of any fiscal year shall be eligible, at the discretion of the Department Chair and the Compensation Committee.
 - vi. Any department faculty member must be employed by the Department of Pediatrics on the date that the Supplemental Incentive Payments are distributed to be eligible to receive any such payment.
- e. In any one fiscal year, department faculty members are eligible to participate in the Department’s Incentive Plans per the eligibility criterion attached. All faculty are eligible for the Research Incentive.

- f. Each department faculty member who generates professional revenue from patient care services and is eligible to participate in the Incentive Plan shall render all patient care to all patients of the Foundation, regardless of the patient's financial status, or ability to pay.
- g. Under no circumstances shall any Supplemental Incentive Payment be based directly or indirectly upon the volume or value of any patient referrals by or to a physician in the department and/or any other physician employed by or affiliated with the Foundation or any component of the UAB Academic Medical Center.
- h. It is the policy of the Department of Pediatrics to ensure that the plan takes into consideration only the professional services personally performed by the department faculty member and does not take into consideration any services performed by or revenue derived from others, such as "incident to" services, services of residents, or any technical or facility reimbursement derived from the use of any equipment or facility owned and operated by the department or Foundation.
- i. Proper coding and documentation compliance with the Foundation and/or department guidelines and the Foundation Compliance Plan are an important part of the department's Incentive Plan. All charges by any physician participating in the Incentive Plan are subject to compliance audit and must reflect actual, medically necessary services rendered as documented in the medical record. Non-compliance with the Foundation and/or Department Compliance Plan, policies, and/or failure to meet any documentation guidelines or Medicare and/or Medicaid Teaching Physician Rules as demonstrated by the results of any audit conducted by the Foundation Corporate Compliance Office shall, at the discretion of the Department Chair and the Compensation Committee, reduce the amount or prohibit the payment of any Supplemental Incentive Payment.

IV. Operations of the Incentive Plan

- a. Total Compensation. A physician's total compensation shall be defined to include the physician's base salary from the Foundation, UAB, or any affiliated component of the UAB Academic Medical Center; fringe benefits; and any additional Supplemental Incentive Payment earned under this Incentive Plan or any other incentive or bonus plan, if applicable.
- b. Base Salary. Each participating physician will receive an annual base salary, which will be defined through negotiation with the Department Chair and shall include the Foundation and UAB salary components, and any other additional base salary from any affiliated component of the UAB Academic Medical Center, as set forth in the physician's employment agreements.
- c. Supplemental Incentive Payment. The Supplemental Incentive Payment for any eligible department faculty member shall be determined based on the productivity of each individual physician faculty member. Faculty productivity will be evaluated in five (5) major areas: Excellence in Clinical Productivity, Excellence in Service, Excellence in Education, Excellence in Advocacy, and Excellence in Leadership. The Chair of the Department shall rate each department faculty member based on

predetermined additional criteria as presented in the document. Comparisons to appropriate national productivity standards shall also be a factor for consideration. In making these determinations, input will be solicited from Division Directors, the Department’s Administration, the Director(s) of the Residency Program, Clerkship, Fellowship, and for other sources to include Association of Administrators in Academic Pediatrics (AAP) RVU data.

The major areas on which the Supplemental Incentive Payment will be based are listed below. Each includes specific categories of work-related activities that will be reviewed. The categories are not all-inclusive, and the order in which they appear does not indicate their relative importance.

These categories are meant to serve as a guide to the employment-related activities that are valued and considered by the department when determining the Supplemental Incentive Payment.

i. Excellence in Clinical Productivity

This is purely an RVU-based incentive. A minimum of 0.40 clinical FTE will be required to be eligible for this incentive. Clinicians will be eligible for the following incentives based on the RVU achieved during the fiscal year:

RVU%	Incentive \$
75	2,500
76-80	5,000
81-85	7,500
86-90	10,000
90-95	12,500
>95	15,000

ii. Excellence in Service

This is a non-RVU based clinical productivity incentive. This category allows for the clinical faculty who are not in high RVU subspecialties to be incentivized for their efforts. This category of incentive is based on the following:

1. Development and implementation of new clinical programs and clinical services
2. Publication of greater than 4 articles in a peer-reviewed journal in the prior 12 months.
3. Exceptional service and/or outstanding outcomes in specialized clinics/service line
4. Exceptional service and/or outstanding outcomes in a transdisciplinary clinic/service line
5. Providing exceptional service to the division (cover for partner absences, increased clinical coverage)
6. The Department Chair may also recognize “extraordinary clinical efforts” undertaken by faculty members.

iii. Excellence in Education

Educational Incentives are designed to encourage faculty to participate in the educational efforts of the Department. All faculty of the Department are eligible for this incentive. Educational efforts will be incentivized in the following manner:

Activity	Incentive Value (\$)
Argus Award	3,000/1,500 for repeat recipient
Ralph Tiller Teaching Award	3,000
Faculty Induction into Alpha Omega Alpha	2,000
Resident Teaching Awards	
≥10 evaluations >9.75/10 avg rating	750
≥5<10 evaluations >9.75/10 avg rating	625
>10 evaluations >9.5<9.75/10 avg rating	500
≥5<10 evaluations >9.5<9.75/10 avg rating	375
PGY III Resident Mentors	500
Delivery of keynote/plenary at a National Meeting	500
Exceptional Activity of Fellowship Director	500
Primary Care Clinic Lead Physicians	500
Mentor of a peer-reviewed publication with medical student or resident as first author	250
Mentor of a winning abstract/poster/presentation at a meeting	250
Mentoring the resident of winning QI Project	250
Mentor of Winning Pediatric Science Day Poster/abstract	250

The DOP Education Committee may also recognize other educational efforts when recommending faculty incentives.

The Department Chair may also recognize “extraordinary educational efforts” undertaken by faculty members due to unexpected faculty and/or staff departures or dramatic increases in educational endeavors. Such recognition will be supported by schedules, curricula, and/or other documentation.

Education incentive will be recommended by the DOP Education Committee by October 1. Faculty members and/or faculty Division Directors may submit to the DOP Education Committee exemplary educational endeavors such as the activities listed above.

The maximum award to any individual faculty member is \$1,500, with the exceptions of the recipient of the Argus Award, Tiller Award, or induction to AOA.

iv. Excellence in Advocacy

Advocacy Incentives are designed to encourage the faculty to participate in advocacy projects that improve the health of children. Incentives will be

awarded for advocacy efforts at the local, state, national, and international levels.

The maximum amount awarded to any individual faculty member will be \$1,000.

v. Excellence in Leadership *

Leadership Incentives are designed to encourage faculty to participate in leadership roles that benefit the Department. Leadership Incentives will be incentivized in the following manner:

1. Division Directors

Metrics for the assessment of Divisional Directors are as follows:

- a. Mean Normalized Divisional wRVU (defined as the total RVU of the division divided by the total clinical FTE of the division)
 1. Greater than 75 percentile = \$5,000 or
 2. Greater than 60 percentile = \$2,500
- b. Increased Divisional wRVU
 1. Increase by 10% in normalized wRVU year to year=\$1,000
- c. Grant Activity
 1. Increase of 5% of divisional grant expenditures **or**
 2. Increase in 10% of number of grants submitted by division = \$2,500
- d. Improvement on US News and World Report Ranking (if applicable) (stable or improved ranking =\$1000)
- e. Divisional faculty assessment of the chief

2. Non-Divisional Directors

- a. Exceptional Activity provided as Chairs of departmental/hospital committees
- b. Development and implementation of new programs, services, and research areas.

3. Administrative ability in furtherance of basic departmental goals of:

- a. Research funding and publications
- b. Education of fellows, residents and medical students
- c. Provision of excellent sub-specialty care
- d. Effective communication with the hospital and referring physician base, both internal and external

The Department Chair may also recognize “extraordinary leadership efforts” undertaken by faculty members over the course of the fiscal year.

*Evaluation by chair

Such distribution shall be subject to the Purpose, General Guidelines, Compensation Policies, and Operations of the Incentive Plan, set forth hereinabove, and subject to the department having adequate resources available to make such Supplemental Incentive Payments. The Incentive Fund will be distributed, at the sole discretion of the Department Chair, based on each individual faculty

member's total evaluation/ranking and the corresponding input. Payments will be determined for each of the major evaluation areas (Part IV), provided that such payments may be reduced or eliminated by the following:

- Non-adherence to or non-accomplishment of division goals.
- Non-collegial behavior.
- Poor communication with colleagues and/or referring physicians.
- Other instances which, in the opinion of the Chair, disqualify the faculty member for a Supplemental Incentive Payment.

Pediatric Incentive Plans Eligibility

General Incentive Plan

- Excellence in Clinical Productivity*†
- Excellence in Service*
- Excellence in Education
- Excellence in Advocacy
- Excellence in Leadership*

*excludes EM, Cardio, Neonatology

† Faculty must be at least 40% clinical FTE to participate.

Research Incentive

- All faculty are eligible

Incentive Amounts by Category

Total Incentive Pool of \$XXX,XXX

Percent of Pool

40-50%

Excellence in Service

10-15%

Excellence in Education

<10%

Excellence in Advocacy

20-25%

Excellence in Leadership

The Research Incentive will continue per latest revised guidelines and payment formula.