January 1, 2009
ANESTHESIOLOGY DEPARTMENT
COMPENSATION POLICIES AND PROCEDURES

1. Compensation Plan

The Department of Anesthesiology's Compensation policies and procedures are set forth in accordance with those H.S.C.P. requirements established in the UCSD Medical School Clinical Compensation Plan or UNIPLAN adopted July 1st, 2002. These policies and procedures have been approved by the Dean of the School of Medicine.

A. Annual Revisions

The Department Chair may amend these Compensation Policies and Procedures on July 1st of each year. Any revisions require the Dean's approval.

B. Distribution

The Department is required to distribute the following information to each participating Faculty member on the following occasions:

Information for Distribution:

1. A Copy of the original- UNIPLAN (Approved by the UC Regents July 1999.)
2. A Copy of the San Diego Campus Implementation Guidelines (Approved by the UC President's Office)
3. A Copy of the Department and Faculty Reporting Requirements

Distribution of the Above Information is Required.

1. Upon hiring a new participating provider
2. Upon any new revisions to the above specified documents
3. Upon any participating provider request
4. Upon any UC approved auditing entity request

C. Annual Outside Professional Activities Disclosure Form

The Department will require all participating providers to complete the Annual Outside Professional Activities Disclosure Form in accordance with the required terms. The signed statements will be returned to the Department annually and kept on file for all plan members.

Annual Filing of Outside Professional Activities Disclosure Form
1. All participating plan providers must submit the form for each year (covering the period from July 1st through June 30th) to the Department no later than the next August 31st date following the June 30th closing period.

Annual Chair Review of Outside Professional Activities Disclosure Form
1. The Department Chair will review all forms for compliance with requirements.

Maintenance of Annual Outside Professional Activities Disclosure Form
1. All Agreement Statements will be kept on file in the Department.
2. All Statements shall be kept on file for at least 5 years following a provider's termination.

Request for Indemnification for Outside Professional Activities
1. Indemnification for outside professional activities is available. If the activity is consistent with missions of the University, the faculty member must request pre-approval from Department Chair and upon approval, must submit revenues through the UCSD practice plan. The revenues are subject to the current Deans tax.

D. Annual Compensation Process
1. Faculty review for “Good Standing” criterion

The Department will follow the Outside Professional Activities Review and Advisory Committee (OPARA) committee’s recommended “Good Standing” criteria for implementation of the Health Sciences Compensation Plan. The Faculty are obligated to the following:

a. Faculty have an obligation to cover their \((X + X^\prime + Y + Y^\prime)\) salary
b. Faculty have an obligation to meet their teaching responsibilities as defined by the Department
c. Faculty have an obligation to participate in Departmental activities including faculty meetings and conferences, as defined by the Department
d. Faculty have an obligation to meet clinical services responsibilities as defined by the Department
e. Faculty have an obligation to fulfill research commitments inherent in contract and grant awards on which they serve as investigators.
f. The Department Chair will present the Good Standing Criterion for faculty review and comment at a monthly faculty meeting in the Fall Quarter on an annual basis.
g. Faculty have an obligation to exhibit good citizenship behavior and meet the Faculty Code of Conduct and all other UC policies and regulations as described in APM-015 (http://www.ucop.edu/acadadv/acapers/apm/apm-015.pdf) and the Principals of Community (http://www.ucsd.edu/primepals/) or (http://blink.ucsd.edu/Blink/External/Topics/Policy/0,1162,385,00.html)

Faculty who are not in good standing will be so notified by the Department Chair. The written notification will include reasons for that determination. Faculty who are no longer in “Good Standing” shall be precluded from engaging in any unassigned outside professional activities unless such activities are approved in writing and in advance by the Chair and the Vice Chancellor for Health Sciences/Dean of the School of Medicine. The distribution of income from such activities will be subject to review and approval of the Chair and the Vice Chancellor for Health Sciences/Dean of the School of Medicine.

Faculty who wish to appeal their standing may do so by writing to the Outside Professional Activities Review and Advisory Committee (OPARA). Upon faculty and Chair consultation and situational review, OPARA will make a recommendation to the Vice Chancellor for Health Sciences/Dean of the School of Medicine.

2. Faculty Salary Budget Communication

The Chair will communicate the annual budget assumptions and any compensation plan changes to the Faculty at least annually, and on an “as needed” basis. The faculty will be provided an opportunity to have input on the plan either by faculty meeting or by e-mail at least annually, or on an “as needed” basis. The Chair will arrange and conduct annual meetings with those faculty eligible for annual salary negotiations. The Chair will subsequently draft a written letter of understanding of the salary negotiation, which is pending the Dean’s approval. The final salaries will have benchmarked data for the discipline, usually AAMC, MGMA and/or SAAC benchmarks are utilized. The Chair will inform faculty of the finalized budget and any changes represented therein.

3. Collection and Distribution of Funds

All professional fee income generated by the Department of Anesthesiology is billed and collected by the UCSD Medical Group. All non-service agreement collections are subject to an assessment by both the Dean and the Medical Group. In addition, the Department makes an assessment in order to cover annual operating expenses. The Department’s assessment provides staff salaries and support for operational expenses such as telephone, library support, educational meetings and other support services. These assessments are determined annually.

The Department distributes remaining collections according to the Dean-approved annual salary budget. Additional Incentive Income is distributed to faculty members according to earned teaching credit, clinical incentive hours and by clinical and/or research productivity. Earnings in excess of annual budgets are available for Dean-approved Bonus Distributions, future salary support, educational and research programs, or other Department strategic initiatives.

4. Determination of Clinical Faculty Compensation (Overview)

During the annual budget process the Department Chair will review Clinical faculty salaries against the most recent AAMC percentile data. The Chair may recommend adjustments to either Covered Compensation or Regular Z component if clinical faculty salaries are below 70% of the AAMC 50th percentile and sufficient funding is available. Clinical faculty are required to work 45 call shifts per annum in addition to the assigned clinical day time job description in order to earn 70% of their clinical compensation. If faculty members elect to provide the equivalent of less Clinical service, this must be approved in advance by the Chair and compensation will be prorated accordingly.

The Department has established approximately 20% of average clinical compensation will be provided by participation in call shifts. Finally, approximately 10% of clinical compensation will be made available through clinical incentive programs. (See section 7 C) The Chair may recommend changes to valuations of incentive programs as well, during the budgeting process.

5. Determination of Salary (Academic Program Unit) Scale
The Department Chair of Anesthesiology will review the Salary Scales in place annually during the budgeting process and determine the appropriate Salary Scale for the upcoming budget year. The decision is based upon broad based funding capabilities and APU requirements. The faculty must contribute the cost of the incremental benefits on any Y prime components. The salary scales are subject to review and annual approval by the Dean during the annual faculty salary review process.

The Department as of July 1, 2006 has five defined Academic Program Units.

APU: ANE001: Clinically Contributing Anesthesiology Faculty
Current Scale: 5

APU: ANEGCP: Pre-Clinical Anesthesiology Faculty
Current Scale: 1

APU: SOM003: (Cross-Departmental) Nerve Injury/VAMC
Current Scale: 3

APU: SOMVA1: (Cross-Departmental) Base UC/VAMC split Appointment
Current Scale: 0

In addition, the School of Medicine Dean’s office does allow all past and current Chairman to participate in the Chairmen’s APU.

6. Cost of Living Adjustments
The University of California periodically awards Cost of Living Adjustments on Faculty Covered Salary Scales. The Department Chair of Anesthesiology will determine during the annual budget process if the Department can afford to absorb the impact of a Cost of Living Adjustment to all eligible faculty and maintain optional incentive rates of compensation. If a determination is made that the Department can afford the adjustment, then no reductions are made to faculty optional incentive compensation. If, however, the Chair determines the Department cannot afford the incremental adjustment, the Chair can authorize a reduction in optional incentive compensation.

7. Explanation of Salary Components

A. Covered Salary
The Department of Anesthesiology utilizes the approved salary scale(s) in effect for the fiscal year for the assignment of all covered salaries. Each faculty salary is determined by the faculty's academic rank and step. The rank and step covered salary is covered under the University of California Retirement Plan.

No State Funds will be used for compensation above the portion of covered salary equivalent to the Fiscal Year salary scale.

**Covered Salary Components**

\[
X \quad \text{Is the Systemwide covered salary scale. (1.0 X)}
\]

\[
X \text{ Prime} \quad \text{Retirement Component equal up to 30% of x component. (X Prime = 0.1, 0.2, 0.3)}
\]

\[
Y \text{ Prime} \quad \text{Is an incremental Retirement Component (Y Prime = 4 and above)}
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The Faculty must fund the Y Prime component and contribute annually an assessment of approximately 15% of the value of all Faculty Y primes to a University designated account. The assessment is subject to change.

B. Negotiated Additional Compensation

The Chair of the Department of Anesthesiology may negotiate an amount of additional compensation on behalf of a faculty member with the Dean. This permits faculty members to earn compensation in addition to each member's covered salary. The faculty member can only request this component when he/she has demonstrated secured funding beyond the covered salary and associated benefits for the upcoming budget year. The faculty member should arrange to meet with the Chairman by the end of March of the proceeding budget year. The Chairman will be responsible for creating the algorithm which computes any salary savings generated by the faculty member and the distribution of such savings to the faculty and the Department. This algorithm will subsequently drive the recommended negotiated salary component for the upcoming budget year. The negotiated component may be renewed, changed or withdrawn annually during the budget process. Once approved, the negotiated salary components cannot be reduced during the current academic year. If the faculty member should receive a loss of funding during the year, the negotiated component will immediately be reevaluated for possible reduction, elimination, or payback during the following year. The negotiated component is not covered under the UC Retirement Program, but may be eligible for the Health Sciences Severance Pay Plan.

\[
Y \text{ Negotiated} \quad \text{Is an amount negotiated above the covered components.}
\]
NOTE: Clinically active faculty who receive extramural funding in the middle of the year may request a covered salary augmentation through a Negotiated Y component. This results in a reduction of their Z earnings that is equivalent to the new Y component. The effect is overall salary neutral to the faculty member. This allows for more extramural support to purchase equivalent time out of the clinical schedule. (See section on Clinical Buy Down)

C. Incentive Compensation

The Department of Anesthesiology permits faculty members to earn professional fee-based compensation in addition to each member’s covered salary. These components are subject to the availability of earnings and are reviewed and subject to change on an annual basis. Every month the Department provides an explanation of all Z earnings to the faculty member in writing, so they may reconcile their payments with their anticipated earnings.

Incentive Z Components (Clinical Risk Z)

Z Incentive Call Compensation (Clinical Call Z)

Is incentive compensation earned on a per hour basis for which all qualified faculty are eligible to earn. This incentive is earned throughout the year according to predetermined call blocks and is compensated in the pay period immediately following the completion of call records for the block. Current Specialty call assignments include: Thornton UCSD Medical Center, VA Medical Center, Cardiac, Pediatric, Liver Transplant, Pediatric Radiation Oncology call that is not credited as a Clinical Day is compensated at the rate of $700 per day. Specialty Calls are compensated at $125 per hour. Overnight University and Obstetrical Call (Hillcrest) equivalent to twelve hour shifts is compensated at $1,500 per call ($125 x 12 hours). Compensation for calls are paid bimonthly and represent payment for the preceding two months.

Z Anesthesia Individual Clinical Incentive Compensation (Clinical Productivity Z)

Is incentive compensation earned by individual clinical productivity performance. Compensation is based upon average unit productivity achieved per clinical day in the preceding quarter. Anesthesia productivity is benchmarked against MGMA Trauma Center statistics. The measured productivity corresponds with a predetermined payment rate/day which is then multiplied by UCSD Anesthesia clinical days of service provided by each provider during a quarter period. UCSD Critical Care, Regional and Pain Service productivity is measured and paid by individual work relative value units produced in a quarter period. Pediatric anesthesia provider incentive compensation is earned by anesthesia unit productivity at Children’s Medical Center and compensated on a monthly basis. The YAMC is developing and instituting an incentive program for Clinical faculty. All UCSD incentive program unit valuations are reviewed by the Chair during the annual budgeting process.

Z Regular

Is established annually and represents the budgeted excess net earnings after all budgeted fixed expenses, including incentive call earnings and after all overheads have been met. It is the last item to be adjusted if at all in the budget process. It is paid on a monthly basis. It is calculated as the difference between 70% of the AAMC 50th% tile benchmarks by rank less the first step of the corresponding rank salary. This will be the first component to be adjusted if the faculty member receives YAMC compensation that contributes to an overpayment situation or contributes to a buydown.

Z Administrative Stipend

Is in recognition of additional administrative responsibilities, is negotiated by the Chair and requires approval from the Dean. The stipend is usually provided by external funds. This is paid monthly.

Z Retained Earnings

Is determined by the Chair and requires approval from the Dean. It is granted in periods of excess earnings beyond budget. The Chair determines the principles of the distribution at each opportunity. In the past, it has been allocated equally to all eligible full time clinical salaried faculty who have provided service during a specified period. Those faculty who have bought down in terms of job description or provided service during part of the designated time period will be allocated a prorated share of the distribution. Those faculty who have left the practice during the period have not been deemed eligible to participate.

Z ASC/CSA

Is incentive compensation directly associated with a Hospital ASC or a Service Agreement. This is usually paid monthly.

Z Consulting/Witness

Is incentive compensation directly associated with Consulting earnings that have been turned over to the plan by the faculty member. The faculty member pays a Dean’s tax on the funds and the remainder of funds is available for faculty University expenses or subsequent compensation. This is paid on the next available monthly payroll, unless urgently requested by the faculty member to do otherwise.

8. Salary Negotiations on Clinical Buy Downs
Any Faculty member wishing to request Negotiated Y and/or compensation must submit a written request to the Chair explaining the basis for the request. It is at the Chair’s discretion to grant such requests and all salary changes require Dean approval.

Z Buy Downs

*Are determined by the Chair. These apply to those faculty wishing to buy down from their established Weekly Clinical Job Description. The Buy down is currently calculated in the following manner. Requesting Members Base Salary, Z Regular and Benefits are multiplied by Day(s) Buy Out. The percentage based upon a five day week job description. This amount is then either supported with new extramural funding in exchange for clinical funding or the amount is subtracted from the Faculty’s Z payment. The faculty members wishing to participate in a buy down must submit a written request to the Chair for approval. Note: A Z buy down agreement should not exceed the amount of combined Z earnings available, in order to avoid impacting appointment percentage.*

9. VA Medical Center Faculty
Faculty working at the Veterans Medical Center are being compensated directly by the VAMC. Overall faculty compensation set according to the same scales and principals set forth in this document. The faculty are eligible to participate in VAMC incentive programs. Since the faculty member will however, receive separate pay checks from the VA and the University. The University of California pay check will be prorated according to an annualized monthly VA compensation amount in order to achieve 100% of the UC faculty authorized salary. Any required adjustments can be made by adjusting Z earnings. It should be noted that the VA compensates on a 26 pay period per annum, whereas the University of California faculty are compensated on a 12 pay period per annum cycle. When VA actions resulting in salary adjustments occur, it is the faculty members’ responsibility to ensure the Department is informed. The Department will adjust all prorated amounts appropriately to ensure all compensation equates to 100% of the faculty authorized UC salary. Occasionally, situations of over and under payment occur and the Department staff will work with Payroll and the Faculty member to resolve the issue in a timely manner. Vacation accruals are adjusted equally for both VA and UCSD, whereby each vacation period is reported at the same amount to both institutions.

10. Management and Senior Professional MSP (Formerly MAP) Contracted Faculty
Faculty hired to provide service under a MSP Contract will be issued a detailed letter explaining the terms of the service agreement. Upon acceptance, a University Contract will be issued for the agreed period of time. These faculty will be expected to comply with all requirements. MSP Contract appointment percentage may be adjusted for VAMC appointments.

11. Annual Compensation Reporting

The Department will annually inform in writing each faculty members’ projected compensation for the upcoming fiscal year. Statements shall include but not be limited to the following:

- Information:
  1. Covered Salary
  2. Additional Compensation
  3. Projected Incentive Compensation
  4. Methodology for calculating Incentive Compensation
  5. Explanation of Covered Salary Scale assignment

- Distribution of the aforementioned information is required
  1. Upon hiring a new participating provider
  2. Upon any new revisions to the required disclosed information
  3. On or Before August 1st of each fiscal year coinciding with July compensation providing #4 is assured.
  4. Upon School of Medicine confirmation of salaries and availability of funds

12. Compensation Policy & Procedures for Special Circumstances

The Department of Anesthesiology will consider the following requests on a case by case basis upon receiving a written request from a faculty member, subject to usual Federal and State Laws, UC, SOM and APO policies:

A. Reductions in required Work Time
Faculty members requesting a reduction in work time must receive approval from the Chair. The Department Chair is under no obligation to grant the request. If a request is granted, it may require approval by the Dean, Academic Personnel or Staff Personnel for (MSP faculty) and may require a prorated salary component, and in some cases may result in a reduction of benefits.

B. Leaves of Absence
Faculty members requesting a Leave of Absence must receive approval from the Chair, Dean and Academic Personnel. The Department is under no obligation to grant the request. If a request is granted, it may require a prorated salary component and in some cases may result in a reduction of benefits.
C. Disability
Faculty members requiring a Disability Leave of Absence must inform the Chair in writing. All Federal and State Laws governing Disability as well as University of California leave policies apply.

D. Parental Leave and Child Bearing
Faculty members requesting a Parental or Child Bearing Leave of Absence must receive written approval from the Chair. The Department is under no obligation to grant the request, but will comply with existing Academic Personnel Office policies. If a request is granted, it may require a prorated salary component and in some cases may result in a reduction of benefits. All University of California leave policies apply. Currently, the practice compensates covered salary and regular Z distributions to faculty for a period of up to 6 weeks.

E. Sabbatical
Faculty members requesting a Sabbatical must be eligible for Sabbatical Leave as defined by University of California Sabbatical Leave Policy. Faculty must receive approval from the Chair and the Academic Personnel Office. The Department Chair is under no obligation to grant the request. If a request is granted, it may require a prorated salary component and in some cases may result in a reduction of benefits.

F. Military
Faculty members serving in the Military must be eligible for Military Leave and compensation as defined by University of California Military Leave Policy. All faculty who are called to duty should provide written notice to the Chairman as soon as it is received.

G. Jury Duty
Faculty members requesting Jury Duty Leave must provide written notice to the Chairman, by the court as soon as it is received. The Chairman may request the faculty in instances of clinical practice hardship to postpone the duty or to write a letter indicating a practice hardship to the court. The leave will be granted as defined by University of California Jury Duty Leave Policy. The practice will compensate base salary and regular Z earnings at this time.

13. Termination
Faculty members terminating employment are required to provide written notice. The notice should include the final date of service and a forwarding address. All compensation will be prorated through the final date of service. Any accrued earned vacation hours, incentive compensation such as call earnings or bonus distributions will be paid to the faculty member at the next designated distribution pay period. A faculty member may not be on vacation on the last day of employment.

Explanation of Benefits
All salaried faculty and MSP Contracted Faculty with a 50% or greater appointment are eligible to receive and participate in University of California Employee Benefit Plans, as long as they meet UC eligibility requirements. A copy of the benefit package and detailed information is available upon request and at the time of hire.