

AHC F&P
September 8, 2005
Minutes of the Meeting

These minutes reflect discussion and debate at a meeting of a subcommittee of the AHC Faculty Consultative Committee: none of the comments, conclusions, or actions reported on these minutes represent the views of, nor are they binding on, the Senate or Twin Cities Campus Delegation, the Administration, or the Board of Regents.

Members Present: Dan Feeney (chair), Tim Church, Thomas Shier, Timothy Walseth, and Lynda Young

Ex Officio Present: Beth Nunnally

Regrets: Joan Liaschenko

Others: David Hagen, Stewart McMullan

In these minutes: { Compensation Models for AHC Faculty }

Professor Feeney called the meeting to order at 4:30 p.m.

As a first order of business Associate Vice President Nunnally, CFO, distributed the Compensation Models for AHC Faculty Presentation, made to the Board of Regents February 12, 2004. The presentation was designed to provide an over-view of AHC Compensation in the following areas:

- Compensation Principles
- Components of Compensation and Related Funding Sources
- The Role of Clinical Practice in the AHC
- Existing Regental Policy Governing Clinical Practice
- A Summary of the AHC Compensation Models Across Different Colleges
- Example Case Studies
- Considerations

Compensation Principles:

- Compensation programs must increase the University's ability to attract and retain qualified faculty
- AHC must retain its ability to leverage the market place and pay salaries competitive with the market
- Compensation programs must provide flexibility for establishing compensation amounts for education, research, and clinical/outreach work
- Productivity and performance must be part of the determination of compensation amount.

Ms. Nunnally referenced the compensation work documents from 2002 that are posted on the AHC F&P website. She then led an open discussion of the Compensation Models presentation:

Components of Compensation:

- Component X: Base Salary
 - Tenure Guaranteed

- Component Y: Augment/ Increment/ Lump Sum Merit Compensation
 - Paid through the University
 - Not Guaranteed
 - Typically Attached To Additional Duties, Productivity, and/or Incentives
 - Provides flexibility to manage finances

- Component Z: Clinical Compensation
 - Patient Services
 - Productivity Based

Funding Sources:

- Base Salary and Augmented Compensation Sources:
 - Tuition, Gifts, O&M, ICR, Grants, Clinical Income, and other sources
- Clinical Income
 - Provision of Clinical Services

Reasons the AHC Compensation Paradigm Differs From the Characteristic University Compensation Paradigm:

- AHC student education requires clinical practice by faculty
- Health research and innovation are a major components of the AHC mission
- State dollars and tuition are insufficient in amount to fully support education and research
- AHC colleges must rely on multiple and varied revenue streams to support the AHC mission

Reasons the AHC Needs Clinical Practice:

- Health professional students need to be taught by practicing professionals
- Experiential learning requires both academic and private practice approaches to care delivery
- A full range of generalists, specialists and clinical settings are required to deliver the full breadth of training
- Both generalist and specialist faculty must practice to maintain their diagnostic, therapeutic and judgment skills
- Clinical revenue supports education and research
- Academic faculty and private practitioners compete for the same contracts in a competitive market

Regents Policy Provides Two Models for Clinical Practice Activity:

- Outside Consulting Policy
 - One day per week to pursue outside professional consultation activity
 - No limit on the income realized by faculty for outside consulting
 - University approval of this income is not required
 - Faculty is required to disclose this income
 - Any University resources utilized in the pursuit of private consultation, such as billing, equipment, and space, requires that the University be compensated
 - Currently the Schools of Dentistry, Veterinary Medicine, and Pharmacy adhere this policy
 - Practice Plan Policy
 - Supercedes the Outside Consulting Policy
 - The Dean has oversight and approval powers of the Practice Plan Policy
 - Practice Plan Policy is in alignment with Educational Policy
 - Income is realized by the University
 - The Dean has oversight of clinical compensation
 - Currently the School of Medicine Twin Cities Campus, School of Medicine Duluth Campus, and the School of Nursing adhere to this policy
- The committee discussed the different models of clinical practice among the AHC colleges.
 - The committee then considered some practical case studies of how actual compensation for clinical practice is administered and funded across the different clinical models.

- Discussion of where Practice Plans are headed:
 - § “Medical” type of Practice Plans and Compensation
 - § Consolidation of Health Professionals into one IPGP
 - § Leverage single IPGP in the marketplace
 - § Full-service provider, multiple services in one contract
 - §
Bringing Dentistry, Nursing, and Pharmacy within the UMP to provide Z component compensation

A link to the Compensation Models for AHC Faculty, slide presentation is located on the AHF F&P web site:
<http://www1.umn.edu/usenate/committees/ahcfp.html>

Hearing no further business Professor Feeney adjourned the meeting at 6:00 p.m.

Sara Balick, University Senate