

# Regulations Library

## The University of Utah

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# Policy 8-100: University of Utah College of Nursing Faculty Practice Organization Faculty Practice Plan

## Preamble

The University of Utah College of Nursing (CoN) Faculty Practice Organization (FPO) has been created to support the patient care, research, education and service missions of the CoN and its faculty. The FPO will promote and enhance faculty progress through the identification and development of research opportunities, high quality, cost-effective patient care delivery systems and educational products and services. Students will have opportunities to integrate knowledge and skills in a clinical setting under faculty supervision. It will encourage and facilitate participation in a competitive health care marketplace by pursuing and developing healthcare contracts and networks fulfill and expand the missions of the Health Sciences Center and benefit the health of the citizens of the Intermountain West.

FPO's success demands a strategic plan with clear and attainable long-term goals. Our unique community of faculty scholars requires that the CoN maintains a vital presence in regional nursing care with the development and provision of clinical services, educational and research developments and an integrated array of opportunities.

The development and expansion of our nursing services will continue to meet the educational needs of future nurses for this region and provide opportunities of research for nursing scholars. Expansion of our nursing services may occur through the creation of clinics, contracts and networking within the existing community.

It is the FPO's intent to permit, encourage, and expedite efficient marketing and contracting for faculty services. Under the direction of the Vice President for Health Sciences and the Dean for the CoN, the FPO Executive Committee (FPEC) will be empowered to act with binding authority in the creation or cancellation of contracts on behalf of its CoN faculty members. The FPO is poised and capable of responding expeditiously to new contracting opportunities in the local and regional health care industry, with full cognizance of all the competitive risk and legal constraints involved.

## Background

Evolutionary changes in the health care environment require innovative approaches to the organization and delivery of nursing services. Nowhere is this pressure being more strongly felt than within the academic health sciences center. Our faculty members practice under the inherent cost inefficiencies of an institution both dedicated to and in

some ways, burdened by the twin responsibilities of nursing education and research. Ongoing support for clinical teaching and clinical research opportunities is intimately tied to FPO's ability to develop and implement nursing services in existing and new environments. The FPEC is actively engaged in marketing, contracting, capitation, network development, coordinated patient billing and scheduling, and resource allocation. The faculty have also implemented quality assurance Procedures, provider profiling data and the development of practice guidelines.

## Section I. Purposes and Goals

The University of Utah CoN FPP (CoNFPP), exists to foster the teaching, research/scholarship and service missions of the College and University. The purpose of this Plan is to:

- A. Encourage and promote the participation of nurses in the healthcare market place. The FPO provides services of contracting and marketing activities. The FPEC of the FPO will be empowered to make decisions concerning contracts, subject to the approval of the Dean for the CoN, the Vice President for Health Sciences and the University General Counsel.
- B. Utilize a continuous quality improvement approach and the latest research finding to provide the most appropriate health care for the communities we serve. The FPO will encourage, support and facilitate the development of an electronic patient record system to provide a common record, accessible to all Health Sciences clinics and inclusive of all patients cared for within the Health Sciences hospitals and clinics. This record system should be interactive with that chosen for coordinated patient billing. Careful analysis of cost effective quality driven practice patterns will translate easily into the implementation of practice guidelines and cost effective practice patterns. This computerized database will provide a constant system of internal quality assurance and utilization review, and will support the development of ongoing outcome assessment analyses.
- C. Demonstrate innovative approaches to the delivery of nursing care. This goal is achieved through the development of new practice roles for nursing, expansion of nursing practice into new settings, or creation of new models.
- D. Maintain coordinated professional information, scheduling and billing systems. To enable an effective and competitive practice organization to emerge, a coordinated professional billing, scheduling and information system must be maintained. This system must allow for effective information gathering and data review on which future contracts, and renegotiated contracts will be based.
- E. Resource Distribution. The FPO will define criteria for clinical practice revenue distribution for clinical practice revenue within the CoN.

## Section II. Organizational Structure

The University of Utah College of Nursing FPO consists of the following elements:

- A. Faculty Practice Executive Committee (FPEC): The FPEC shall set FPO general priorities and budgets and will meet to review these activities on a quarterly basis, or more frequently as required. The FPEC responsible for resource allocation decisions with policy input coming from the faculty.
- B. Inaugural Process: Implementation requires approval by a majority vote of the College Council, review by University General Counsel, approval by the Dean for the College of Nursing, the Vice President for Health Sciences, the President of the University and the Utah Board of Regents.

## Section III. Clinical Income

- A. Net clinical income is defined as gross collections less client refunds. All revenue derived from the clinical activities of faculty members covered by this Plan shall be distributed in accordance with the provisions of this Plan. Except as otherwise provided in this Plan, this Plan includes any and all revenues derived from professional services rendered to clients.

- B. All professional billing and collections for clinical activities covered by this Plan must be made through a billing system approved by the Dean and the University Vice President for Administrative Services. Subject to the provisions of this Plan, net clinical revenues shall be distributed to the program area/practice group which generate them. If the employment of a faculty member terminates, all charges for clinical services rendered prior to the date of separation must be processed through the approved billing system. Except as otherwise agreed in writing between a faculty member and Dean, collections for clinical services rendered prior to separation of a faculty member are the property of the College of Nursing.
- C. This Plan does not cover:
1. Honoraria for lectures, visiting professorships, publications of articles and other forms of presentations and scientific or other personal awards.
  2. Royalties from publications.
  3. Legal consultations.
  4. Fees for participation on national peer review committees or site visits.
  5. Clinical income earned during vacation away from the University, provided that the vacation time is approved in advance and recorded with the department.
  6. Except as otherwise directed by the Division Director or Dean, industrial consultations not involving direct client care subject to the University policy on outside consulting.
  7. Income from technology licensing.

#### Section IV. Salary

- A. The salary of faculty members may have two components: academic salary and incentive salary. Total salary is the sum of these two components. The Dean will set the level of each component for each faculty member annually based on consultation with Division/Program Directors and the faculty members. Salary may be paid from any source available to the College including but not limited to clinical income, funds from health care facilities, and income from research or training grants, awards, contracts, state funds, etc.
- B. Academic salary is set annually and reflects academic rank and clinical experience. Academic salary is the only salary component which is associated with tenure or other forms of salary guarantees.
- C. Incentive salary shall be set pursuant to College Practice Plan guidelines. Incentive salary may reflect clinical, research/scholarship, teaching or administrative productivity. Incentive salary is discretionary, is not guaranteed, and is not associated with tenure.
- D. The Dean, annually with the Vice President for Health Sciences, shall review total salary amounts to encourage national salary competitiveness, compliance with this Plan, and overall consistency with the College of Nursing's mission.
- E. For purposes of this Plan, and subject to advance determination by the College, Veterans Administration Hospital salaries paid to faculty members covered by this Plan shall be treated as academic salary component.
- F. With the exception of (E), all salary payments shall be made through the University payroll system with appropriate deductions for Federal, State, and Social Security taxes. Academic salary shall be paid every other week and shall constitute the benefits base on which University benefits will be paid. Incentive salary shall be paid pursuant to College guidelines. No University benefits will be paid on incentive salary.

#### Section V. Assessments

- A. Annually each practice entity will pay to the Dean's Office an amount equal to 10 percent of net clinical income (gross collections less refunds).
- B. Annually each practice entity will pay an assessment of 10 percent to a faculty incentive pool.
- C. Annually each practice entity will pay an assessment of 10 percent to the program

area/practice group.

- D. The remaining 70 percent of net clinical income will be distributed by the Office of Clinical Affairs to the program area/practice group as incentive after faculty salary and benefits, operating and administrative expenses associated with a faculty practice have been paid. This income may be used for faculty incentive payments and/or for future practice developments as necessary to support the education and research missions.
- E. In addition to the assessment described in Section V., item A, each Plan Participant whose salary, exclusive of benefits (including adjustments for Veterans Administration Hospital Retirement Plan), exceeds 15% above the 100th percentile of the AACN published data for her/his rank and educational preparation will pay an additional assessment on the clinical income to the Dean's Office as set forth below:
  - 1. On that portion of total salary between 115% and 125% of the 100th percentile: the above assessment plus 10 percent of the additional salary.
  - 2. On that portion of total salary between 125% and 150% of the 100th percentile: the above assessment plus 14 percent of the additional salary.
  - 3. On that portion of total salary exceeding 150% of the 100th percentile: the above assessment plus 18 percent of the additional salary.
- F. For purposes of this paragraph, total salary does not include amounts paid to qualified retirement plans. The Dean will gather appropriate data or determine guidelines when more reliable data base sources vary from AACN figures.

## Section VI. Clinical Income Accounts

- A. Clinical Income Accounts (CIAs) are vehicles for deposit of receipts for client services related to nurse faculty clinical practice and for disbursement of that nurse faculty clinical income in accordance with the guidelines as further defined in this section. Clinical Income Accounts are designed to facilitate and expedite deposit of client revenues, to refund client overpayments, and to identify and lead to the distribution of clinical practice income to individual faculty of the College associated with a particular Clinical Income Account.
- B. Nurse faculty clinical practice income generated by individual faculty shall be deposited to a Clinical Income Account. Payment to individual faculty will be made from the appropriate University accounts based on distribution calculations made by the College. The University Payroll Department shall process such payments to individual faculty with appropriate deductions for benefits and payroll taxes in accordance with this Plan, applicable policies and laws with all income to be reported on W-2 forms. The University Payroll Department shall be cognizant of maximum calendar year contribution limitations of FICA, FICA-Medicare, and retirement programs such as TIAA/CREF, or Utah State Retirement on an individual basis.
- C. Disbursement from the Clinical Income Account may include reimbursements to clients or insurance carriers for overpayments or refunds or transfer to University-based accounts. Disbursements from specific Clinical Income Accounts may be made by authorized individuals as designated by the Dean or Division Director.
- D. Clinical Income Accounts will be established and maintained through University accounting systems or University approved accounting systems at no additional expense to the College. University accounts designated as Clinical Income Accounts and assigned to the various Dean, incentive, or program area/practice group accounts shall be interest bearing with earned interest transferred to appropriate accounts on a monthly basis.
- E. Clinical Income Accounts will be reviewed during an annual audit conducted by the Dean's Office of the College of Nursing and through other University related audits as deemed necessary. All accounts and funds used to pay faculty member salaries currently originate and are controlled in the Dean's Office and are reviewed and reported regularly to appropriate individuals and audited by other University auditors as deemed necessary. At the time the College is organized into departments having responsibility for their own accounts, all accounts and funds used to pay faculty member salaries will be subject to regular review and audit conducted by the Dean's Office of the College of Nursing and through other University-related

audits as deemed necessary.

## Section VII. Professional Expenses Allowable From University Accounts

The following expenses may be paid from Clinical Income Accounts provided they are approved by the Division Director and Dean and supported by appropriate invoices.

### A. Clinical operating expenses:

1. Annual city, county and state business licenses.
2. Federal and state narcotic licenses.
3. Salaries, wages, and fringe benefits.
4. Office rents, supplies, and equipment related to and necessary for the practice.
5. Billing expenses.
6. Marketing expenses.
7. Other operating expenses.

### B. Professional expenses

1. Malpractice insurance.
2. Membership and dues in academic and professional societies.
3. Travel and other allowable expenses to scientific meetings.
4. Supplemental support for educational or sabbatical leave.
5. Purchase of books, pamphlets and journals, if such publications are readily available for use by any and all members of the College or Division including students.
6. Expenditures necessary for educational and research programs.
7. Expenses involved in board certification and recertification.
8. Recruitment and relocation expenses for new faculty members.
9. College and/or program area assessments.

### C. Non-allowable expenses:

1. Membership and/or dues in social clubs.
2. Special assessment by any or all nursing specialty or subspecialty societies related to political action or charitable expenses.
3. Expenses associated with initial state nursing licensure, including examination fees and reciprocity fees.
4. Expenditure for personal use or purposes other than those that benefit the University in accordance with University policies and Procedures for expenditures.

## Section VIII. Additional Items

- A. Full-time faculty at affiliated private health care agencies are obligated to abide by the agreement between the CoN and the particular hospital.
- B. Full-time Veterans Administration Hospital nurses, including research associates and clinical investigators, may not perform consultations or give continuing care to the University Hospital clients for remuneration nor may clients be billed for their services no matter where the income goes unless approved in writing by the Dean and the VA Hospital Director in compliance with the Veterans Administration Hospital regulations.
- C. Full-time Veterans Administration Hospital nurses, including research associates and clinical investigators, may receive professional expenses from a University account if, and only if, such benefits are allowable under both University (Section 3-6) and Veterans Administration Hospital regulations (VAH circular 00-72-22, dated 6-3-70).

- D. Part-time Veterans Administration Hospital nurses shall be under the same rules and regulations as full-time members of the faculty.
- E. These regulations are subject to annual review and revision by majority vote of all College faculty and the Dean with approval by the Board of Trustees as necessary.
- F. These regulations shall become effective January 1, 1994, and acceptance of and compliance with these regulations shall be a condition of employment.
- G. A copy, with written confirmation of receipt, shall be supplied to every faculty member described in Section II, Membership.
- H. A faculty practice committee will be established to advise the Associate Dean for Clinical Affairs on matters of the FPP.
- I. Effective communications is considered essential to the success of the FPO. Faculty will receive regular reports and minutes of the FPEC meetings will be distributed to divisions.

**Contacts:**

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