SCHOOL OF MEDICINE
PART TIME FACULTY AND STAFF PHYSICIAN APPOINTMENTS

APPOINTMENT CATEGORIES, OPTIONS AND GUIDELINES FOR USE
Effective July 1, 2002

Category 1 – AFFILIATE PAID APPOINTMENTS

Description

Individual has an appointment at an affiliated institution (Long Beach VA, San Bernardino, Long Beach Memorial/Miller’s) and a part-time (<51%) faculty appointment at UCI is proposed for one of the following reasons:

A) UCI pays for patient care services provided at UCIMC.
B) UCI pays fixed amount/stipend for administrative service (e.g. program director, service chief, etc.) or supports a portion of the TNS.
C) UCI pays for participation in research.

Appointment Options:

Part-time faculty appointment and compensation plan membership by exception. Compensation may be structured as follows, after negotiation and approval by the Chair:

- X (REG) only Scale 0 (APU – COMVA)
- X (REG) plus Z (HSZ) Z component used to distribute patient care income.
- X (REG) plus Y (HSY) Y component used when total compensation from UCI cannot be paid within the limits of the “60 Hour Rule’ (Brady/Swartz formula).
  See Attachment A.

Guidelines

1) Compensation plan membership by exception is available only for joint UC/affiliate faculty appointments.
2) “60 Hour Rule” for joint UC/VA appointments apply. Attachement A
3) Appointment percentage should equate to effort.
4) Appointment percentage must be no less than 5%, but no greater than 50%.
5) Faculty is bound by the terms of the compensation plan including, but not limited to, patient care activity, occasional outside professional activity and annual reporting requirements.
6) A memorandum of understanding (MOU) is required describing UCI job duties and how faculty will be compensated (including assessments and reimbursement for capitated patients, if applicable).
7) Negotiated (Y) compensation is fixed for the fiscal year and cannot be changed prior to July 1 of the following fiscal year.
8) Z payment is variable, not fixed, and is based on net patient care income.
9) Faculty member must provide verification of appointment status at the affiliate and a statement certifying that the faculty’s primary professional commitment is to the affiliate and UCI. Appointment will not be approved in the absence of verification.

Review and approval process

1) Academic Personnel Policy applies to the review of part-time faculty appointments.
2) Appointments are subject to annual SOM review for renewal. Appointments expire on June 30. Continuation of an appointment must be recommended by the Chair and approved by the Dean.
3) Non-renewal of a paid part-time appointment requires a sixty (60) day notice to the part-time faculty member dated no later than May 1 of each fiscal year.
Category 2 – PART-TIME FACULTY

Description
Part-time (<47%) appointment is proposed to provide teaching, research and/or service until full-time appointment is made, or to provide teaching, research and/or service that cannot justify a full-time appointment.

Appointment Options

Part-time faculty appointment. A part-time faculty member may see private patients at UCI controlled facilities beyond the scope of their appointment as a means of generating teaching material and referrals. A Patient Care Service Agreement must be completed and approved by the Dean. Compensation may be structured as follows:

- X (REG) only
- X (REG) plus PPC  PPC (Private Practice Compensation) mechanism is used to distribute patient care income generated under the terms of a Patient Care Service Agreement. Any other use of the PPC is by exception only, and must be approved by the Dean.

Guidelines

1) Appointment cannot be in the in-residence series or Clinical X series.
2) Appointment cannot use a 19900 FTE.
3) Appointment percentage should be consistent with effort.
4) Appointment percentage shall not exceed 46%.
5) UC policy on Limited Appointments applies (i.e. faculty who are paid the equivalent of 1000 hours in a rolling 12-month period will be eligible for UCRP membership and may be eligible for full benefits).

Appointment percentage should not be manipulated to either avoid the potential cost of benefits or to provide benefits when not appropriate.

6) Job duties must be stated in writing. Duties may include the training of medical students and residents, etc.
7) The PPC mechanism is to be used solely for the distribution of patient care professional income and requires an approved Patient Care Service Agreement. Any other use is by exception only and requires approval from the Dean.
8) When only clinical services will be provided, the staff physician series should be used. A part-time faculty appointment is not appropriate.

Review and approval process

1) Academic Personnel Policy applies to the review of part-time faculty appointments.
2) Appointments are subject to annual SOM review for renewal. Appointments expire on June 30. Continuation of an appointment must be recommended by the Chair and approved by the Dean, upon recommendation of the Compensation Plan Advisory Committee.
3) Non-renewal of a part-time appointment requires a sixty (60) day notice to the part-time faculty member dated no later than May 1 of each fiscal year.

Category 3 – RECALL

Description

Faculty, retired from UCI, who are recalled by a department to provide teaching, research and/or clinical services.
Appointment Options

Recall appointment. The appointment will be at the academic rank and step (X) at the time of retirement. Payment or percentage is calculated using the APU base salary (X+X’) at the time of retirement, including any applicable range adjustments that may have occurred since retirement.

The Dean may approve the use of the PPC mechanism if faculty will provide patient care services and will be paid professional fee income in addition to the recall appointment.

Guidelines

1) A recall appointment CANNOT exceed 43%.
2) A recall appointment cannot begin until after the retiree receives his/her first retirement check.
3) A description of responsibilities is required and must accompany the request for recall appointment.
4) A Patient Care Service Agreement is required if professional fee income will be paid in addition to the recall appointment.

Review and approval process

1) Recall appointments are subject to annual review for renewal. Continuation of a recall appointment must be requested by the Chair and approved by the Dean.
2) Requests for new or renewal of recall appointments are due in the Dean’s Office by May 1 to be effective July 1.
3) 60-day notice of non-renewal is required. Recall faculty who will not be renewed must receive notice by May 1.

Category 4 – STAFF PHYSICIAN
(e.g. Associate Physician, Associate Physician Diplomate, etc.)

Description

Staff physician and dentist titles included in the MSP (Staff) Physician Classification and Compensation Plan – intent is to pay by the hour.

Appointment Options

Establish market based rates by specialty, and pay based on actual effort. Compensation may be structured as follows:

- Base (covered compensation) Established at minimum of MSP Salary Grade Range (determined by title code).
- Non-base building component Difference between base and approved market-based rate (within assigned SP salary range).
- Incentive/Bonus component Limited to a maximum of 20% of Base. Use of this component must have prior approval by the Dean’s Office, and criteria must be incorporated in the employment contract.

Guidelines

1) MSP Physician and staff physician titles will be used when the primary purpose of the appointment is clinical service.
2) MSP Physician and staff physician titles cannot be used for affiliate paid appointments.
3) Departments must establish market based rates based on AAMC, MGMA or similar data. Rates are subject to annual review and approval by Dean.
4) Appointments must meet Federal Anti-Kickback Statute requirements as summarized in Attachment B.
5) Incentive/bonus payments are permitted in this series up to a maximum of 20% of base pay.

6) Teaching that is incidental to providing clinical services is permitted. A WOS (volunteer) academic appointment is required.

7) Time reporting is required.

Review and approval process

1) Review by the Compensation Plan Advisory Committee and approval of the Dean is required.
ATTACHMENT A

“BRADY/SWARTZ FORMULA”
JOINT UC/VA APPOINTMENTS

QUICK REFERENCE FOR DETERMINING MAXIMUM APPOINTMENTS UNDER THE “60 HOUR RULE”

<table>
<thead>
<tr>
<th>Total Effort</th>
<th>VA Component</th>
<th>UC Component</th>
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<tr>
<td>Professional Effort</td>
<td>Estimated Maximum Hours¹</td>
<td>VA Appt. (in 1/8s)</td>
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¹ A work week of 60 hours per week is maximum which University management believes it can defend to external regulatory and funding agencies and the general public.

² Calculated assuming that 40 hours per week is a reasonable “full time” work week even though individuals may work more or less to fulfill a set of standard responsibilities. Faculty are not guaranteed the maximum appointment percentage; depending on the level of responsibilities assigned, a lower appointment percentage may be appropriate.
ATTACHMENT B

"According to the Federal Anti-Kickback Statute, contracts for the performance of personal services or management services pose kickback concerns if the:

party performing the service for the provider is in a position to refer business reimbursable by a federal health care program, or is in a position to receive such referrals; and payments made are in any way meant to induce referrals even if those payments also are meant to compensate the party fairly for services rendered.

The best way to avoid kickback concerns is to comply fully with the requirements set forth in the personal services and management contracts safe harbor.

One as an "agent" can perform services under an agreement with another without payments under the agreement being regarded as improper remuneration if seven requirements are satisfied:

1. The agreement must be in writing and signed by the parties.
2. The agreement must cover all of the services the agent provides to the principal for the term of the agreement and must specify what services the agent will provide.
3. If the agreement is for sporadic, or part-time work, the agreement must specify exactly the schedule of intervals in which services will be performed, the length of such intervals, and the applicable charge.
4. The agreement must be for at least one year.
5. The aggregate compensation must be set in advance, be consistent with fair market value, and not take into account the volume or value of any referrals or business otherwise generated between the parties for which payment might be made under a federal health care program.
6. The service must not involve the counseling or promotion of a business arrangement or other activity that violates any state or federal law.
7. The aggregate services contracted for must not exceed those that are reasonably necessary to accomplish the commercially reasonable business purpose of those services."

Source: The Bureau of National Affairs, Inc., Copyright 2001

To comply with the above regulation as we contract with physicians on a part-time basis, we will need to do the following:

Develop and execute a written agreement that is signed by the parties. This agreement must specify the schedule of intervals in which services will be performed and the length of those intervals. The compensation paid to the physician for these services must be set in advance and represent a fair market value for the services rendered. Time sheets should be prepared, signed and submitted to the Department Chair on a monthly basis to document services rendered.

The agreement should be supplemented by a job description specifying the services the physician is providing to the department, signed by the department chair and the physician.

You should consider the above as guidelines. Each potential business arrangement needs to be reviewed and evaluated independently.

(Prepared by Jim Herron, September 2001)