



MCP FACULTY COMPENSATION PLAN PRINCIPLES

&

BUSINESS RULES

FY 2026



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I. BACKGROUND

The Medical College of Wisconsin (MCW) Faculty Compensation Policy requires individual departments to establish department-specific compensation plans that are consistent with the definitions and procedures addressed in the [MCW Faculty Compensation Policy](#). This document describes the faculty compensation plan options that departments can choose to utilize starting in FY 2026, which is designed to adhere to the MCW Faculty Compensation Policy.

II. PURPOSE

The Faculty Compensation Plans are intended to provide a basis for establishing base compensation and performance-based incentive compensation in alignment with Fair Market Value (FMV) for plan participants. The purpose of each compensation plan model is to reward faculty effort, compete in the marketplace, and better position the Department and MCW for competitive growth.

III. COMPENSATION PLAN PRINCIPLES

The following principles were established to guide the design, development, and implementation of the MCP compensation Plans. These principles were reviewed and approved by the MCP Practice Committee.

- Total Compensation is market competitive and equitable.
- What we measure and reward drives patient centered care.
- Compensation Plans reflect a unified Practice and are transparent about expectations and potential rewards.
- Ensure the compensation methodology is fiscally sound (pay/productivity affordably aligned).
- Enhance the institutional ability to compete in the recruitment and retention of faculty.
- As an academic institution, utilize academic benchmarks to determine the market position of our faculty compensation (benchmark methodology for hybrid faculty and community based non-faculty physicians are discussed in the associated sections in this plan document).

Guided by these principles, the intention of this compensation plan is to provide faculty a consistent framework, explain how compensation is determined, and establish alignment of compensation to performance/productivity.

IV. COMPENSATION ALIGNMENT PRINCIPLES: DEPARTMENT AND INDIVIDUAL FACULTY

During the annual faculty compensation review process, the MCW Faculty compensation team will review the following to ensure compliance with the new MCP compensation plans and alignment with the FMV philosophy, which drives overall market compensation with market productivity.

1) Departmental Review

The faculty compensation team will review the following categories at the department level to confirm they are aligned with the FMV %ile indicated in the department's compensation plan.

- a. Clinical compensation: Review clinical wRVU productivity to ensure that FMV and productivity in total are aligned to the department's compensation plan, including the differential between the compensation %ile and the productivity %ile. At a department level, clinical compensation %ile should not exceed clinical productivity %ile.
- b. Clinical non wRVU, Research, Education compensation: Review to ensure that these components of compensation in total do not exceed the department's compensation plan indicated FMV %ile.
- c. Clinical variable wRVU payments (earned incentive): Review to ensure that base compensation related to the clinical wRVU effort does not exceed 90% of total compensation in this component (earned incentive should represent at least 10% in total).

2) Individual Compensation Review

It is appreciated that compensation and productivity alignment at the individual level is influenced by multiple factors. MCW's compensation philosophy supports rewarding performance and pay equity at the individual level. The principles and process described in the annual MCW Budget Guidelines will provide a framework for reviewing compensation decisions.

3) Executive Compensation Committee Review

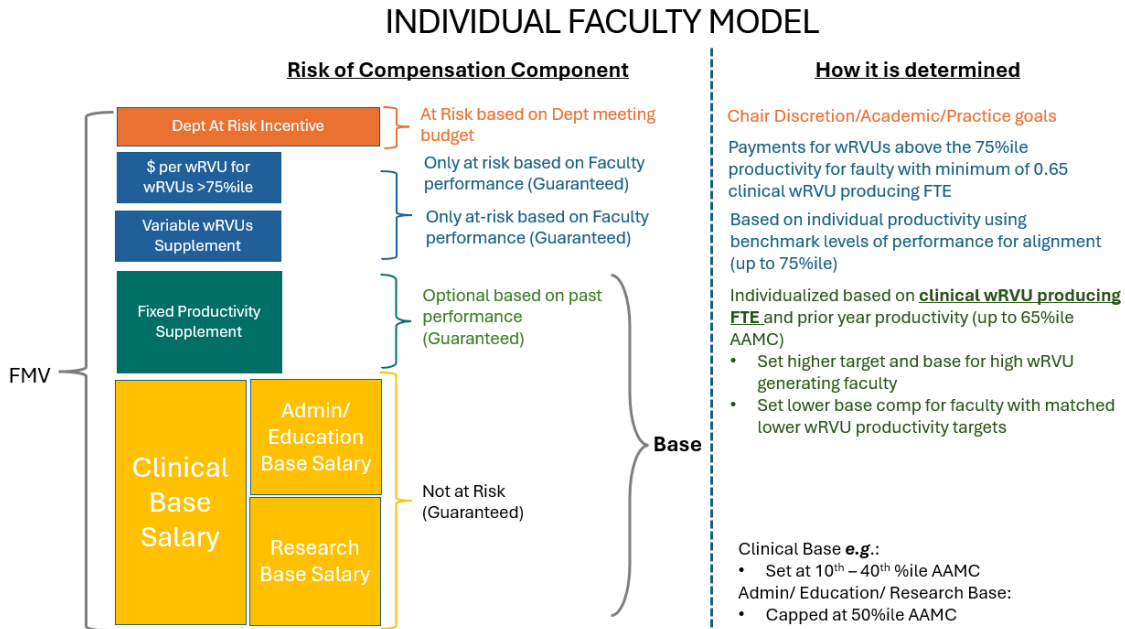
The Executive Compensation Committee (ECC) will continue to be responsible for approving individual faculty total compensation that is greater than the 75th %ile FMV.

V. COMPENSATION PLAN MODELS

The following types of faculty compensation plan model options are available and multiple plan types can be utilized within a department and be applied to full-time and part-time faculty (Assistant Professor, Associate Professor, and Professor ranks), hybrid/generalist roles, and staff physicians.

Compensation Plan Model	Description
Individual (Faculty)	Individual compensation structure: <ul style="list-style-type: none"> • Individual Clinical, Administrative/Education, and Research salary. • Fixed and variable wRVU supplement based on <u>individual</u> performance. • Opportunity for Department At-Risk Incentive.
Team-Based (Faculty)	Team-based compensation, as designated by the department, structure: <ul style="list-style-type: none"> • Individual Clinical, Administrative/Education, and Research effort and salary. • Variable wRVU supplement based on <u>team</u> performance. • Opportunity for Department At-Risk Incentive.
Blended Individual & Team-Based (Faculty)	Defined blend of effort and compensation aligned to the Individual Faculty and the Team-Based models: <ul style="list-style-type: none"> • % effort in Team-Based model is set using the Team-Based model principles. • % effort in Individual Model is set using the Individual Faculty model principles.
Hybrid Faculty/ Generalist (Faculty)	The hybrid faculty model aligns clinical productivity and compensation at 80% of the Staff Physician rate for total on- and off-campus effort. This plan is optional and eligible for faculty meeting the following criteria: <ul style="list-style-type: none"> • Effort must be entirely clinical without protected research, academic, and/or administrative time, • Have minimum of 0.5 FTE generalist effort in the community (not 50% of total clinical effort) (as measured by Q-Genda), and • Identified as a MCP Ambulatory Network Strategy 2.0 tier 2 specialty and billing on CP contracts (see Section IX for more details).
Staff Physician (Non-Faculty)	<ul style="list-style-type: none"> • Physicians employed by MCP who provide all of their professional services at affiliate community practices (billing on CP contracts) based on MCW Staff Physician Comp Model. • Not eligible for Department At-Risk Incentive.

VI. COMPENSATION MODEL: INDIVIDUAL (FACULTY)



Base Compensation includes the sum of the Clinical Base Compensation, Academic Base Compensation, Research Base Compensation, and the Fixed Productivity Supplement. Base compensation is generally set for the Fiscal Year but can be adjusted per the Faculty Compensation Policy. Departments are expected to update a faculty member’s compensation to align to the principles within the department’s compensation model when there are effort allocation changes during the fiscal year (e.g. Total FTE changes, and/or shifts from clinical effort to research effort, etc.).

The following principles guiding the elements of total compensation are subject to the Department’s affordability.

A. CLINICAL COMPENSATION

Clinical compensation is comprised of four components: (1) Clinical base salary, (2) Fixed Productivity supplemental, (3) Variable wRVU supplemental, and (4) an additional \$ per wRVU component for faculty producing above the 75%ile of the productivity benchmark (the below will outline the components and qualifications). **The Department may need to build in an additional differential between FMV and productivity to support department-based mission priorities (*Department Targeted Clinical Differential*).**

Clinical compensation will be based on a faculty member's clinical wRVU-producing FTE; a separate calculation will be utilized to determine compensation for clinical non-wRVU-producing FTE. If a department cannot afford to pay clinical compensation in direct alignment with productivity, the department should identify a *Department Targeted Clinical Differential* between wRVU%ile and FMV%ile and document this in the Department Compensation Plan. Compensation plans are based on alignment with approved compensation and productivity benchmarks (see “Market Data” section of this document for more information on approval of benchmarks).

- 1) Clinical Base:** This will target the 10th to 40th percentile; the benchmark data will be weighted against the faculty members' clinical wRVU producing FTE, defined as total clinical effort that is wRVU generating. This percentile should be maintained across all departments and will be based on approved benchmarks within the MCW system. This compensation would be adjusted annually to reflect the benchmark data. It would also be paid via monthly or bi-monthly payroll schedule. The Department will determine a target FMV percentile for all non-wRVU producing clinical FTE.

Aggregated at the Department level, clinical base compensation FMV will target 10thile less than the prior year productivity percentile (this 10% represents the below *variable productivity supplemental* component of compensation). This percentile should be maintained across all departments and will be based on approved benchmarks within the MCW system.

- 2) Fixed Productivity (wRVU) Supplemental:** This component will supplement base compensation for faculty who have consistent high production. The intention of this supplement is to bring base compensation closer to the expected production levels. This compensation will be reviewed annually and adjusted based on the individual's productivity and/or the *Department Targeted Clinical Differential*, and is capped at the 65thile. This component will be paid out as part of the regular salary.

- 3) Variable Productivity (wRVU) Supplemental:** This component represents the annual earned clinical incentive and should make up a minimum of a 10% difference (at department level) between clinical base + fixed productivity supplemental and the faculty member's actual productivity (minus the *Department Targeted Clinical Differential*), and capped at the 75thile FMV. The benchmark data will be weighted against the faculty members' clinical wRVU-producing FTE.

Cash based procedures will be included in the Variable wRVU Supplemental category.

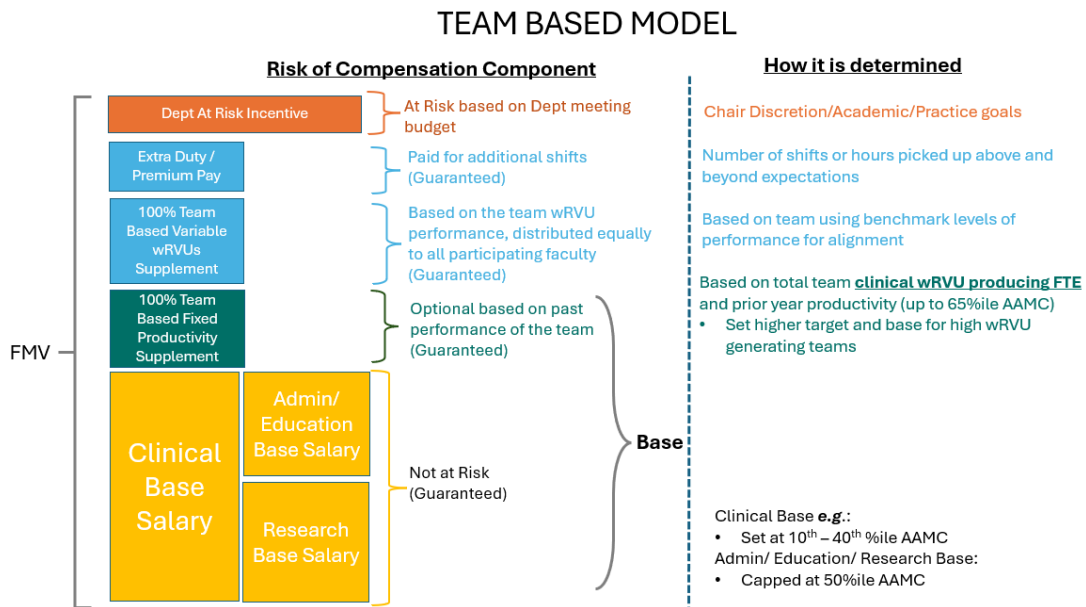
- 4) \$ per wRVU for wRVUs >75thile:** Clinical compensation is capped at the 75thile. Therefore, the department will determine a \$ per wRVU rate for any wRVUs generated above the 75thile, only eligible for faculty with a *minimum* of 0.65 clinical wRVU producing FTE. This component will be paid after the close of the fiscal year. In the departmental compensation plan, the methodology for the \$ per wRVU should be outlined.

B. ACADEMIC BASE COMPENSATION (RESEARCH, ADMIN, EDUCATION FTE)

Academic Base Compensation will be set based on percent effort in the academic mission of the department and is guided by national and regional compensation FMV benchmarks, per MCW policy. Department/division Academic base salary will target the 50thile AAMC specialty/rank benchmark, although there will be flexibility depending on individual factors such as academic productivity. Depending on department affordability, departments may have the option to pay above the 50thile FMV.

VII. COMPENSATION MODEL: TEAM BASED

The key difference between the Team-Based model and the Individual model is that the Variable wRVU Supplement will be based on the team’s wRVU performance (not individual) and distributed equally to only the faculty participating in the team-based model.



Base Compensation includes the sum of the Clinical Base Compensation, Academic Base Compensation, Research Base Compensation, and the Fixed Productivity Supplement. Base compensation is generally set for the Fiscal Year but can be adjusted per the Faculty Compensation Policy. Departments are expected to update a faculty member’s compensation to align to the principles within the department’s compensation model when there are effort allocation changes during the fiscal year (e.g. Total FTE changes, and/or shifts from clinical effort to research effort, etc.).

The following principles guiding the elements of total compensation are subject to the Department’s affordability.

A. CLINICAL COMPENSATION

Clinical compensation calculation will comprise four components: (1) Clinical base salary, and (2) Team Based Fixed wRVU Supplemental, and (3) Team Based Variable wRVU supplemental, and (4) Extra Duty/Premium Pay. **The Department may need to build in an additional differential between FMV and productivity to support department-based mission priorities (Department Targeted Clinical Differential).**

Clinical compensation will be based on a faculty member's clinical wRVU-producing FTE; a separate calculation will be utilized to determine compensation for clinical non-wRVU-producing FTE. If a department cannot afford to pay clinical compensation in direct alignment with productivity, the department should identify a *Department Targeted Clinical Differential* between wRVU%ile and FMV%ile and document that in the Department Compensation Plan. Compensation plans are based on alignment with approved compensation and productivity benchmarks (see “Market Data” section of this document for more information on approval of benchmarks).

1) **Clinical Base:** This will target the 10th to 40th percentile; the benchmark data will be weighted against the faculty members' clinical wRVU producing FTE, defined as total clinical effort that is wRVU generating. This percentile should be maintained across all departments and will be based on approved benchmarks within the MCW system. This compensation would be adjusted annually to reflect the benchmark data. It would also be paid via monthly or bi-monthly payroll schedule. The Department will determine a target FMV percentile for all non-wRVU producing clinical FTE.

Aggregated at the Department level, clinical base compensation FMV will target 10thile less than the prior year productivity percentile (this 10% represents the below *variable productivity supplemental* component of compensation). This percentile should be maintained across all departments and will be based on approved benchmarks within the MCW system.

2) **100% Team Based Fixed Productivity (wRVU) Supplemental:** This component will supplement base compensation for the team of faculty who have consistent high production. The intention of this supplement is to bring base compensation closer to the expected production levels (no higher than 10% of alignment of wRVU percentile and FMV percentile, and capped at the 65thile FMV). This compensation will be reviewed annually and adjusted based on the team's productivity and or the *Department Targeted Clinical Differential*. This component will be paid out as a part of regular salary.

3) **100% Team Based Variable Productivity (wRVU) Supplemental:** This component represents the moving scale that will make up a minimum of a 10% difference (at department level) between clinical base + fixed productivity supplemental and the team's actual productivity %ile (minus the *Department Targeted Clinical Differential*). The benchmark data will be weighted against the total clinical wRVU-producing FTE of the faculty that are included in the team-based model. Departments have the discretion to set a minimum wRVU threshold that faculty must meet in order to receive this variable payment.

4) **Extra Duty/Premium Pay:** Department will outline details of extra duty compensation in their individual Compensation Plan document (see section XI).

B. ACADEMIC BASE COMPENSATION (RESEARCH, ADMIN, EDUCATION FTE)

Academic Base Compensation will be set based on percent effort to the academic mission of the department and is guided by national and regional compensation FMV benchmarks, per MCW policy. Department/division Academic base salary will target the 50thile AAMC specialty/rank benchmark, although there will be flexibility depending on individual factors such as academic productivity. Depending on department affordability, departments may have the option to pay above the 50thile FMV.

VIII. COMPENSATION MODEL: BLENDED INDIVIDUAL/TEAM BASED

Faculty in the blended individual/team-based models will have their individual effort aligned to the Individual Faculty model, and the effort in the team-based model align to the team based model principles. The faculty member's effort in each model should be documented within the compensation models.

IX. COMPENSATION MODEL: HYBRID GENERALIST FACULTY

The hybrid faculty model aligns clinical productivity and compensation at 80% of the Staff Physician rate, based on the annual set rates by CP/MCP. **Hybrid Generalist Faculty on-and off-campus effort will be compensated at this rate.**

This plan is optional and eligible for faculty who meet the following criteria:

- Effort must be entirely clinical *without* protected research, academic, and/or administrative time
- Have minimum of 0.5 FTE generalist effort in the community (not 50% of total clinical effort), as measured by QGenda.
- Identified as an ANS 2.0 tier 2 specialty and billing on CP contracts (see table below).

Specialty	Level 2 Services <i>High frequency specialty & ancillary, low acuity procedural services Multi-Specialty Health Centers</i>
Orthopedics	Orthopedics / Sports Medicine / Podiatry: General
Otolaryngology (ENT)	Otolaryngology: General ENT
Endocrinology	Endocrinology / Metabolism / Dietician / Nutritionist
Gastroenterology	Gastroenterology: General
Dermatology	Dermatology: General
Neurology	Neurology: General
Cardiology / Cardiovascular	Cardiology: Noninvasive
Pulmonary Disease	Pulmonary Medicine: General
Urology	Urology: General
Ophthalmology / Optometry	Ophthalmology / Optometry
OB/GYN	Obstetrics / Gynecology: General
Behavioral Health	Psychiatry: Child & Adolescent / General / Geriatric; Psychology

Faculty Hybrid Compensation Methodology:

Methodology	YEAR 1 - 2	YEAR 3
Eligibility	Newly hired faculty member	Existing faculty member
Monthly draw / Compensation	Guaranteed for 2 years at 80% of median MGMA rate (CP/MCP determined rate) for the physician's specialty	Based on \$ per wRVU: 80% of median MGMA rate (CP/MCP determined rate) for the physician's specialty
Comp Survey & Benchmarks	MGMA; however benchmarks for compensation and productivity are set annually to align between MCP and Community Physicians (CP) and may include a blended rate (e.g. weighted average, 3 years).	
wRVU Survey & Benchmarks	The Survey Data used to establish a physician's Specialty Specific compensation per wRVU rate will be the average of the most currently available national and regional data from the MGMA Physician Compensation and Production Survey and the AMGA Medical Group and Financial Survey (i.e., each of the four surveys will be weighted at 25%). CP may adjust specialty specific wRVU rate based on market forces and abrupt changes to the CMS methodology.	
At Risk-Incentive	Eligible in Department at-risk Incentive	

X. COMPENSATION PLAN MODEL: STAFF PHYSICIAN

Please see MCW Staff Physician Compensation Plan document for full details.

XI. DEPARTMENTAL EFFORT & LEADERSHIP ROLES

Custom benchmarks for individual faculty to accommodate the various leadership roles are not able to be individually programmed into the FMV system, however these roles should be documented and manually adjusted in the departmental data files for compensation planning. Faculty with MCW Key Leader roles (e.g. Senior Associate Dean, Center or Institute Director, etc.) or affiliate roles (e.g. FH Service Line Director, Chief Wellness Officer, etc. that are funded outside of the department) will need to be manually adjusted in the standard compensation working file to include their departmental effort and compensation. Note: The full effort and compensation will need to be included in department budget planning materials and models.

Note that leadership role salaries should be structured as supplemental pay only if the role represents time spent performing duties for interim, acting, elected, appointed or other non-permanent roles for which a compensation adjustment is made. Compensation for these roles should be transient with the supplemental compensation removed if the employee no longer holds the role. Supplemental compensation is generally excluded from annual merit increases and incentive calculations (See annual Financial Planning Guidelines for more information).

XII. NEW FACULTY: GUARANTEED COMPENSATION

Departments have the option to set guaranteed compensation for new faculty for up to two years after the hire date for faculty with over 0.5 wRVU producing effort. New faculty with less than 0.5 clinical wRVU producing effort who are on a clinician-scientist pathway have the option to have base salary guaranteed for up to 3 years. Departments can set the compensation at market and guarantee the Clinical base salary and fixed wRVU supplement, as well as the Admin/Education/Research base salary that aligns to the departmental compensation plan. If the total guaranteed compensation exceeds the 75thile FMV, Executive Compensation Committee (ECC) approval would be required. The guaranteed salary would exclude eligibility in the department at-risk incentive.

If wRVU production exceeds the target wRVUs during the guarantee period, the faculty member has the option to come off of the guarantee and fully transition into the departmental compensation plan at the beginning of the next fiscal year (e.g. faculty member is on a 2-year guarantee. The faculty member must complete Year 1 on the guarantee and can transition to the department comp plan at the beginning of year 2), which would allow for eligibility to earn the variable wRVU compensation and the department at-risk incentive for academic and practice goals. Note: once the faculty member transitions off of the guaranteed plan and into the departmental compensation plan, they cannot go back on to the guarantee.

XIII. COMPENSATION PLAN EXCEPTIONS

Exceptions to the compensation plans outlined in this document will be considered for some start-up programs. The exception process is outlined below:

- 1) Meet the following exception criteria:
 - a. Faculty are part of a strategic start-up program, and
 - b. Alignment of market data does not reflect and support the start-up needs of this group.
- 2) Partner with the Faculty Compensation Team (facultycompensation@mcw.edu) to review and validate data for the faculty identified as part of the start-up program and to be excluded from the compensation models outlined above.
- 3) Department proposes alternate metrics to wRVU %ile alignment and principles for proposed compensation for faculty in this group.
- 4) Department to meet with MCP leadership to review data and obtain practice approval (MCP CEO approval).
- 5) Document the exceptions in the appendix of the Department Compensation Plan

XIV. DEPARTMENT AT-RISK INCENTIVE

Faculty Compensation Models (excludes Staff Physician compensation) include a Department At-Risk Incentive opportunity that will be based on the department’s financial performance during the fiscal year. At-risk incentives will be distributed according to department/division incentive metrics included in the appendix of the Department Compensation Plan.

A. INCENTIVE PLAN FUNGIBILITY

Actual department at-risk incentive payments will be determined and paid after the close of the fiscal year. Payment of department at-risk incentive awards is dependent upon the overall financial status of the Department, the Practice, and MCW. The department may be required to adjust incentive metrics and or target payouts as a result of the department’s overall economic condition.

Departments can submit a request to the Faculty Compensation Team for a FMV review of all faculty with the revised target incentive payout, in addition to submitting the request to the MCP Leadership and Office of the Dean for review and approval of the payout. Process will be detailed in the Budget Guidelines.

B. DEPARTMENT AT-RISK INCENTIVE DESIGN

Included in the annual department compensation plan, the department will document incentive metrics that include practice goals and/or a clinical value-based component (40% weight), scholarly activity (40%), and Chair discretion (20%). At-risk incentive plans must adhere to the weights outlined below.

Incentive Plan Category	Category Weight
Clinical Value-Based <i>or</i> Approved Practice Goals	40% of total incentive payout
Academic/Scholarly Activities	40% of total incentive payout
Chair Discretion	20% of total incentive payout

Practice Goals/Clinical Value-Based metrics and Scholarly/Academic categories will outline a maximum of two metrics per applicable group (e.g. Divisions may have different metrics). Continuum payments are allowed if performance achievement is between threshold and target, target and stretch, or above stretch.

Department At-Risk Incentive Metrics				
Incentive Categories & Metrics	Weight (% of total incentive)	Metric Achievement		
		Threshold	Target	Stretch
Practice Goals/Clinical Value-Based	40%			
<i>Metric 1*</i>	20%			
<i>Metric 2*</i>	20%			
Scholarly Activity/Academics	40%			
<i>Metric 1*</i>	20%			
<i>Metric 2*</i>	20%			
Chair's Discretion	20%			
TOTAL	100%			

C. ELIGIBILITY

Full-time and part time faculty (excluding new faculty on a guaranteed compensation plan) will be eligible to participate in the department’s at-risk compensation plan. The table below outlines eligible salary to be calculated in the Department incentive plan.

The following considerations for individual incentive calculations will be made for faculty who do not have 100% of their effort within their home department:

- Faculty member is split between two departments or clinical practices (e.g. Anesthesia and Emergency Medicine): *the faculty member will be eligible for the home/primary department’s incentive plan only.* The funding from the secondary department can fund partial incentive, but the faculty member cannot be split between two department/practice incentive plans. External Salary is also excluded from the Department At-Risk incentive.
- Faculty with partial effort in a leadership role (e.g. MCW Key Leader, MCW or FH Leadership role, etc.): the eligible base salary outlined in the faculty’s appointment letter is allowed to be eligible for the incentive in the Department At Risk Incentive plan. The leadership salary of the role will not be eligible for the department incentive. Leadership roles are assessed separately and may be eligible in another incentive plan (e.g. MCW Key Leader incentive, FH incentive, etc.).

To receive the Department At-Risk Incentive payment a faculty member must be actively employed with MCW at the time of disbursement of incentive payment (Reference: [HR Policy: Compensation Administration- Faculty](#)).

Faculty Salary and Compensation that is eligible for At-Risk Incentive (excludes Staff Physicians):

Compensation Type	Description	Department At-Risk Incentive Eligible?	Payment Schedule
BASE COMPENSATION			
Clinical, Admin, Education, Research Base Salary	Set using the compensation model and department principles	Yes; with the following <i>exclusions</i> : <ul style="list-style-type: none"> MCW Key Leader effort/comp that is eligible in the Key Leader Incentive Plan Leadership effort that is stated as not eligible for the departmental incentive, such as certain FH, MCP, or MCW roles (as outlined in the appointment letter) Staff Physician compensation 	Monthly or bi-monthly (aligned to payroll schedule)
Fixed Productivity Supplement	Based on past FY clinical performance	Yes	Monthly or bi-monthly (aligned to payroll schedule)
External Salary	VA or other externally paid compensation	No	(not paid by MCW)
VARIABLE COMPENSATION			
Variable wRVU Supplement	Based on Faculty performance	No	10/1
\$ per wRVU payments for wRVUs >75%ile	Based on Faculty performance; for wRVUs earned above the 75%ile wRVUs	No	10/1
Department at-risk Incentive	Based on department meeting budget, based on Practice Goals and Chair Discretion	N/A	10/1

XV. PREMIUM PAY

Premium Pay should be outlined as an addendum in the Department Compensation Plan and must be affordable within the productivity-based revenue and/or contracted revenue related to that service.

The following Premium Pay types will be documented, reviewed, and approved by the MCP Compensation Committee.

- a) Extra duty shifts
 - a. Detail categories of extra duty shifts
 - b. Rates per hour/shift
 - c. Methodology to establish the rate (e.g. targeting %ile of benchmark)
- b) Extra duty call
 - a. Describe standard call expectations
 - b. Detail additional call, rates, etc.
 - c. Rates per hour/shift
 - d. Methodology for coming up with the rate (e.g. targeting %ile of benchmark)

XVI. MARKET DATA

Market data will be based on the [FMV Compensation and Productivity Methodology](#). FMV is determined by analyses of total compensation and national third-party benchmarks which serve as a comparator to the competitive market. As an institution, MCW aligns to academic compensation and productivity benchmarks. However, there are cases of certain specialties that have received approval to utilize non-academic benchmarks in cases where academic sub-specialty benchmarks are not available.

Approved benchmarks will be reviewed annually and are subject to change upon addition of new survey specialties added to the AAMC or Vizient surveys that align with faculty member's specialties. To request approval for the use of a non-AAMC or Vizient survey, please complete the [intake form](#) that will be triaged to the Faculty Compensation Team.

A. BENCHMARK MANAGEMENT & GOVERNANCE

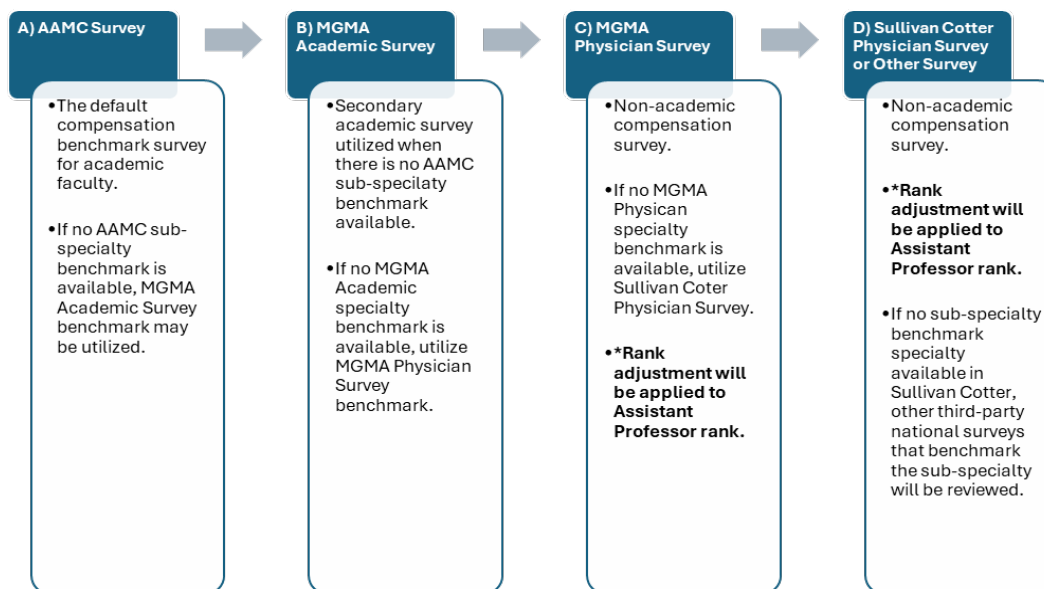
- Changing the assignment of an academic compensation and/or productivity benchmarks: specialties are assigned to a faculty member in the MCW enterprise system of record. If a faculty member needs a specialty assignment updated, the department should reach out to the Faculty Compensation Team to initiate the change.
- Individual custom benchmarks for a faculty member: The FMV system operates based on a set of business rules. Custom blended benchmarks for individual faculty members (e.g. 50% Emergency Medicine + 50% Anesthesiology, or 30% Assistant Dean + 70% General Surgery) are not able to be built into the system. Approved custom blending of benchmark data can be adjusted within the departmental compensation model (excel file), but will not be reflected in the FMV system. The analysis of compensation and productivity alignment will need to be managed by the department outside of the MCW FMV system.
- Proposed business rule and benchmarking changes applicable to a group of faculty: There are cases where the AAMC or Vizient surveys do not have a sub-specialty benchmark available, for example, AAMC Survey Data does not report sub-specialty benchmarks for Ophthalmology, yet there are sub-specialty benchmarks available in MGMA and/or Sullivan Cotter Physician surveys. In these cases, the following steps should be taken:
 - Request Process: The department should complete the Benchmark Review [intake form](#) to initiate the request for the department's proposal for an alternative survey and benchmark. After there is agreement on the best available benchmark to be assigned to that sub-specialty, the request will be built into the FMV system. Please see the benchmarking principles below prior to initiating the request.
- Proposed benchmarking methodology changes: If a department would like to use an alternate benchmarking methodology (e.g., blending academic and community benchmark data), the department will work with the Faculty Compensation Team and the MCP Practice to prepare a justified request for Institutional Compensation Committee (ICC) review and approval. Unapproved benchmark methodologies will not be recognized or supported by the FMV system or institutional initiatives.

A. COMPENSATION FAIR MARKET VALUE BENCHMARKS

The Survey Data used to establish a faculty's compensation will be based on the most recent available national Total Compensation data from the American Association of Medical College (AAMC) Faculty Salary Report or where needed, best available academic benchmark. Benchmarks that are available prior the fiscal year will be utilized throughout the duration of the fiscal year for compensation benchmarking (e.g. FY26 market data will be based on aged data from the FY24 compensation survey, which will be published in early 2025). Compensation benchmarks are prorated based on the individual faculty member's total FTE.

Compensation benchmark principles: Outlined below are the benchmarking principles for academic and community faculty. The selection of sub-specialty survey benchmarks will follow the following process:

- **Academic Faculty:** Faculty whose effort may be allocated across one or more academic missions: Patient Care, Research, Education, Community Engagement, and Departmental. Faculty with clinical effort may be primarily based at a location on campus, or a combination of on-campus and off-campus/community locations.



Note: Exceptions will be considered for survey N (sample) size or benchmark values when comparing the Sullivan Cotter and MGMA benchmarks.

*Non-Academic compensation survey rank adjustment (e.g. MGMA, Sullivan Cotter):

Non-Academic surveys such as Sullivan Cotter and MGMA do not incorporate academic ranks, therefore MCW implements a benchmark rank adjustment for Assistant Professors.

The Assistant Professor adjustment calculation methodology is outlined below:

- The calculation takes the raw survey data 25thile and assigns that value as the Assistant Professor 50thile (e.g. new 50thile = raw 25thile. The Assistant Professor adjusted 25thile, 75thile, and 90thile are recalculated at the same rate as the segments of the percentile curve.
 - *Calculation of the adjusted 25thile = $(1 - (50^{th} - 25^{th}) / 50^{th}) * 25^{th}$*
 - *Interpretation:* the calculation is based on a linear curve fit methodology between raw

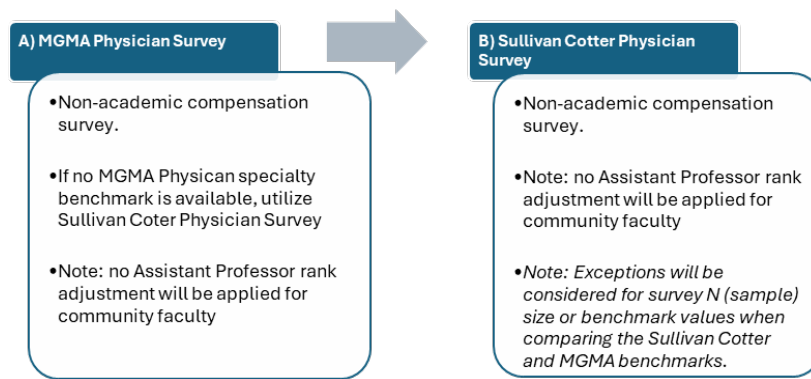
25thile to 50thile benchmark points; then apply this calculated value to adjust raw 25thile down.

- Calculation of the adjusted 75thile = $(1+(75^{th}-50^{th})/50^{th})*25^{th}$
 - Interpretation: the calculation is based on a linear curve fit between raw 50thile and 75thile benchmark points; then apply this calculated value to the raw 25thile to adjust it up (because it is the new 50thile).
- Calculation of the adjusted 90thile = $(1+(90^{th}-75^{th})/75^{th})*((1+(75^{th}-50^{th})/50^{th})*25^{th})$
 - Interpretation: the calculation is based on a linear curve fit between raw 75thile and 90thile benchmark points; then apply this calculated value to the newly calculated 75thile to adjust it further up.

Fiscal Year	Survey Year	Specialty	Survey Rank	Compensation Benchmark			
				25 th %ile	50 th %ile	75 th %ile	90 th %ile
2025	2024 Aged	Allergy/Immunology	Used for all ranks, except Assistant Professor	\$285,077	\$364,334	\$547,516	\$668,037
2025	2024 Aged	Allergy/Immunology	Adjusted for Assistant Professor	\$223,062	\$285,077	\$428,410	\$522,712

* Data is aged 2.5% (annualized) from last effective date available to January 1st of subsequent fiscal year.

- **Community Faculty:** Faculty whose effort is allocated entirely to the clinical mission, with 100% of the effort spent at a community location. This category of community faculty is limited only to Neurosurgery faculty with 100% effort at the Froedtert South community location and hospital-based specialties of Anesthesiology, Emergency Medicine, and Pathology.

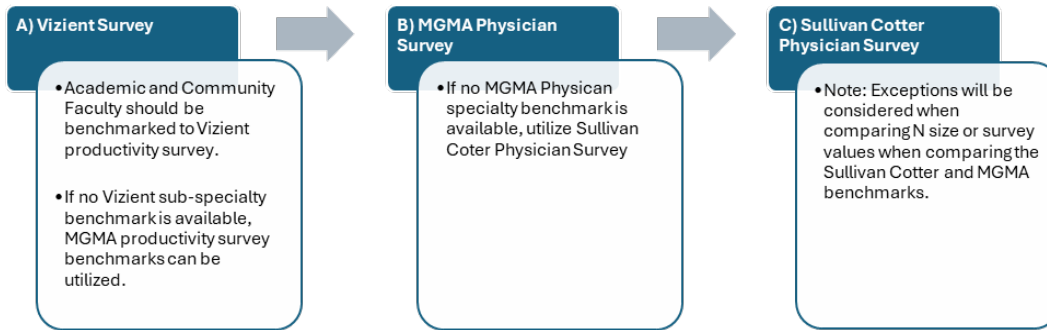


B. PRODUCTIVITY BENCHMARKS

The Survey Data used to establish a faculty’s clinical productivity will be based on the Vizient benchmarking data that is available during the budgeting season and will apply to the subsequent fiscal year. Benchmarks will not be updated mid-fiscal year. In cases where the Vizient specialty benchmarks may have significant fluctuation year over year, or the specialty may not represent the best fit for a particular faculty member, the Department should initiate a review with the Faculty Compensation Team.

Productivity benchmarks are prorated to based on the individual faculty member’s clinical wRVU producing FTE.

Productivity benchmark principles: Outlined below are the benchmarking principles for academic and community faculty. The selection of sub-specialty productivity survey benchmarks will follow the following process:



XVII. APPENDIX: COMPENSATION MODELING STRUCTURE OVERVIEW

COMPENSATION MODELING STRUCTURE OVERVIEW:

*Layers 1-2 set using prior fiscal year productivity %ile

*Layer 3 takes current FY %ile and gives difference from payout in 1-2. Models default to prior FY only

	Clinical Productivity	Clinical Non Productivity	Academic/Other	SUM
	Annual Base / Guarantee Pay			
A	<u>Layer 1</u> 25th %ile cFTE Adj., paid at specialty benchmark	<u>Layer 1</u> Clinical activity not associated with production- example: clinical leadership role Paid at specialty benchmark 50th percentile	<u>Layer 1</u> FTE outside of clinical / VA. Paid at specialty benchmark 50th percentile	Clinical Productivity Clinical Non Productivity Academic/Other
	<u>Layer 2</u> Difference between Actual %ile, capped at 75th, minus 10% (layer 2 payment cannot exceed 65th), rounded to nearest 5% increment			
	TOTAL BASE:	TOTAL BASE:	TOTAL BASE:	TOTAL BASE:
	Incentive/Variable Pay			
B	<u>Layer 3</u> Difference between Actual %ile and layers 1 and 2 (capped at 75th) / 10% percentile difference	<i>Any incentive payment determined outside of this plan if eligible</i>	<u>Layer 2</u> Academic/Other Pay Based on department affordability - will provide more direction on this in later iteration	Clinical Productivity Clinical Non Productivity Academic/Other
	<u>Layer 4</u> \$/wRVU over 75th- Rate set by dept. based on affordability			
	TOTAL INCENTIVE:	TOTAL INCENTIVE:	TOTAL INCENTIVE:	TOTAL INCENTIVE:
SUM	TOTAL BASE + INCENTIVE:	TOTAL BASE + INCENTIVE:	TOTAL BASE + INCENTIVE:	TOTAL BASE + INCENTIVE:
VA Pay				

XV. APPENDIX: VERSION HISTORY

Document Version	Date Published	Summary of Changes
Version 1	1/22/2025	<ul style="list-style-type: none"> Initial draft principles shared with clinical departments
Version 2	2/12/2025	<ul style="list-style-type: none"> Clarification/edits to clinical compensation definitions and descriptions Added sections: Compensation Plan Principles, Compensation Alignment Principles: Department and Individual Faculty Clarification of Hybrid-Generalist model compensation rate
Version 3	3/12/2025	<ul style="list-style-type: none"> Team-Based wRVU supplemental: allowing Chair discretion to establish whether there is a wRVU threshold to be met in order to receive the team-based Variable wRVU Supplement
Version 4	5/15/2025	<ul style="list-style-type: none"> Benchmarking principles added to Market Data section XVI Clarification of New Faculty Guarantee compensation (when decision is to be made about coming off the guarantee and into the Dept Comp Plan) Incentive Plan Fungibility clarifications: only the department at-risk incentive award is dependent upon the overall financial status of the dept, Practice, and MCW. Allowing continuum payments