GBAnalytics

GBAnalytics Survey - Clinical Effort and Compensation

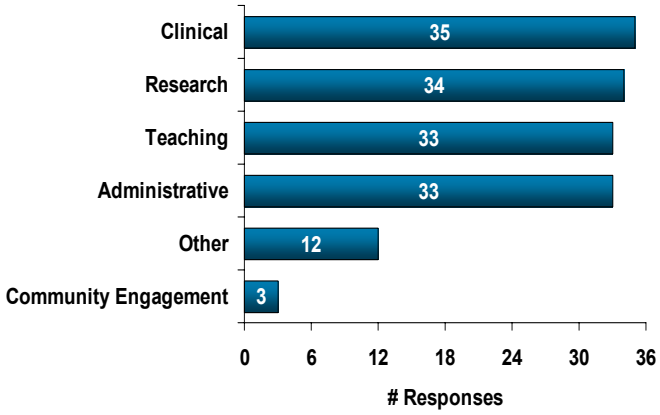
Summary of Results

The GBA Data and Benchmarking Committee's third GBAnalytics survey was distributed to members of the Group on Business Affairs on October 7, 2015. Developed by representatives from the Medical College of Wisconsin and Stanford University School of Medicine, this survey focused on clinical effort and compensation. Forty-seven schools submitted the survey that was targeted primarily at Principal Business Officers (PBOs). An additional sixteen schools started but did not submit the survey. A copy of the survey is provided at the end of this report, and a list of participating schools will be shared with PBOs of schools that completed the survey.

Effort Categories

Nearly 77% of schools that completed the survey indicated they categorize faculty time into effort categories. Of the 36 schools that categorize faculty time, nearly all use teaching, research, clinical, and administration to define faculty effort while only 8% use "community engagement." Other categories used include leadership, hospital effort, departmental research, contracted labor, transition, and service categories including academic and university service.

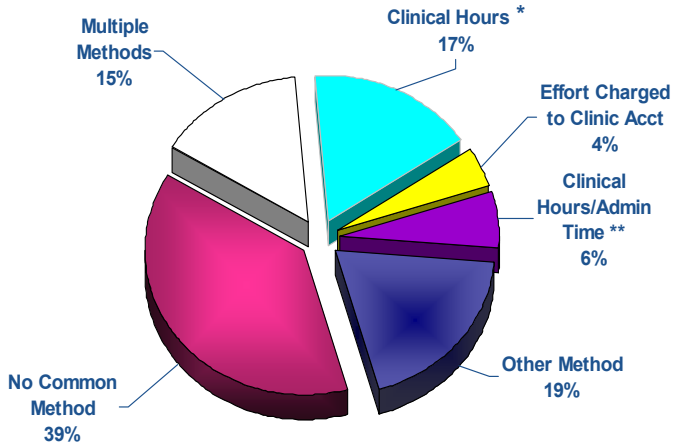
Categories Used to Define Faculty Effort



Clinical Effort

Nearly 40% of the 47 schools who responded to the survey indicated they do not have a common definition or method to determine clinical effort or clinical FTE. Eight schools use hours in the clinic and operating room, and three schools use hours in the clinic and operating room plus protected administrative time to determine clinical FTE. Only two schools use effort charged to clinical accounts as a basis for determining clinical effort. Seven schools use a combination of various methods, and nine schools use other methods including work relative value units (WRVUs), days in clinic, and time spent in inpatient settings. Some schools add time for medical directorships, clinical administration, and resident teaching, and some factor benchmarks into the calculation of clinical FTEs (e.g., RVUs as a percent of benchmarks). Others calculate clinical FTE as a percentage of total effort.

Methods Used to Define Clinical FTE



* Hours in clinic and operating room
** Hours in clinic and operating room plus protected administrative time

Sources of Clinical Productivity Benchmarking Data

For schools that use productivity benchmarks to measure clinical effort, data collected by the Medical Group Management Association (MGMA) and UHC were most frequently used. Only three of 47 schools indicated they use benchmarking data from the American Medical Group Association (AMGA). Other sources of benchmarking data include Sullivan Cotter, LCG consulting services, and departmental or specialty sources (e.g., American Academy of Pediatrics, Association of Administrators in Academic Radiology). About a third of schools use more than one source for benchmarking data, and 15% of schools indicated they do not use benchmarking data to measure clinical effort.

Clinical Productivity Benchmark Sources

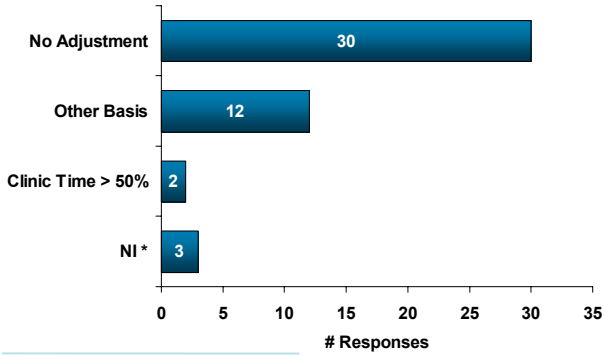
Data Source	# Responses	Frequency *
MGMA	24	51.1%
UHC	19	40.4%
AMGA	3	6.4%
Other	10	21.3%
Benchmarks Not Used	7	14.9%
NI **	1	2.1%

*Frequency among 47 participating schools
**NI - No information provided

Basis for Adjusting Compensation

Nearly 65% of schools that completed the survey indicated they do not adjust compensation based on how effort is categorized. Two schools indicated they adjust compensation when clinic time is greater than 50%. Several schools reported that compensation is adjusted based on time in clinic, WRVUs, or a weighted average of time in conjunction with benchmark compensation data. Other schools indicated compensation adjustments are negotiated or are based on compensation plans that vary by department. One school indicated they are currently evaluating how to adjust compensation based on effort. One school noted that they use 14 independent variables to evaluate salary equity including AAMC median, years in rank, research funding, and RVU productivity.

Effort Basis for Adjusting Compensation



* NI – Information not provided

Compensation Policies

Although the majority of schools have policies or guidelines that provide direction on adjusting compensation based on clinical effort, more than 20% of respondents indicated no governance exists. For those schools that

Compensation Policies

Response	# Schools	% of Schools *
A) Policy provides direction on clinical effort comp adjustments	8	17%
B) Guidelines/principles on clinical effort comp adjustments - decisions based on dept chair recommendation	15	32%
C) Guidelines/principles on clinical effort comp adjustments - no review of dept chair decision	4	9%
D) No governance exists	10	21%
E) Other	9	19%
F) No information provided	1	2%

*Among 47 participating schools

have guidelines and policies, only four schools indicated that final decisions on compensation adjustments are made by department chairs. Several schools that reported having no policy or guidelines indicated that they follow departmental compensation plans or adjust salaries based on number of patients, collections, or benchmarking data (e.g., AAMC salary data). Two schools indicated they are currently developing new policies that will govern compensation decisions related to clinical effort.

Compensation Committees

About half of schools who responded to the survey indicated they have a compensation committee, and seven of the 23 schools that have a compensation committee agreed to share their compensation committee charter with the GBA Data and Benchmarking Committee. The responsibility of compensation committees varies from reviewing all or nearly all compensation decisions to reviewing only those decisions where salary is above a stated threshold. Some compensation committees are involved in reviewing policies and procedures (e.g., compensation and benefit plans, union contracts, benchmarking data) and addressing faculty concerns rather than individual compensation decisions while others are only advisory in nature. Several schools indicated their compensation committee is not active or is under development. In some cases, compensation committees are responsible only for decisions related to the practice plan whereas some schools have university-level committees. One school indicated a consulting firm has been engaged to advise their compensation committee.

Sources of Clinical Compensation Benchmarking Data

Nearly all schools use benchmarking data to guide salary decisions, and more than half of schools that responded to the survey use more than one data source. Although compensation data from the AAMC and MGMA are the most popular sources of data, a number of schools use compensation data from AMGA, UHC, Sullivan Cotter, LCG consulting services, Integrated Healthcare Strategies (HIS), and specialty-specific sources (e.g., American Academy of Pediatrics).

Clinical Compensation Benchmark Sources

Data Source	# Responses	Frequency *
AAMC	36	76.6%
MGMA	27	57.4%
AMGA	5	10.6%
Other	13	27.7%
Benchmarks Not Used	3	6.4%

*Frequency among 47 participating schools

Questions should be addressed to Heather Sacks, Director, Planning & Administrative Affairs
hsacks@aamc.org

APPENDICES:

- Clinical Effort and Compensation Survey
- List of Participating Schools – available only to participating schools
- Comments provided in open-ended text boxes – available only to participating schools

Appendix A

AAMC Tomorrow's Doctors, Tomorrow's Cures

GBAnalytics: Clinical Effort

The Data and Benchmarking Committee of the AAMC Group on Business Affairs solicits your help in gathering benchmark information regarding the use of categories to define clinical effort, its impact on compensation and the governance of compensation practices.

GBAnalytics are short polls where the purpose and outcome of the poll must benefit the GBA, and not be for the purpose of doctoral or personal research. Participation in this GBAnalytics survey is voluntary, and it should take no more than 10 minutes to complete. All questions are classified as "unrestricted," and in accordance with the AAMC's data release policy, participating schools will receive a summary containing school specific information. A summary of the aggregate responses will be posted to the GBA members-only site. This summary will not include any school identifying information. All survey responses will be stored on a secure server at the AAMC to which a limited number of AAMC staff will have access.

Questions regarding the survey should be addressed to Heather Sacks (hsacks@aamc.org). Please complete by October 21, 2015. Aggregate results of this survey will be compiled and distributed back to participating schools by November 18, 2015, and a summary will be posted to the GBA members-only site: www.aamc.org/gba

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AAMC

Tomorrow's Doctors, Tomorrow's Cures

GBAnalytics: Clinical Effort

1. Do you categorize your faculty time into effort categories?

- ○ Yes
- ○ No

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GBAnalytics: Clinical Effort

2. Which of the following categories do you use?

- ☐ a. Clinical
- ☐ b. Teaching
- ☐ c. Research
- ☐ d. Community Engagement
- ☐ e. Administrative
- ☐ f. Other [ ]

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AAMC

Tomorrow's Doctors, Tomorrow's Cures

GBAnalytics: Clinical Effort

3. If your Institution has a common definition or method to determine the clinical effort (or cFTE) which of the following are used (check all that apply)?

- ☐ a. Hours in clinic and OR
- ☐ b. All effort charged to a clinic account
- ☐ c. Hours in clinic and OR plus protected administrative time
- ☐ d. Other
- ☐ e. We do not have a common definition or method to determine the clinical effort

4. Do you use clinical productivity benchmarks to measure clinical effort? If so what benchmark do you use?

- ☐ a. MGMA
- ☐ b. UHC
- ☐ c. AMGA
- ☐ d. Other
- ☐ e. We do not use clinical productivity benchmarks to measure clinical effort

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AAMC Tomorrow's Doctors, Tomorrow's Cures

GBAnalytics: Clinical Effort

5. If compensation is adjusted based on how effort is categorized (clinical, teaching, research, etc.) what thresholds are used?

- ☐ a. Actual clinic time >50%
- ☐ b. Clinic and administration time is >50%
- ☐ c. Clinic, administration and teaching is >50%
- ☐ d. Other
- ☐ e. Compensation is not adjusted based on how effort is categorized

6. What form of compensation governance does your Institution have in place?

- ☐ a. There is a policy in place, which provides direction on compensation decisions related to clinical effort adjustments
- ☐ b. There are guidelines that describe principles related to compensation adjustments related to clinical effort, but decisions are made based on department chair recommendations.
- ☐ c. There are guidelines that describe principles related to clinical effort, but there is no review of department chair decision.
- ☐ d. No governance exists
- ☐ e. Other:

7. Do you use clinical compensation benchmarks to guide salary decisions? If so, what benchmark do you use? Check all that apply.

- ☐ a. MGMA
- ☐ b. AAMC
- ☐ c. AMGA
- ☐ d. Other
- ☐ e. We do not use clinical compensation benchmarks to guide salary decisions

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AAMC

Tomorrow's Doctors, Tomorrow's Cures

GBAnalytics: Clinical Effort

8. Do you have a compensation committee?

- ○ Yes
- ○ No

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AAMC Tomorrow's Doctors, Tomorrow's Cures

GBAnalytics: Clinical Effort

9. If your school has a compensation committee, what criteria are used to determine decisions that are reviewed by the Committee?

10. Would you be willing to share the Compensation Committee Charter by email? If yes, you will be contacted by a member of the GBA Data and Benchmarking Committee.

- ○ Yes
- ○ No

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AAMC

Tomorrow's Doctors, Tomorrow's Cures

GBAnalytics: Clinical Effort

Please provide any additional information about how compensation is determined:

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Appendix B - GBAnalytics Survey - Clinical Effort and Compensation

Participating Schools *

Boston University School of Medicine

California Northstate University College of Medicine

Central Michigan University College of Medicine

Duke University School of Medicine

East Tennessee State University James H. Quillen College of Medicine

Frank H. Netter MD School of Medicine at Quinnipiac University

Indiana University School of Medicine

Medical College of Wisconsin

Meharry Medical College

Mercer University School of Medicine

New York Medical College

Ohio State University College of Medicine

Oregon Health & Science University School of Medicine

Rutgers New Jersey Medical School

Southern Illinois University School of Medicine

Stanford University School of Medicine

State University of New York Downstate Medical Center College of Medicine

State University of New York Upstate Medical University

Texas A&M Health Science Center College of Medicine

The Commonwealth Medical College

The University of Toledo College of Medicine

Tulane University School of Medicine

Uniformed Services University of the Health Sciences F. Edward Hebert School of Medicine

University of Connecticut School of Medicine

University of Florida College of Medicine

University of Illinois College of Medicine

University of Michigan Medical School

University of Minnesota Medical School

University of Nebraska College of Medicine

University of Nevada School of Medicine

University of New Mexico School of Medicine

University of North Carolina at Chapel Hill School of Medicine

University of Oklahoma College of Medicine

University of South Alabama College of Medicine

University of South Carolina School of Medicine

University of Texas at Austin Dell Medical School

University of Texas Medical Branch School of Medicine

University of Texas School of Medicine at San Antonio

University of Texas Southwestern Medical Center Southwestern Medical School

USF Health Morsani College of Medicine

Virginia Commonwealth University School of Medicine

Washington University in St. Louis School of Medicine

Wright State University Boonshoft School of Medicine

Yale School of Medicine

** An additional three schools completed the survey but did not provide school identifying information*

Appendix C - GBAnalytics Survey - Clinical Effort and Compensation

Open-Ended Questions and Comments

Other Categories Used to Categorize Faculty Time

- Academic
- Academic Service
- Admin and Other are combined
- Contracted Labor
- External contracts, Dept Research
- Hospital
- Leadership Effort (i.e., Medical Director, Residency Director, etc.)
- Service
- Service (D & E)
- Transition/Excellence
- University Service

Other Methods Used to Determine Clinical Effort/cFTE

- Clinic, OR, and medical directorships
- clinical work performed in hospital setting (ward service)
- Days in clinic
- Effort charged to a clinic account plus adjustments up or down by dept managers
- FPSC Benchmarks
- Hours in clinic and OR and protected time
- hours spent in practice at our main hospital
- Inpatient ward shifts
- Percentage of total effort assigned to patient care and clinical administration
- resident teaching
- RVU's as a % of full-time benchmarked figures
- We use a buy-down method where we subtract externally-funded (i.e., research and leadership) and whatever remains is clinical
- WRVUs

Other Sources Used to Measure Clinical Effort

- AAAP
- AAARAD, AAAP
- blended MGMA, AMGA and Sullivan Cotter
- FPSC
- FPSC of UHC
- LCG
- more than one used across departments
- Sullivan Cotter

Other Thresholds Used to Adjust Compensation

- Actual FTE in clinic
- benchmark academic at AAMC and clinical at blended = total comp
- clinical productivity (WRVUs)
- evaluating this concept currently
- It varies
- negotiation
- No threshold; salary based on actual effort levels
- Not standardized
- Varies depending on departmental comp plan
- We use a weighted average of the time and the benchmark rate for clinical, research, leadership

Other Forms of Compensation Governance

- Billed patients/services
- Clinical departments have own compensation plans approved by the Dean's Office
- compensation plan which includes incentives and/or adjustments based on performance
- Final Decision made by dean
- limited formal policies and by operation area with chair making final decisions and overseen in general by office of the dean
- mostly based on collections plus other sources of income, with guidelines set by dept chair and approved by dean
- new policy is under development currently
- Principles are followed but not consistently. A new policy is being developed.
- The Dean approves all faculty salaries
- The Dean sets a maximum salary
- We use the AAMC 25th-median to target compensation

Other Sources of Salary Benchmark Data

- AAAP
- FPSC
- IHS
- LCG
- Specialty organization benchmarks when applicable
- specialty specific surveys also
- Specialty-specific surveys
- Sullivan Cotter
- Sullivan Cotter, AAAP
- UHC
- we use AAMC for comparison of salaries and MGMA for WRVU benchmarks which can in turn affect salary due to our compensation plan

Criteria Used to Determine Decisions Reviewed by Compensation Committee

- A committee is in place per our bylaws; however, the committee has not been active in reviewing decisions.
- A compensation philosophy i.e. payments based on 25% - 50 % of the AMA guidelines
- All compensation changes are reviewed by the Committee. The Committee meets every week for 2 hours.
- all salaries are looked at > 90% really looked at
- Benchmark data and Fair Market Value (FMV) guidelines (i.e., compensation over the 75th must be justified by productivity, collections, or other qualifying business justifications)
- Committee Charter reserves specific rights to the committee
- committee is advisory in nature
- Compensation Committee under development at the University level.
- Duties and responsibilities. Study the adequacy and other attributes of the university's policies and provisions for: (1) Salaries, outside professional services and supplemental compensation; (2) Retirement benefits, hospitalization and medical insurance and other health benefits, life insurance, other insurance, travel reimbursement, educational benefits, recreational benefits, and other perquisites, benefits, and conditions of faculty employment.
- Guidelines for Faculty Practice Plan; Dean's decision is final
- If and when the Comp Committee reviews and approves a requested change to the existing Compensation Plan, the committee presents and requests final approval from the Dean and if the Dean approves the change is made to the Comp Plan going forward.
- it is a clinical compensation committee only, mostly to meet legal requirements and allow for some discussion.
- Legal document governing all formulas and methodologies
- Our compensation committee approves compensation plans and any changes made by departments. But the departments drive the process.

- Our university has a Compensation Committee. They review all SOM faculty whose fixed comp or incentive comp exceeds thresholds they set annually.
- RVUs; AAMC and MGMA salary benchmarks; other responsibilities (e.g., teaching; research); faculty union requirements; other....
- The committee reviews faculty suggestions and related data concerning faculty salaries and fringe benefits
- The compensation committee reviews and provides feedback to changes to the departmental compensation plans on a bi-annual basis. The compensation committee provides documentation and a recommendation of approval to the Provost, Health System EVP, and President
- The Compensation Committee reviews each departmental compensation plan to ensure that it conforms to the overall School and Institutional Compensation Plan.
- We engage Sullivan Cotter to assess annually and advise the compensation committee.
- we're still in the formative stages with this committee, and it exists centrally within our faculty practice plan, not at the dept level. currently the comp committee has reviewed both UHC and MGMA data to make recommendations on physician productivity targets using a cross subsidy model (i.e. departments that typically lose money receive a cross subsidy typically from the sub-specialty departments). Bonuses are still determined at the dept level, assuming clinical dept is within budget. we are currently working on an incentive comp model that can hopefully be implemented across all 17 practices.

Additional Information About How Compensation is Determined

- Broad school wide compensation oversight for structures and approvals of individual departmental plans. Variation exists between departments and within departments on use and structures for clinical incentives, research/education/service incentives and Admin duties.
- Much of the current compensation structure is historical. We target between the 25th and median of AAMC, but some subspecialties are higher. We do have an incentive program that has specific criteria defined at Dept and Div levels. Although clinical is weighted heavily, many units set aside funds to pay for additional education and research achievements.
- Some departments have a hybrid calculation which includes individual productivity and an Incentive or an individual's proportionate share (usually based on productivity) of pooled revenues.
- The CARTS methodology based on normative standards and quality expectations, etc. is the target for current review of the compensation systems with an ad hoc committee working with consultants to resolve and standardize by the Spring of 2016
- The Dean determines compensation of department heads. Department Heads determine compensation of the faculty; however, some departments have a written compensation plan, which is followed, although there typically is some discretionary authority left for the Head.
- We do not have a Faculty Plan and all of the full time faculty are employed by the University to teach in the medical school and do not have any clinical responsibilities
- We don't have a committee but we have an Office of Faculty compensation and productivity.
- We use a regression model that includes ~14 independent variables (AAMC median, years in rank, research funding, RVU, etc. as an indicator to review salaries for equity.