

HEALTH SCIENCES COMPENSATION PLANS

Contents

	<u>Page</u>
I. Introduction	1
II. General Information	1
A. Salary Scales	1
B. Strict Full-Time Salary Scale Plans	1
C. Health Sciences Compensation Plans Which Permit Variable Income Levels	2
D. Retention of Income	2
III. Summary of Approved Health Sciences Compensation Plans	3
IV. Financial Reporting	3
A. General Instructions	3
B. Specific Instructions	3
V. Responsibility	5
VI. References	5
Appendix I Summary of Approved Health Sciences Compensation Plans	6
Appendix II Financial Reports	7

HEALTH SCIENCES COMPENSATION PLANSI. INTRODUCTION

The University's Health Sciences compensation plans have been developed for full-time Health Sciences faculty to provide (a) sufficient non-State resources to recruit and retain outstanding Health Sciences faculty; (b) a balance among faculty members in the pursuit of teaching, research, service activities, and clinical practice; (c) teaching, patient care, and research incentives; (d) equitable compensation of Health Sciences faculty; and (e) academic and research support funds not otherwise available to the Health Sciences.

As described in chapter H-214-7, Health Care Services: Professional Fees, all or part of the professional fee income of the faculty members participating in the special plans becomes University income. This income shall be paid into the appropriate Health Sciences Fund Account.

It is combined with funds made available by extramural contracts and grants, gifts, consulting fees, etc., to provide the funding for the additional compensation provided by the special compensation plans. Appendices summarizing the various plans and the required financial reporting are included. Appendix I contains a list showing which special plans are in effect on the various campuses. Appendix II displays the required financial reports (Schedules 1A, 1B, and 2).

(Payroll procedures for individuals participating in these plans are treated in a separate chapter, P-196-37, Payroll: Health Sciences Compensation Plans.)

II. GENERAL INFORMATION

A. SALARY SCALES

The Fiscal-Year Regular Ranks Professorial Scale is the basic salary component common to all of the special Health Sciences compensation plans. The Fiscal-Year Regular Ranks Professorial Scale is a faculty salary scale used for 11-month appointees throughout the University. The large majority of faculty in the Health Sciences are 11-month (rather than 9-month) appointees.

B. STRICT FULL-TIME SALARY SCALE PLANS

Health Sciences faculty appointed under a strict full-time salary scale plan receive a base salary (as described in paragraph A., above) plus a fixed differential amount. The fixed differential is funded by State funds and/or other funds. Strict full-time faculty may not receive any professional income above their base plus differential amounts except as specified in section II.D., items a)-f) only, listed below.

II. GENERAL INFORMATION (Cont.)

C. HEALTH SCIENCES COMPENSATION PLANS WHICH PERMIT VARIABLE INCOME LEVELS

Health Sciences faculty appointed under a Health Sciences compensation plan receive a base salary (see paragraph A., above) plus additional income. The additional income is not a fixed amount; it may vary from plan to plan and among individuals. This additional income is funded by non-State sources. Each plan specifies financial policies which control the amount of professional income a plan participant may retain. (Refer to the individual compensation plans for particulars.)

D. RETENTION OF INCOME

Individuals participating in any University Health Sciences compensation plan shall not retain any income from professional services other than:

- a) payments for occasional service, not to exceed twenty-one days of such service per year, to governmental agencies, to non-profit health - or education-related organizations as a professional witness for a fee, to continuing Health Sciences education programs administered by the University, or to University Extension, if such service has been approved by the Dean and the Chancellor;
- b) prizes, defined as gifts in recognition of personal achievements and not for services rendered;
- c) royalties, defined as shares of proceeds for contributions as authors or inventors, as allowed under the University's copyright and patent policies;
- d) honoraria, defined as payments by agencies outside the University for occasional lectures and similar public appearances beyond normal academic responsibilities to the University of California and which are not in return for other services, whether given directly or indirectly;
- e) administrative stipends, defined as payments by the University for responsibilities related to University administration beyond normal academic responsibilities;
- f) income from a profession or activity unrelated to the training and experience which is the individual's qualification for University appointment; and
- g) income from professional services which may be retained under an approved campus income assessment arrangement.

III. SUMMARY OF APPROVED HEALTH SCIENCES COMPENSATION PLANS

Appendix I contains a listing of approved Health Sciences compensation plans showing the dates these plans were adopted by The Regents and the campuses where they are in effect.

For specific questions of interpretation with regard to any given plan, reference should be made to the specific plans as approved by The Regents. Copies of the plans may be obtained from the Vice President--Academic and Staff Personnel Relations.

IV. FINANCIAL REPORTING

Financial reports accounting for the total compensation paid to participants in the Health Sciences compensation plans and reporting the financial status of the plan funds are to be prepared annually using the report format displayed in Schedules 1A, 1B, and 2 of Appendix II. The reports are to be submitted to the chancellor by October 15, with copies furnished to the Vice President--Academic and Staff Personnel Relations, the Vice President--Financial and Business Management, the Director of the Budget, and the Special Assistant to the President--Health Affairs.

The procedures set forth below should be followed in preparing the financial reports:

A. GENERAL INSTRUCTIONS

- 1) Separate reports are to be prepared as follows: (a) on a departmental basis for each major discipline including its directly related sub-specialties (i.g., Surgery, Radiology, Pediatrics); (b) on a combined basis for school and plan-wide accounts not specifically designated to any department; and (c) on a consolidated basis for the entire plan (i.e., a summary of all the departmental and plan-wide accounts).
- 2) Two separate statements for compensation aid to plan participants are to be prepared for each report, one reporting actual data for the previous fiscal year just ended (Schedule 1A), and one estimating figures for the end of the current fiscal year (Schedule 1B).

B. SPECIFIC INSTRUCTIONS

- 1) The presentation of FTE(s) in Schedules 1A and 1B is based on the payroll procedures outlined in chapter P-196-37, Payroll: Health Sciences Compensation Plans. FTE(s) reported under General Funds should reflect the number of General Funds funded provisions filled during the year; FTE(s) reported under other funds should reflect the number of positions made available and filled during the year.

IV. FINANCIAL REPORTING (Cont.)

B. SPECIFIC INSTRUCTIONS (Cont.)

2) Interdepartmental transfers reported in Schedule 2 should reflect interfund transfers and intracampus transfers as well as interdepartmental transfers within a given fund.

3) Expenditures in Schedule 2 should be displayed in the following manner to indicate the priorities in the use of medical compensation plan funds:

a. Administrative Costs

Plan Administration--includes clerical services for maintaining records on negotiated salaries and for bookkeeping.

Billing and Collection--includes the preparation of charge tickets in departments and the preparation of abstracts from medical records.

Cost of Labs and Other Expenses--includes medical office space rented from the University and personnel directly related to clinical practice.

b. Health Sciences Compensation Plans (must agree with Schedule 1A)

Salaries
Benefits

c. Program Enrichment

Other Academic and Non-Plan:

Salaries
Benefits

Staff:

Salaries
Benefits
Supplies and Expense (includes Travel)
Equipment
Facility improvements

4) In the Income section of Schedule 2, entries to reflect hospital transfer or recharge activity must be recorded separately and may only be made for the following:

a. Agency Services

Income transfers from the hospital to the plan accounts where the hospital, as a billing agent for the physicians, bills the professional fee together with its hospital bill.

b. Administrative Services

Plan recharges to the hospital for administrative services provided by faculty physicians to the hospital, e.g., services provided by administrative head of the Clinical Laboratories, Chief of Inhalation Therapy, etc.

c. Patient Care Services

Plan recharges to the hospital for services rendered by faculty as salaried practicing physicians in the hospital. An example of such a service is that provided by faculty physicians in the Emergency Service. These costs are included in the hospital fee schedule.

- 5) Any appropriate narrative which the campus wishes to supply in order to further explain the reports may be included.

V. RESPONSIBILITY

In order to ensure that policies for Health Sciences compensation plans are implemented, each campus should have policy directives setting forth the details for the implementation. The chancellor is responsible for seeing that such policy directives are made and, further, for assuring that the policies as established in this chapter are followed. (See also section IV.A., chapter H-214-7.)

VI. REFERENCES

The Regents, Minutes approving a uniform Medical School Clinical Compensation Plan for implementation by the President of the University, November 18, 1977.

President D.S. Saxon, Memoranda to chancellors of campuses with medical schools authorizing the implementation of Medical School Clinical Compensation Plan as approved by The Regents, November 30, 1977.

Historical note: Accounting Manual chapter first published 11/01/76; revised 08/01/77 and 09/01/83; analyst--John Turek.

APPENDIX I: SUMMARY OF APPROVED HEALTH SCIENCES COMPENSATION PLANS

<u>Date of Approval</u>	<u>Full Name of Plan as Approved by The Regents</u>	<u>Currently Used at</u>
May 12, 1972	Strict Full-Time Salary Plan for Non-Physician Faculty Members and for Physician Faculty Members without Patient-Care Responsibilities	Davis, Los Angeles, San Diego, San Francisco
November 22, 1968	Veterinary Medical School Strict Full-Time Salary Plan	Davis
May 19, 1967	Strict Full-Time Salary Plan for Certain Faculty Members of the Schools of Dentistry	San Francisco ¹ Los Angeles ¹
May 21, 1971	Dental School Full-Time Compensation Plan	Los Angeles San Francisco
February 18, 1972	Pharmacy School Full-Time Compensation Plan	San Francisco
May 18, 1972	Health Sciences Faculty Strict Full-time Salary Plans and Other Special Compensation Plans ¹	
June 14, 1974 July 12, 1974 January 17, 1976	Full-Time Compensation Plan for Medical School Faculty Members <u>Who Do Not Have Patient-Care Responsibilities</u>	Irvine, Riverside Los Angeles, San Diego, San Francisco
November 17, 1977	Uniform Medical School Clinical Compensation Plan	Davis, Irvine Los Angeles, San Diego, San Francisco

¹ This item updated all previously approved plans.

APPENDIX II: FINANCIAL REPORTS

Schedule 1A: Report of Actual Compensation Paid to Plan Participants

Campus _____ School _____ Plan _____

Actual for Prior Fiscal Year Ended _____

	<u>Salaries</u>			<u>Benefits (Note 4)</u>	
	<u>Income Limitation Plan</u>	<u>Negotiated or Combination Option</u>			
		<u>Base (Note 1)</u>	<u>Additional</u>	<u>Total</u>	
General Funds (Note 1)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Capitation Grant	_____	_____	_____	_____	_____
Other Federal Funds	_____	_____	_____	_____	_____
Private Gifts, Contracts & Grants	_____	_____	_____	_____	_____
Outside Salaries (Note 2) Endowments	_____	_____	_____	_____	_____
Professional Fee Plan Funds (Note 3)	_____	_____	_____	_____	_____
Income to Professional Fee Plan (Note 3)	_____	_____	_____	_____	_____
Other Funds	_____	_____	_____	_____	_____
TOTAL RETAINED INCOME	_____	_____	_____	_____	_____
TOTAL COMPENSATION	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL Plan Participants	_____	_____	_____	_____	_____

Note 1: Includes General Funds used to fund additional compensation under the Veterinary Medicine School Strict Full-Time Plan and additional compensation for certain individuals holding appointments in a neuropsychiatric institute as provided in the agreement under which the University took from the State the responsibility to run the institutes.

Note 2: Includes all direct payments from outside sources retained by plan members which contribute to total negotiated salary computation, not merely those recorded under the disclosure method.

Note 3: See Schedule 2.

Note 4: Estimate, rather than actual.

APPENDIX II: FINANCIAL REPORTS (Cont.)

Schedule 1B: Report of Estimated Compensation to Be Paid to Plan Participants

Campus _____	School _____	Plan _____			
Estimated for Next Fiscal Year Ended _____					
	<u>Salaries</u>			<u>Benefits</u> (Note 4)	
	Income Limitation Plan	<u>Negotiated or Combination Option</u>			
		<u>Base</u> (Note 1)	<u>Additional</u>	<u>Total</u>	
General Funds (Note 1)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Capitation Grant	_____	_____	_____	_____	_____
Other Federal Funds	_____	_____	_____	_____	_____
Private Gifts, Contracts & Grants	_____	_____	_____	_____	_____
Outside Salaries (Note 2) Endowments	_____	_____	_____	_____	_____
Professional Fee Plan Funds (Note 3)	_____	_____	_____	_____	_____
Income to Professional Fee Plan (Note 3)	_____	_____	_____	_____	_____
Other Funds	_____	_____	_____	_____	_____
TOTAL RETAINED INCOME	_____	_____	_____	_____	_____
TOTAL COMPENSATION	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL Plan Participants	_____	_____	_____	_____	_____

Note 1: Includes General Funds used to fund additional compensation under the Veterinary Medicine School Strict Full-Time Plan and additional compensation for certain individuals holding appointments in a neuropsychiatric institute as provided in the agreement under which the University took from the State the responsibility to run the institutes.

Note 2: Includes all direct payments from outside sources retained by plan members which contribute to total negotiated salary computation, not merely those recorded under the disclosure method.

Note 3: See Schedule 2.

Note 4: Estimate, rather than actual.

APPENDIX II: FINANCIAL REPORTS (Cont.)

Schedule 2: Report of Plan Income, Expenditures, and Balances

Campus _____ School _____ Plan _____
_____ 19__

INCOME:	Actual Last Year	Estimate This Year
Professional Fees Collected	\$ _____	\$ _____
Professional Income Assessments	_____	_____
Hospital Transfer:		
Agency Services	_____	_____
Hospital Recharges:		
Administrative Services	_____	_____
Patient Care Services	_____	_____
Income from Compensation Plans (Note 1)	_____	_____
Other Income	_____	_____
Subtotal Income	\$ _____	\$ _____
Interdepartmental Transfers	_____	_____
TOTAL INCOME:	\$ _____	\$ _____
EXPENDITURES:		
<u>Administrative Costs</u>		
Plan Administration	\$ _____	\$ _____
Billing & Collections	_____	_____
Private Practice Facility Usage	_____	_____
<u>Faculty Compensation Plans (Note 1)</u>		
Salaries	_____	_____
Benefits	_____	_____
<u>Program Enrichment</u>		
Other Academic and Non-Plan:		
Salaries	_____	_____
Benefits	_____	_____
Staff:		
Salaries	_____	_____
Benefits	_____	_____
Supplies & Exp. (include Travel)	_____	_____
Equipment	_____	_____
Facility Improvements	_____	_____
Subtotal Expenditures	\$ _____	\$ _____
Interdepartmental Transfers	_____	_____
TOTAL EXPENDITURES:	\$ _____	\$ _____
BALANCES:		
Current Year Net Surplus/Deficit	\$ _____	\$ _____
Balance Beginning of Year	\$ _____	\$ _____
Balance End of Year	\$ _____	\$ _____

Note 1: See Schedule 1.