

**Yale Cancer Center**

**Faculty Compensation**

**Plan Description – 2016**

# Yale School of Medicine Compensation Philosophy

We are committed to creating an environment where every faculty member is fully confident that their compensation level has been fairly and reasonably determined.



# Applicability and Revisions

- The Plan applies to all faculty employed through Yale School of Medicine in the Yale Cancer Center through its sections of Medical Oncology, Hematology, and Neuro-Oncology, regardless of rank, except for the following exclusions:
  - Faculty who are covered under the department's Care Center Faculty Compensation plan
  - Faculty who are governed by an existing employment agreement that provides compensation provisions independently from this compensation plan. Such faculty may join this compensation plan prior to the completion of their existing term if they choose. It is in the intention that this compensation plan will govern compensation for all Yale Cancer Center faculty (except those otherwise excluded) upon the completion of their current terms.
  - Research-based faculty who are not active clinically.
  - Faculty who have requested exclusion and been granted approval from Director of Yale Cancer Center (this generally applies to section chiefs and individuals with largely administrative leadership roles).
  - Faculty in the Palliative Care Program
  - Faculty based at St. Francis, adjunct faculty, Instructors, and non-ladder track research faculty
- This compensation plan may be amended no more frequently than annually and with at least 90 days notice to all participants.
- This compensation plan goes into effect on July 1, 2016.

# Compensation Plan Structure - From the Bottom Up

*Discretionary incentive values qualitative contributions.*

*Grant incentive is one-time bonus tied to NOA; sensitive to grant size/complexity.*

*Academic productivity incentive achieved based on publication volume above a threshold; adjusted for impact.*

*APP Incentive rewards success partnership with APPs.*

*Group incentive based upon departmental goals such as quality and cost/value.*

*Clinical incentive paid per wRVU once participant exceeds their wRVU target; targets reduced from 1.0 cFTE based on admin/research/clinical research effort.*

*Admin stipends at fixed dollar values adjusted for effort and independent of incumbent's actual salary.*

*Base salary fixed, tied to 50<sup>th</sup> percentile of MGMA, adjusted for rank and years in rank.*

At risk

Outside the Department Incentives

Discretionary Incentive

Grant Incentive

Academic Productivity Incentive

APP Incentive

Group Incentive

Clinical Incentive

Guaranteed

Administrative Stipend

Base Salary

Unpaid

Baseline Expectations

# Baseline Expectations

- Work and/or behavior expectations built into the base salary and not otherwise paid for; no direct incentive payment
  - Maintain standards of business/professional conduct and compliance with requirements of Faculty Handbook
  - Achieve and maintain board certification in the relevant specialty
  - Active participation in academic and scholarly work, including publication in peer-reviewed journals
  - Participation in teaching of residents, fellows, medical students, or other relevant trainees
  - Be clinically productive up to the individual WRVU target (adjusted for cFTE)
  - Participate actively and tangibly in clinical research (i.e. through PI status, accrual, or referral for accrual), tumor boards, and DARTs
  - Participate actively in development/fundraising activities
  - Attend >50% of departmental/section/unit faculty meetings (remote attendance is available)
  - Attend >50% of YCC Grand Rounds (remote attendance is available)
  - Maintain compliance with all institutional compliance requirements within Training Management System
  - Service as member of institutional and/or Cancer Center Committees such as IRB, Protocol Review Committee, or Data Safety and Monitoring Committee (other committee assignments may meet this requirement with Director's approval)
  - Service on local hospital committees
  - Maintain and uphold Yale Medicine clinical practice standards
  - Inpatient coverage on either the 11N service or the hematology consult service (applies to hematology faculty only; excluding stem cell faculty). The number of weeks of coverage included in baseline expectations is at the discretion of the Chief of Hematology.
- *At the discretion of the Section Chief/Program Director and Director of Yale Cancer Center, any participating physician may be deemed ineligible for any portion of incentives beyond base salary if they fail to sufficiently meet the department's baseline expectations. Funds also may be sequestered until such time as the participating physician subsequently achieves the baseline expectations or may go unpaid completely.*

# Base Salary (Draw)

- Commonly considered “regular salary”, the base salary or draw is spread evenly across the year in 12 month installments
- Base Salary is a fixed value for each faculty member based on academic rank and years in rank. Year in rank at other similar institutions is included when determining base salary within the Plan.
- Base salary is guaranteed so long as participant remains in good standing in the department
- Base salary is set according to the table below. Inputs into this table include:
  - 3 year average of MGMA Median Base Compensation for Academic Faculty (2013 Report, 2014 Report, 2015 Report)
  - 2% inflationary factor per year in rank
  - Assumption of typical faculty member serves 2 terms prior to promotion to subsequent rank
  - Internal equity among base salaries in FY16
  - Comparison/alignment with AAMC benchmark data

Rank	Years in Rank									
	1	2	3	4	5	6	7	8	9	10
Assistant	\$ 190,000	\$ 193,800	\$ 197,676	\$ 201,630	\$ 205,662	\$ 209,775	\$ 213,971	\$ 218,250	\$ 222,615	\$ 227,068
Associate	\$ 213,971	\$ 218,250	\$ 222,615	\$ 227,068	\$ 231,609	\$ 236,241	\$ 240,966	\$ 245,785	\$ 250,701	\$ 255,715
Professor	\$ 260,829	\$ 266,046	\$ 271,367	\$ 276,794	\$ 282,330	\$ 287,977	\$ 293,736	\$ 299,611	\$ 305,603	\$ 311,715

Note: base salaries for years in rank beyond 10 years available upon request

# Base Salary (Draw)

- Assumes participant is achieving or in the case of new faculty, making reasonable progress towards achieving baseline expectations
- Baseline expectations includes participant achieving their cFTE adjusted WRVU target
  - Target for fiscal year 2017 based on the median of the MGMA benchmark and using a 3-yr rolling average = 5,251 per 1.0 cFTE
    - MGMA 2013 Report = 4,893
    - MGMA 2014 Report = 5,568
    - MGMA 2015 Report = 5,292
  - Target may be adjusted annually based on updated external benchmarks
- Base salary guarantees that any faculty member, even achieving no incentive pay, will be paid a base salary of at least the median of externally benchmarked compensation. They will then be eligible for the various incentives on top of the base salary.
- The inflationary factor monetizes the intangibles associated with seniority, experience, and years in rank.
- In cases where participant has high number of years in rank and then achieves promotion, the participant will not be subject to any base salary reduction. In this case the participant will not be eligible for base salary increases in future years until their draw becomes less than the base salary called for in the Plan.

# Administrative Stipend

- Certain administrative roles within the Department demand substantive time and effort. In recognition of the time and effort it takes to successfully achieve these roles, an administrative stipend will be paid to the incumbent in addition to base salary.
- Administrative stipends will be a fixed annual value and will be paid in 12 monthly installments. The value is independent from rank, seniority, or base salary. All individuals with like roles will receive the same stipend level. The administrative stipend is not subject to variation during the year, except under unusual circumstances such as substantive change in scope, percent effort, or resignation/removal from the role.
- Percent effort associated with administrative roles will serve to reduce cFTE and any associated clinical productivity targets in the Plan.
- The administrative stipend is guaranteed so long as the individual continues to fulfill the duties of the administrative role in good standing.
- All administrative roles to have a job description outlining responsibilities, requirements, percent effort allocation, and incumbent will have an annual performance review specific to the role. An individual serves in the administrative role at the discretion of the Yale Cancer Center Director and can be removed from that role at any time for any reason.
- In circumstances where a participant ceases to be assigned an administrative role, the administrative stipend will cease. Every effort will be made to enable the participant to recover the potential income loss by other means.



# Administrative Stipend

- Examples of administrative stipends shown in table below. The list below is for demonstration purposes only and is not meant to include all possible roles.
- All administrative roles included in the Plan require the approval of YCC Director.
- Annual administrative stipend levels set according to MGMA 3-year average of median base salary for Associate Professor rank; adjusted for percent effort

Administrative Role	Annual Administrative Stipend	Percent Effort Allocation (in dollars)
Associate Center Director	85,588	40%
Medical Director of Disease Team (GI, GU, etc...)	53,493	25%
Fellowship Program Director	106,985	50%
Fellowship Program – Assistant Director	32,096	15%
Director of Stem Cell Transplant	85,588	40%
Director of Adult Survivorship	32,096	15%
Co-Director of Cancer Risk and Prevention	32,096	15%

# Clinical Incentive

- Participants will have the opportunity to earn a clinical incentive bonus annually based on achievement of clinical productivity above a certain target.
- Baseline expectations include participant achieving their cFTE adjusted WRVU target. For a 1.0 cFTE this target is 5,251 WRVUs annually. This level of productivity is already “paid” as part of a participant’s base salary.
- Each faculty member has individual wRVU expectation based on their cFTE. The default or “starting point” for cFTE for all participants is 1.0. A participant’s cFTE may be reduced via administrative effort, clinical research effort, or funded research effort on an extramural award.
  - Hematology faculty participating in the 11N inpatient coverage or consult coverage will have an adjustment to cFTE related to their portion of block coverage, and any WRVUs achieved as part of this coverage will not be available for clinical incentive. In lieu of this, they will receive a fixed payment per 2 week coverage block for those blocks that are beyond baseline expectations.
- Any wRVU production in excess of the participant’s individual target earns a clinical incentive payment.
  - The clinical incentive payment per WRVU is set annually and is consistent with the 3 -year average of the 75<sup>th</sup> percentile of MGMA Compensation per WRVU benchmark (NPP excluded).
  - The rate is adjusted in order to fund other incentives within the Plan (rate is \$75.43 in FY16 Plan Year)
- The clinical incentive represents a strong incentive for clinical productivity beyond the baseline expectations.
- Any applicable payment will be calculated based on YTD performance and processed quarterly according to the following schedule:
  - Conclusion of first quarter = payment of 20% of projected annual payment
  - Conclusion of second quarter = payment of 40% of projected annual payment minus first quarter payment
  - Conclusion of third quarter = payment of 60% of projected annual payment minus first and second quarter payments
  - Conclusion of fourth quarter = payment of 100% of calculated annual payment minus first, second, and third quarter payments

# Clinical Research Recognition

- Meaningful participation in clinical research activities takes substantive time and effort and is a critical part of the mission of Yale Cancer Center. This acknowledgement is reflected in the Plan in that such activities and participation reduces cFTE, and thus reduces the participant's clinical productivity target.
- Any trial must accrue 2 or more patients in the respective Plan year for effort allocation to be included in cFTE calculation.
- Clinical research effort capped at lesser of 50% effort or that effort afforded by one's other extramural and administrative effort commitments. The cFTE for any plan participant cannot be less than 0.1 cFTE.

Clinical Research Activity	Percent Effort Allocation
Local PI of cooperative group trial or IST	1%
National PI of cooperative group trial	4%
PI of IIT (or externally peer reviewed)	6%
PI of IIT where Yale holds the IND	10%
PI of multi-center IIT	10%
PI of multi-center IIT where Yale holds the IND	15%
Accrual	0.5%

# APP Partnership Incentive

- Participants in each disease group share in an incentive driven by clinical activity of the APPs in that group above a target.
- Recognizes the value of utilizing the advanced practice provider in an effective way at maximum extent of their license. Creates partnership in participant/APP relationship. Rewards transfer of follow-up care/symptom management to the APP in order to increase access for new patients to physician schedule
- Target set at 50% of physician benchmark median – 2,625 WRVUs
- If an individual APP's clinical productivity exceeds expectations, then the WRVUs in excess of the target are applied to the group's APP Partnership Incentive Pool (Pool). Each WRVU in the Pool are valued at \$75.43 in FY16 Plan Year. The value of the excess WRVUs multiplied by \$75.43 will be distributed to the faculty participating in the group as the APP Partnership Incentive.
- For a participant to be eligible to receive any APP Partnership Incentive payment, they must have achieved their baseline expectations including their own individual clinical productivity target.
- The distribution of the Pool will be that each eligible participant receives a proportional share of the Pool based on their proportion of WRVUs out of the total eligible participant WRVUs in that group (see table).
- APP Partnership Incentive payments will be made once annually, at the conclusion of the fiscal year.
- APPs may have an opportunity to participate in a similar incentive process (still under development)

Participant	Participant WRVUs	% of WRVUs	APP Incentive Payment
Physician A	3,000	25%	\$7,072
Physician B	4,000	33%	\$9,334
Physician C	<u>5,000</u>	<u>42%</u>	<u>\$11,880</u>
Total	12,000	100%	\$28,286

The table demonstrates the distribution of a Pool formed by an APP producing 3,000 WRVUs (375 WRVUs in excess of the target) equaling \$28,286.

# Departmental Clinical Quality Incentive (effective FY17)

- Each participant is eligible for the departmental clinical quality incentive payment if the department overall achieves certain clinical quality or clinical process metrics.
- A minimum of 3 goals will be selected each year. Selection of metrics and their targets will be at discretion of Yale Cancer Center Director with input from participants, section chiefs, SCH Chief Medical Officer, SCH Chief Quality Officer, and other applicable Yale Cancer Center and/or Smilow Cancer Hospital leadership.
- Participants achieve/do not achieve incentive based on departmental performance, not individual performance. Partial achievement of goals will enable a pro-rated portion of the available payment to participants.
- The maximum incentive dollars available to the participants will be equal to a value up to four multiplied by the number of WRVUs performed by the participants in the Plan during the Plan Year. Any applicable payments will be a pro-rata share based on that participant's proportion of WRVUs compared to the WRVUs of all participants in the Plan.
- Examples of goals...
  - Maintain QOPI certification or achieve ASCO quality priorities
  - Achieve patient satisfaction targets
  - Clinical Pathway Adherence
  - End-of-life care; timeliness of hospice referral
  - Pain assessment
  - Emotional assessment
  - Inbasket metrics
- Departmental Clinical Quality Incentive payments will be made once annually, at the conclusion of the fiscal year. Distribution of the available funds will be based on cFTE.

# Academic Productivity Incentive

- Participants receive points based on number of publications and impact factor of journal
  - Impact factor of 0-10 equals 1 point
  - Impact factor of 10.01 or higher equals 5 points
- Point score qualifies participant for payment tiers based on expectations for rank
  - Higher ranks have higher expectations and higher payment levels in alignment with base salary metrics
- This is an incentive for academic work that exceeds the baseline expectations for publication activity at each rank.

Rank	Tier 1 Points	Tier 1 Payment	Tier 2 Points	Tier 2 Payment	Tier 3 Points	Tier 3 Payment
Assistant	3-5	\$2,500	6-7	\$5,000	8 or >	\$7,000
Associate	4-6	\$3,000	7-9	\$6,000	10 or >	\$8,000
Professor	5-8	\$3,500	9-11	\$7,500	12 or >	\$10,000

# Extramural Awards – 2 components

## Benefit #1

- A reflection of time and effort spent on extramural or funded intramural research
- As research FTE increases, cFTE declines
  - Effect is that target wRVU value is lower making more wRVUs eligible for the clinical incentive bonus
- Can include specific teaching roles from Department of Medical Education or other YSM departments which have effort and salary support specified

## Benefit #2

- Grant Incentive – one time bonus tied to NOA (PI or co-PI only on all awards above \$100,000 direct costs)
  - Incentive applies only in the first year of the award
  - Includes federally sponsored clinical research grants, but excludes clinical trial contracts
  - Tier 1 - \$100,000 to \$200,000 annual direct costs = \$2,500 incentive payment
  - Tier 2 - \$200,001 to \$300,000 annual direct costs = \$5,000 incentive payment
  - Tier 3 - \$300,001 or greater annual direct costs = \$7,500 incentive payment
  - Awards with less than \$100,000 annual direct costs do not qualify for grant incentive
- Incentive must be paid from clinical/departmental sources and cannot be applied against the extramural award

# Discretionary Award

- At the discretion of the YCC Director, recognition of exemplary qualitative factors a participant might bring to the department. For example,
  - Mentoring/coaching of junior faculty
  - Particularly high impact research findings or recognition of first/last author on high impact publications
  - Teaching quality
- Capped at 10% of base salary
- Section chiefs will recommend any proposed discretionary awards to YCC Director for approval
- Any applicable payments will be made one time annually at the conclusion of a Plan year.



# Outside the Department Incentives

- Paid directly by other departments and will be processed upon request according to the standard monthly payroll cycle
  - Moonlighting payments
  - Affiliated hospital speaker's honoraria
  - Pinnacle Care payments via Yale Medicine's program

# Transitioning to the Plan

- In year one (FY16), participants receive the better of historical compensation mechanism or the Plan.
- In year two (FY17), participants will all be on the Plan as defined
  - YCC Director will have “transitional discretion” to provide income support to any participant who would otherwise see a decline in income.
- In FY17, there may be instances where a plan participant is receiving an annual draw based on historical compensation which exceeds the base salary called for in the Plan. In such cases, the draw will not be reduced, however any incentives achieved will be applied against the excess draw. As such, no incentive payment will be made until such time that the sum of the Plan base salary and any incentives achieved exceeds the participant’s annual draw.
- There is not a cap on income growth resulting from implementation of the Plan.