Medical Center Faculty Compensation Policy Overview

April 27, 2016
Undergirding Principles

• WFBMC Board sets the medical center compensation policy
  • Current policy approved in 2012
  • Reaffirmed by full Board in March 2016
• Policy is broad so that it can be applied in clinical and basic science departments; mechanics look a little different in each arena.
• Policy mandates fixed and variable/incentive elements to individual compensation.
• Goal is to provide for recruitment and retention of high-quality faculty and to promote all parts of the academic mission.
FCAC Structure and Role

- Membership appointments set by Dr. McConnell
- Co-Chaired by Dr. Edward Abraham and Dr. Kevin High
- Policy on Faculty Compensation calls FCAC to:
  1. Assure faculty compensation plans:
     - Meet guidelines established by the Board
     - Align competitive compensation with overall institutional goals/objectives
     - Fair and transparent
  2. Serve as the appeal committee
  3. Annually review and provide input into:
     - Compensation rate/wRVU for each specialty
     - Percentage of fixed/variable compensation
     - Departmental compensation plans
  4. 2 faculty members from FRC serve on FCAC
     - New FRC finance subcommittee will also be advisory on compensation.
SOM Clinical Faculty

• Vast majority are not tenure track and have less than 50% of their compensation based on research grant funding.

• Compensation is largely driven by clinical revenues.

• Compensation is directed using AAMC databases at the median by rank and specialty

• Fixed versus variable compensation
  • Performance measures (RVUs, quality metrics, patient satisfaction)—objective criteria
  • Teaching, research, administration
  • Promotion

• Incentives if the medical center and given department exceeds budget expectations in a given fiscal year.
SOM Basic Science
Faculty Compensation Model

• The vast majority of Basic Science Faculty devote > 75% of their effort to research
• There is an expectation that these faculty members cover 75% of their research effort from grant sources
• The administration provides a 3:1 match to cover the remainder
• Failure to achieve this level of funding will result in a salary reduction
• Protective mechanisms are in place:
  • 3 year salary guarantee
  • Bridge funding
• Research Excellence Award (REA) is designed to incentivize faculty to cover > 80% of their salary
• In the current structure, any contribution above 75% is not matched, funds are held centrally to support programs like bridge funding and the REA
Revised SOM Basic Science Faculty Compensation Model

• Research-intensive faculty members are still expected to cover 75% of their research effort from grants

• Failure to achieve this level of funding may result in a salary reduction
  • The decision will be made at the Departmental level for the first 2 years and the Dean’s office will only get involved if the problem persists for 3+ years

• The 3:1 match will be calculated based on each faculty member’s full salary. Excess funds will be distributed at the Departmental level (and not retained centrally)

• Protective mechanisms will remain in place and will be supported centrally

• A revised incentive plan will be created, with substantive input from the faculty, to more effectively encourage faculty to support their salary off of research grants

• All didactic teaching will be viewed (and compensated) equally