

SLUCare
Participant Compensation Plan

July 1, 2000

Revised November 11, 2002

Revised July 1, 2004

Revised July 1, 2005

Revised July 1, 2006

Revised March 8, 2007

Revised October 9, 2014

Revised June 20, 2019

Revised June 10, 2020



SAINT LOUIS
UNIVERSITY

TABLE OF CONTENTS

| <u>Section</u> | <u>Page</u> |
|-----------------------------------|-------------|
| 1. Mission and Goals..... | 3 |
| 2. Compensation Plan | 4-9 |
| A. Eligibility | |
| B. Base Compensation | |
| C. Base Compensation Adjustments | |
| D. Dean/Department Pool | |
| E. Additive Compensation | |
| F. Performance Standards/Charters | |
| G. Appeals Process | |
| H. Annual Review of Plan | |
| I. Force Majeure | |
| J. Abbreviations | |

MISSION:

The SLUCare Participant Compensation Plan (“the Plan”) is designed to focus the medical group on the execution of short and long-term strategies to achieve the mission of SLUCare, and to further the achievement of the School of Medicine’s education, clinical services, and research objectives. In addition to these primary objectives, the Plan supports the following objectives:

GOALS:

- Provide a fair, equitable compensation plan for Plan participants (each a “Participant”) that is competitive in scope for our clinicians who are competent and mission-oriented;
- Attract, retain, and motivate quality physician/faculty administrators, educators, researchers, and clinical practitioners;
- Establish and reward desired performance levels in academic, research, clinical, and administrative work;
- Establish objective evaluations and competitive rewards according to unambiguous criteria that are realistic in scope, with the processes for both evaluation and compensation having clear, coherent, and comprehensive criteria;
- Support the SLUCare mission and strategic objectives by aligning rewards with health care industry operating imperatives;
- Provide a flexible design for rewarding individual contribution;
- Provide sufficient and realistic controls of revenues, expenses, profits, and losses in order to:
 - Create new medical-business initiatives;
 - Support the academic research goals of our School of Medicine; and
 - Strengthen and compete for our region’s public reputation as a quality University medical center.

Inherent in this Plan is the recognition that, in order to thrive, the Participants and Saint Louis University must work in a collaborative partnership toward common goals. The compensation plan must protect the financial interests of all parties, providing fair compensation to the Participants while assuring that the University retains earnings sufficient to secure its financial viability.

SLUCare members are expected to comply with all laws, regulations and University policies and to meet their obligations as expressed in *The Faculty Manual of Saint Louis University, 2020*, as may be amended from time to time (the “*Faculty Manual*”). In instances where SLUCare members are removed from a concurrent administrative appointment or compensation is adversely impacted under Section III.I.8 of *The Faculty Manual*, “Sanctions Short of Termination,” the limitations on compensation adjustments and the Appeals Process provided in the Plan shall not be applicable.

Deficiencies identified in reviews by the Department, the Compliance Office, or other bodies must be addressed in a timely manner.

Citizenship, as evaluated by the Chairperson and the Dean, must be consistent with the mission and values of SLUCare and Saint Louis University.

Availability of base compensation adjustments and incentive compensation bonuses are dependent upon the sustainability of the medical practice as a whole and approval by the University President of the budget.

COMPENSATION PLAN

A. Eligibility

The following describes eligibility to become a “Participant” under this Plan, and the degree of participation for each category of Participants:

| Category | Base Compensation Adjustments | Individual Incentive Bonus Compensation |
|--|---|---|
| Full-time physician faculty members | Full participation, subject to new faculty limitations. | Full participation. |
| Part-time physician faculty members | With Dean’s written approval, subject to new faculty limitations. | With Dean’s written approval. |
| New physician faculty members during first two years of employment | May receive increases, but no reduction. | Full participation. |
| Physician faculty with VA appointments who also have SLUCare clinical salaries | With Dean’s written approval, subject to new faculty limitations. | Eligible based on portion of FTE status allocated to SLUCare, with written approval of the Dean. |
| Participants who separate from employment with SLU | Participants who have given six months or more notice of resignation, may be eligible for base compensation adjustments. Participants who do not give six months’ notice of resignation will not receive base compensation adjustments. | Participants who have given six months or more notice of resignation, do not need to still be employed on the date the bonus is paid. Participants who do not give six months’ notice of resignation will not receive individual bonus. |
| Adjunct faculty | No participation. | No participation. |
| Physician faculty on phased retirement | Participation, if any, to be defined in letter agreement detailing terms of phased retirement. | Participation, if any, to be defined in letter agreement detailing terms of phased retirement. |

As reflected above, all full-time faculty are eligible to participate in the Plan. A faculty member is considered eligible for Plan participation when s/he has a clinical FTE (cFTE) of .7 or greater. Faculty members who are part-time can participate in the Plan with written approval from the Dean and a signed charter. Faculty members who fall below this cFTE because their buydowns exceed .3 will not be eligible to participate in the Plan. Faculty members who participate in activities that take away significant time from clinical work (i.e. Core Clerkship Director at .4 FTE) can appeal to be included in the Plan. These appeals will be reviewed by the PCRC and the Dean pursuant to Section G, below.

Buydowns:

The following outlines all funded buydowns allowable in the charter. Faculty must have a cFTE of .7 to participate in the Plan.

1. Administrative:

| | |
|-----------------------------------|--|
| Department Chair | Minimum cFTE of .3, Maximum total buydown of .7 |
| Division or subspecialty director | 0.2 FTE for 10 or more faculty, staff physicians, and advanced practice practitioners; 0.1 FTE for fewer than 10 faculty, staff physicians, and advanced practice practitioners. |
| IRB committee membership | 0.1 FTE IRB board members (clinical faculty physicians only) |

| | |
|---|---|
| Admissions committee membership | 0.05 FTE (clinical faculty members only) |
| Committee chairs: | Committee chairs: Finance, Compensation, Quality & Patient Safety, Credentialing & Peer Review – 0.05 FTE for faculty who are not department chairs. ^[2] Committee chairs where the committees meet less than monthly will not receive a buy down. [2] Other committee chairs that are not department chairs can petition the compensation committee for reduction of the clinical standard. |
| CAP-accredited Lab Director | 0.05 FTE |
| SSM-funded or other contract-funded administrative role | Clinical Administrative time, funded by SSM, previously included in the GME Funding Pool and not allocated to individual faculty members |
| Endowed chair | Funding to be applied to unfunded Administrative, Research, or Teaching buydowns. If the faculty member has no such buydowns, the endowed chair money can be used as a last resort to buy down clinical time. |

2. Research:

| |
|--|
| Salary recovery for funded research (e.g. NIH-sponsored, closed clinical trials) |
| Consulting dollars that support physician salary |
| Unfunded Research (if funded by the Dean) |
| “Over the Cap” / “Cap-Gap” funding – for any clinically active Researcher with an NIH grant (or other grant with a salary cap) and with a salary above approx. \$192,300, cap-gap funding should be funded by department designated funds or the SOM Education budget (hard dollars) |

3. Teaching:

| | |
|---|--|
| Core Clerkship director | 0.4 FTE |
| Core Clerkship co-director | 0.2 FTE |
| Course director and co-director of 4 to 5-week course | 0.1 FTE (pre-clinical years) |
| Course director of 3-week (or fewer) course | 0.05 FTE (pre-clinical years) |
| Longitudinal course director | 0.2 FTE (pre-clinical years) |
| Longitudinal course co-director | 0.1 FTE (pre-clinical years) |
| Teaching Academy/ Learning Communities | 0.1 FTE (pre-clinical years) |
| Residency program director | ACGME guideline for administrative non-clinical duties related to the program. |
| Associate/Assistant program director | ACGME guideline or 0.05 FTE; Multiple assistant directors, in the absence of an Associate director, will split time evenly |
| Fellowship program director | ACGME guideline or 0.1 FTE, an additional 0.05 FTE for 5 or more fellows |

B. Base Compensation

SLUCare is committed to the principle of fair compensation within the constraints of the organization’s ability to pay, operating performance, and market trends. It strives for equity among all Departments and

Divisions by ensuring that compensation principles and policies are uniformly applied to everyone who is a Participant. As such, it is the goal of SLUCare to recruit all full-time faculty members to be Plan Participants upon date of hire with a base salary targeted to be at least the 25th percentile of the AAMC benchmark for the faculty member's rank and specialty.

Base compensation is the annual salary awarded to a Participant and typically paid in equal monthly installments. Base compensation is subject to increase or decrease during the fiscal year in accordance with base compensation adjustment provisions below.

Base compensation is also reviewed by the Department Chairperson and the Dean as part of the budgetary process. This review may result in base compensation adjustments, with the Dean's approval, for promotions, equity, or marked variance from market compensation values.

C. Base Compensation Adjustments

An individual's base compensation will be reviewed and may be adjusted following completion of each review period, or as recommended by the Chairperson and approved by the Dean. This adjustment will be based on the individual's performance relative to the performance standards in his or her charter (see Section G). All performance standards are considered during this review.

Base compensation review shall be performed by the Performance Compensation Review Committee ("PCRC") consisting of the Dean, the SLUCare CEO (or representative from the Office of the CEO), the Chair of the SLUCare Executive Committee, a representative of the Finance Committee, and a representative of the Faculty Compensation Committee ("FCC"). The latter two representatives will be appointed by the Dean.

For quantifiable performance standards, when the individual Participant's performance exceeds performance standards set forth in the Charter during the review period, base compensation may be increased by up to 10% upon approval by the PCRC and the Dean. If a Participant's base compensation exceeds the 40th percentile of AAMC compensation for rank and specialty this may be distributed as a bonus or applied to base compensation up to 10% of the base compensation. Base compensation increases and bonuses must be sustainable by the Department and SLUCare, as determined by the PCRC.

For quantifiable performance standards, when an individual Participant's performance falls below the performance standards set forth in the Charter during the review period, a reduction of base compensation by up to 10% may occur upon approval by the PCRC and the Dean. Failure to meet qualitative performance standards covered by the charter may also be grounds for adjustment with recommendation by the Chairperson, and approval of the PCRC and the Dean.

The Chairperson may request that a base compensation reduction not occur. In order for this request to be considered, the request must be submitted in accordance with the appeal process and include the reason(s) for not instituting an adjustment and a plan of action developed with the faculty member for final approval by the PCRC and the Dean.

The review period for Base compensation adjustments shall be prospective. The next review period will be July 1, 2020 through May 31, 2021. Thereafter, the review period will be June 1 through May 31. Base compensation adjustments will be effective July 1 following completion of each review period, and shall remain in effect until the next annual adjustment.

Participants on an approved FMLA leave, or other University-approved leave, may have their productivity pro-rated or be temporarily exempt from base compensation adjustments depending on the length of their

leave so that they will not be negatively impacted by their leave. In addition, in recognition of the time necessary to build a practice, Participants shall not receive a reduction of base compensation under this Section C during the first two (2) years from date of their employment.

Participants must be in good standing as a faculty member in the School of Medicine to receive a compensation increase pursuant to the Plan. For purposes of this Plan, participants are not considered to be in good standing if their behavior is the subject of an investigation (conducted by SLU, SSM, or an administrative agency) and that investigation is pending for the majority of a review period. If suspended or unable to work due to the nature of a pending investigation, the University will not pro-rate a faculty member's productivity expectations as contained in their faculty charter. If the investigation or administrative proceeding results in a finding that no policy violation has occurred, the Participant may, at the Dean's sole discretion, be eligible for retroactive compensation adjustments and/or individual incentive bonus.

D. Dean/Department Pool

The Pool is the SLUCare Practice's positive net operating income available at the end of each fiscal year. The Pool shall be used to invest in the department. This can be done in a number of ways, including but not limited to increasing base compensation or providing a bonus for high achieving faculty who do not meet all of the charter standards that make them eligible for a compensation plan adjustment, providing retention increases for faculty, and/or advancing the strategic mission of the department. During the fourth quarter of each fiscal year, the department plans for the Pool will be submitted to the compensation committee for review and Dean for approval.

Department Pool funds are awarded at the sole discretion of the Dean and are not guaranteed. The size of the Pool may vary from year to year and does not affect the base compensation adjustment or productivity compensation calculation or amounts

E. Additive Compensation

Additive compensation is an additional means of compensating a Participant for performing additional duties and responsibilities for a specific period of time, and/or for making extraordinary contributions to the Department or SLUCare, clearly exceeding expectations.

Additive compensation is not guaranteed, may vary in amount from year to year, may terminate at any time, and does not affect the incentive bonus compensation or base compensation adjustment calculation or amounts.

F. Charters

Charters are guiding documents defining the performance standards for each individual Participant for the academic year. Charters for each Participant will be established by the Chairperson, after consultation with the Participant, and will be subject to approval by the Dean. Charters will be issued consistent with each review period. The next review period will be July 1, 2020 through May 31, 2021. Thereafter, the review period will be June 1 through May 31.

The charter shall define clinical, administrative, research, teaching, strategic and other responsibilities of the Participant. It shall include measurable standards that the Chairperson and the Dean deem appropriate to assist the Department in assuring that its goals are met.

Individual performance standards will be deemed to include, regardless of specific reference in the

individual's charter, compliance with policies, applicable laws and regulations, satisfactory citizenship, quality of care, and conduct that support the mission and goals of the University, SLUCare, the Department, and the School of Medicine.

Any Participant who does not maintain compliance with policies, applicable laws, and regulations, including, but not limited to, billing and HIPAA regulations, satisfactory citizenship, quality of care, and conduct, may have his or her base compensation reduced outside of the process set forth in Section C above as recommended by the Chairperson and approved by the Dean. In addition he or she will be ineligible for incentive bonus compensation for the then-current academic year.

Those Participants whose non-compliance entails fraudulent billings, fraud related payment refunds, or legal infractions shall repay any increase in base compensation or incentive bonus compensation received during the period of non-compliance, as recommended by the Chairperson and approved by the Dean.

G. Appeals Process

In the event a Participant wishes to challenge compensation received under the Plan or believes that the procedures in the Plan have not been followed, he or she may file an appeal. This appeal process represents the primary remedy within the administrative processes of Saint Louis University for complaints related to Participant base compensation adjustments or incentive bonus compensation. The appeal process is as follows:

The Participant first discusses his/her concern with the Chairperson and other Department leadership, as appropriate.

If not satisfied, the Participant may send a written appeal to the FCC with a copy to the Dean within thirty (30) days of receipt of the compensation adjustment or distribution of incentive bonus compensation. This appeal should detail the steps and actions taken to resolve the matter with Department leadership. The appeal should also identify the desired resolution, and the basis for the assertion that the compensation decision did not follow the terms of the Plan.

The FCC reviews the appeal and makes a recommendation to the Dean. The Dean will make a final determination on the appeal.

H. Annual Review of Plan

At least annually, the FCC will:

1. Review the provisions of the Plan,
2. Resolve issues raised regarding the provisions of the Plan,
3. Recommend amendment, modification, or discontinuation of the Plan.

The President of the University will review the Plan, and approve any amendments thereto from time to time, with amendments of the Plan being effective at such time as the President shall prescribe. This Plan document shall be incorporated by reference in the appointment letters of all Participants, with such letters being subject to any amendments of the Plan as may occur from time to time.

I. Force Majeure

If during any review period while the Plan is in effect, SLUCare operations are substantially disrupted, by

force majeure, the Dean shall have the authority to temporarily suspend the Plan and make necessary salary adjustments needed to address budget concerns. The term “force majeure,” shall mean any act, event, cause or occurrence rendering a party unable to perform its obligations, which act is not within the reasonable control of such party. Examples of force majeure events include, but are not limited to acts of terrorism, acts of state or the United States, war, strikes, labor shortages, epidemics or any natural disaster, including but not limited to flood, fire, earthquake, tornado, or extremely severe weather conditions. In no event shall Saint Louis University be liable a faculty member for incidental, consequential or any other damages resulting from an act of force majeure. Any decision to invoke the force majeure clause will be made by the Dean and the President in consultation with the Governing Board of *SLUCare* Physician Group and is not subject to appeal.

J. Abbreviations

DNI – Department Net Income

FCC – *SLUCare* Faculty Compensation Committee

FMLA – Family and Medical Leave Act

FNI – Final Net Income

PCRC – Performance Compensation Review Committee

Other capitalized terms are as defined in the Plan.