UCI –HSCP  
ASSESSMENT OF PROFESSIONAL SERVICES INCOME  
PROCEDURES

Reference UCI COM Implementation Procedures, Section VI, C Assessment of Professional Services Income

A. BACKGROUND

The Health Sciences Compensation Plan, Section VI. Campus Accounting and Budgeting Methods, C. Assessment of Professional Services Income, states, “As an aid in the administration, budgeting, and allocation of professional services income, gross Plan income shall be assessed using a rate(s) annually recommended by the Dean and approved by the Chancellor for each school or department.”

The following assessments have been established as part of the COM Implementation Procedures and are applied to professional services income as indicated.

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Rate</th>
<th>Type of professional services income</th>
</tr>
</thead>
<tbody>
<tr>
<td>College or Dean’s assessment</td>
<td>5%</td>
<td>Patient care professional fee income</td>
</tr>
<tr>
<td>Practice Development Assessment (PDA)</td>
<td>5%</td>
<td>Patient care professional fee income</td>
</tr>
<tr>
<td>Department assessment</td>
<td>0-7%*</td>
<td>Patient care prof fee income and other professional services income</td>
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<tr>
<td>Department overhead assessment (administrative &amp;/or clinical practice costs)</td>
<td>based on costs</td>
<td>Patient care prof fee income and other professional services income</td>
</tr>
<tr>
<td>Cost of practice (user fee)</td>
<td></td>
<td>See Section F. below</td>
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</tbody>
</table>

* A rate in excess of 7% must be financially justified, reviewed by the Compensation Plan Advisory Committee and approved by the Dean.

B. SCHOOL OR DEAN’S ASSESSMENT

The School or Dean’s Assessment is five (5) percent. This assessment is applied to all patient care professional fee income, wherever generated. Other types of professional services income (e.g. expert witness fees or non-patient care consulting) are not subject to Dean’s Assessment at this time. The School/Dean’s Assessment is transferred monthly from the department to the Dean’s Office. School/Dean’s Assessment due on patient care professional fee income reported during the Annual Reconciliation Process will be invoiced to the faculty.

The School/Dean’s Assessment will be used at the discretion of the Dean. The Dean shall submit an annual report to the Compensation Plan Advisory Committee and the Council of Clinical Chairs on the use of these funds.

The Compensation Plan Advisory Committee will review any proposed increase in the rate of the School/Dean’s Assessment.

C. PRACTICE DEVELOPMENT ASSESSMENT (PDA)

The Practice Development Assessment (PDA) will be no more than five (5) percent. This assessment will be applied to all patient care professional fee income, wherever generated. Under certain conditions, an amount equal to the PDA on off-site practices may be returned to the department as a discretionary allocation to offset cost of practice expenses. These
arrangements are subject to annual review and renewal as approved by the Dean. The Practice Development Assessment is transferred monthly from the department to the Dean’s Office. PDA due on patient care professional fee income reported during the Annual Reconciliation Process will be invoiced to the faculty.

The Practice Development Assessment will be allocated to the Dean to be used at his discretion in developing and supporting the clinical practice. An annual report on the use of these funds shall be submitted to the Compensation Plan Advisory Committee and the Council of Clinical Chairs.

The Compensation Plan Advisory Committee will review any proposed increase in the rate of the Practice Development Assessment.

D. DEPARTMENT ASSESSMENT

The Department Assessment will be from zero to seven (0-7) percent. The Department Assessment may be applied to all types of professional services income brought into the Plan (e.g. patient care professional fee, expert witness, and non-patient care consulting income). Department compensation plan procedures may set different assessment rates for different types of professional services income. Department Assessment rates are subject to annual review and approval by the Dean, and must be submitted in May as part of the annual budget process, to be effective July 1. Consultation with department faculty shall occur prior to submission of a request to increase or implement a Department Assessment rate. An assessment rate in excess of seven (7) percent must be financially justified and reviewed by the Compensation Plan Advisory Committee, who will forward a recommendation to the Dean. Final approval authority rests with the Dean.

The Department Assessment will be used at the discretion of the department chair. The department chair will report annually to the department faculty and the Dean on the use of these funds.

E. DEPARTMENT OVERHEAD ASSESSMENT

A department overhead assessment rate may be established to cover administrative and/or clinical practice costs. Departments may apply different overhead assessment rates to different types of professional services income. Overhead assessment rates must be related to actual costs. Overhead assessment rates are subject to annual review and approval by the Dean, and must be submitted in May as part of the annual budget process, to be effective July 1. Consultation with faculty shall occur prior to the submission of a request to increase or implement a department overhead assessment rate. The department chair will report annually to the department faculty and the Dean on the use of these funds.

F. COST OF PRACTICE (USER FEE)

There is currently no cost of practice (user fee) charge for the use of UCI HealthSystems clinical facilities. If it becomes necessary to develop an additional cost of practice (user fee), the Compensation Plan Advisory Committee will review all proposals for cost of practice arrangements, for recommendation to the Dean.

Departments that operate clinical sites at their own expense may use the department overhead assessment to recover the clinical practice costs.