

Minnesota University, College  
of Medical Sciences.

**PRIVATE CONSULTATION PRACTICE  
IN THE COLLEGE OF MEDICAL SCIENCES**

**Statement of Policy and  
Implementing Resolution**

Originally adopted by the Board of Regents of the University of Minnesota on June 15, 1963. Clarifying language approved by the Board on September 20, 1963. Further modifications approved by the Board on March 11, 1966.

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STATEMENT OF POLICY

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1. The purposes of the University of Minnesota Medical School and its Hospitals are to teach medical students and physicians through courses in the basic sciences and from the example set by high-quality care of the sick, to conduct investigations into unknown areas of sickness and health, and to serve the citizens of Minnesota by providing, upon referral by physicians, the highest quality of medical care. The admission and treatment of private patients in the University Hospitals, under proper conditions, can contribute to these purposes.

2. In the establishment of the University Hospitals it was the initial intent of both legislature and the University that the Medical School faculty should not engage in any private practice and that the patient population should be wholly indigent. With the opening of the George Chase Christian Cancer Unit, this policy was changed to permit private consultations and fees only to an extent which would not interfere with teaching and research.

3. As more and more of the state's population has come under the protection of some sort of health insurance, the percentage of indigent patients referred to the University Hospitals has decreased. In order to maintain a hospital population adequate to the teaching and research needs described above, properly referred private patients have been accepted. In the last decade this private-patient population has assumed significant proportions as a vital part of the operation of the Medical School. It is important therefore to insure that these patients are incorporated fully into the Medical School program.

4. It is clear that acceptance of private patients, on referral, can further the academic goals of the Medical School in the following ways:

- A. provide teaching opportunities of a kind less frequently encountered in the remaining hospital population;
- B. provide research opportunities for the faculty member interested in studying a particular condition;

C. enhance the quality of teaching of the full-time clinical faculty member by a continuing contact with private patients.

5. Such referral consultation practice can then help to create an academic environment attractive to clinical scholars who wish to devote their careers to teaching, research, and service. It must, however, be integrated carefully with teaching and research, in order to promote scholarly activity and the development of the highest standards of ethics in the minds of students. The Regents' policies are designed to promote full participation of all patients (private, per diem, and county) in the teaching and research programs, provided only that such participation is compatible with exemplary medical care.

6. The Regents reaffirm the principle that patients, both private and indigent, may be admitted at the University of Minnesota Medical Center upon referral by a physician in accordance with the definitions of the Board of Regents and with the regulations of the University of Minnesota Hospitals. (The relevant section of the hospital regulation reads as follows: "Patients admitted to the hospital must be referred by their family physician or a physician in the local community. Obstetrical patients without a referring physician and emergency patients are an exception to this rule." Rules covering the referral of psychiatric patients by courts and other legal and judicial agencies are covered in the Minnesota Statute, 1923, Section 4596, establishing the Psychopathic Hospital.)

7. The Regents affirm the policy that patients of all categories are to be incorporated fully into the teaching and research programs unless, in the opinion of the responsible physician, such incorporation would jeopardize the welfare of the patient. The Dean of the College of Medical Sciences is required to make an annual report to the Regents on the extent to which private patients have been incorporated into the teaching programs of the various departments and divisions.

8. In the belief that faculty members have a primary dedication to the academic purposes of the Medical Center and that private practice is complementary

to these purposes, the Regents urge that every effort be made to encourage the academic careers of promising young staff members by permitting and encouraging reasonable participation in the study and care of private patients. Such participation, done in proper measure, should contribute to the development of the staff member's maturity and independent stature, and to the stimulation of his research program. The distribution of private patients, as of indigent patients, among the faculty members of any division or department should be such as best to serve the needs of the patients and to promote the teaching and research program of that division or department. Due recognition must, of course, be given both to the doctor-patient relationship and to the relationship of the referring physician and the individual faculty member.

9. The Medical Center has as one purpose to serve the citizens of Minnesota and the medical profession in this community. In order to keep faith with the medical profession in our community, it is essential that patients be admitted strictly on a referral basis, as specified in the Rules and Regulations of the University Hospitals. It is essential that appropriate, complete, and prompt reports be supplied to the referring physician. Every effort should be made to acquaint the medical profession with plans and procedures of the University Hospitals regarding the care of patients, both private and indigent, so that the medical profession in our community may have a confident understanding that the medical faculty is engaged in helpful service to them.

10. Full-time faculty members may, in unusual circumstances, see patients in consultation in other hospitals in response to a request from the patient's physician. Full-time faculty members shall not have staff membership in private hospitals nor shall they maintain private offices for professional practice.

11. The total income of the full-time staff member, from all of his University work, ought to be determined ultimately, on the basis of an assessment of the relative value of his contributions to teaching and research and service, including, of course, all forms of teaching, formal and tutorial, and basic as well as purely

clinical research. The remunerations and privileges of a faculty member should be such as to attract and retain a superior faculty.

12. The Regents and President, as responsible officers of a publicly supported institution, shall have available, upon request, full information regarding the total compensation to individual staff members for their University activities.

13. Private consultation practice within a Medical School setting should further the purposes of the Medical School. Funds generated by such practice should be used to bolster the attractiveness of the academic career and thus to facilitate the building of a faculty best qualified to further the teaching, research, and service goals of the Medical School. In particular, such funds should be used to assure that the income available to a clinical faculty member, combined with the opportunities for research and the intangible attractions of a stimulating University environment, will be sufficient to attract and retain the ablest clinical scholars who desire to devote their careers to academic medicine. A portion of such funds might be used to improve the salaries of younger members of the staff, to provide needed special resources for house officers, and to provide appropriate funds for assistance in the handling of problems relating to private patients.

14. A medical school faculty is a company of scholars cooperating in medical teaching and research, and in the care of patients which is essential to these objectives. In such a community, the contribution of the basic-science faculty is of comparable significance to that of the clinical staff members. The latter are privileged to have continuing contact with basic sciences, in addition to all of their own activities, whether purely clinical, teaching, or research. Without this contact the outlook of the clinical teacher would be narrowed and his contribution would tend to diminish. But despite this very real contribution of the basic-science departments, any plan which would mandate the use of funds generated by private-practice activity in support of these departments may well create serious problems.

It would appear that the most desirable use of such funds is first to strengthen the salary structure of the faculty in the clinical departments, with some portion then going to support other academic activities; this latter use should be guided by the faculty members providing the clinical service and might well be in part in support of basic-science activities.

15. In view of the wide variety of opportunities and practices among clinical departments, among specialties within departments, and among individual faculty members within specialties the appropriate use of private-patient fees in terms of a "scale" or "formula" would lead to inequities, and would thus undermine the sense of mutual purpose and confidence among the medical faculty which must always remain the primary strength of a medical school. The Regents' policy on adoption and implementation will provide to the administration appropriate information regarding the private-patient professional activities of the medical faculty, and should insure a general understanding among the medical faculty concerning the ways in which private-patient funds are to be used. The essential objective is to secure that private-patient practice shall be part of an overall program which will attract and retain superior faculty members; to this end private-patient funds should be used in an appropriately flexible manner, in the spirit of a gentlemen's agreement based on mutual trust.

16. Clinical services provided in the Medical Center are not only for patients' benefit, but are also an integral part of the educational program of the College of Medical Sciences. To charge the physician providing care or service to a private patient a facilities fee is inconsistent with this principle; such a facilities fee would suggest that private-patient service is incorporated in the Medical Center activities for the benefit of the individual physicians, rather than for the benefit of the patients and of the educational program. For this reason no University facilities charge is made against any faculty member serving private patients in the Medical Center.

17. The income augmentation which a given medical faculty member may derive

from private-practice activity is not a fixed amount. It may, however, be predicted in a general manner for any given year, and each member of the clinical faculty needs some understanding of the income he may reasonably hope to derive from such sources. This amount may vary from one specialty to another, and from one individual faculty member to another within a given specialty. It will also depend upon the general departmental program and the faculty member's allocated responsibilities resulting from the departmental program. Each faculty member will discuss with his department or division head his own program of research and teaching and the existing requirements for private practice. From such conversations he should arrive at an understanding of his departmental responsibilities, and may thus determine the income augmentation he should reasonably hope to derive from private-practice activity. For general understanding, it is well for an outer limit to be agreed upon; and one might expect that the University support salary might be used as a basis, with agreement that the income augmentation, at an outer limit, should not exceed this support salary. It is, however, a fact of life, arising from University budget problems, that certain faculty members in clinical departments who have unusual opportunities for private practice have not been allotted salaries commensurate with their rank and stature, as may be seen by comparing their support budget salaries with those of their academic colleagues. The outer limit, therefore, is to be based on the University support salary, actual or, in the light of the above, one adjudged to be equitable, with a maximum income augmentation limit such that the total income for University activity, i.e., salary plus augmentation, should not exceed twice this salary.

18. In order that these agreements may be recorded, so that appropriate information regarding the operation of the Medical School may be available when needed, the Regents require each member of the medical faculty to file with his department and division head, with a copy to the dean, on or before April 15 of each year a statement of the income augmentation limit he anticipates for the current calendar year, with an outer limit in the spirit of this policy. A faculty member may subsequently, for cause, file a revised statement of expected income

augmentation limit. Groups of faculty members may jointly file their respective statements of income augmentation limits, and group agreements; however, no faculty member is required to join such a group arrangement. In the event of death, resignation, or retirement of a department or division head who is a participant in such a group, his successor is under no obligation to continue the group arrangement.

19. It shall be the policy of the Regents that funds generated by the faculty member's private practice activity that exceed the augmentation limit shall be paid into special University accounts designated by the faculty member but established in accordance with regular University procedures. These shall include accounts set up in support of divisional, departmental or college-wide activities or special academic programs in the clinical fields. Expenditures from divisional or departmental funds will be administered with the advice of an appropriate divisional or departmental committee, elected by the members of the department or division. Expenditures from accounts established for the support of college-wide activities will be administered by the dean with the advice of the Committee on Private Practice Activity. In no event shall funds generated by the faculty member's private practice activity and remitted under this paragraph be expended for his personal benefit.

#### IMPLEMENTING RESOLUTION

The Regents, having approved a statement of policy, covering the Private Consultation Practice in the College of Medical Sciences, direct the appropriate administrative officers to implement the policy in accordance with the following:

1. A faculty member whose University duties anticipate his rendering professional services to or on behalf of private patients will file by April 15 of each year with his department and division head, with a copy to the dean, a statement of his income augmentation limit for the current calendar year. The facilities of the University of Minnesota Medical Center will be available without facilities charge to the faculty member rendering such services in accordance with the principles established by the Board of Regents.

2. Because of the fact that in the initial implementation April 15 is not a convenient date, the Dean of the College of Medical Sciences is authorized to establish an appropriate date for the filing of the initial expected income augmentation limit statement.

3. Any question concerning the acceptability of a proposed income augmentation limit which cannot be resolved by the faculty member, the department head, and the dean, will be referred for an advisory opinion to the standing Committee on Private Practice Activity established in accordance with paragraph 4 following. Should the matter remain unresolved, the dean will forward the advisory recommendation of the standing Committee on Private Practice Activity together with his own recommendation to the President for administrative resolution.

4. It is understood that a Committee on Private Practice Activity will be formed each year in the following way: A senior member of the faculty of a clinical department shall be appointed as chairman by the dean. Four additional members of the faculty of clinical departments shall be elected by the vote of the Executive Faculty of the clinical departments of the Medical School. The Committee on Private Practice Activity will advise the dean, on a continuing basis, with regard to better integration of the private patient in the educational program, improved understanding between the University Medical Center and physicians in the Minnesota community, and any other matters which may arise in connection with Medical Center activities involving private patients.