

LSUHSC SOM FY 10 FACULTY INCOME PLAN PHYSICIAN LETTER AGREEMENT AND CONTRACT DOCUMENTATION REQUIRED FOR SERVICES PROVIDED

To comply with all State Regulations and to enhance the SOM current policies, the following will be required for all faculty base and supplement compensation in FY 10, which begins July 1, 2009:

- 1. Signed Faculty Income Plan Agreements with the July 2009 supplement PERs due on July 10, 2009.**
2. Accurately reflect the current base compensation of each faculty. Please do not incorporate any July 1, 2009 or later base or supplement increases on the FIP.
3. Base compensation must be fully earned before supplement can be paid to any physician unless on a guaranteed LOO.
 - 3.1. Additional Compensation can only be paid to individual faculty that are fully funded from MBB, Contracts, Grants, Billing and Collections, and other earned sources of revenue and supported by the appropriate documentation,
4. Accurately reflect the estimated level of supplement by the appropriate funding source for services that can be documented to support such supplement including time sheets, schedules, LOOs, account balances, etc.
5. Base and Supplement compensation must be charged to the appropriate accounts.
6. Documentation is required to validate that services were provided in accordance with all STATE and PRIVATE contracts and availability of funding for specific services. This documentation is required to be provided to all hospitals/sites to support LSUHSC SOM invoices and must be attached to all PERs.
 - 6.1. Time sheets and all other required data within the contract will be required in a timely fashion for all professional service contract that are not combined with any supervision contracts for the same program at the same site. Each time sheet is required to be signed by each individual physicians providing services and summarized by the department for invoicing and to ensure appropriate charge capture.
 - 6.2. Schedules and all other required data within the contract will be required timely for all supervision contracts, and for all professional service contracts that also involve supervision contract for the same program at the same site. Example at MCLNO would be Pathology which has a resident supervision and a professional service contract. Schedules must be signed by each physician providing services and summarized by the department for invoicing and to ensure appropriate charge capture.
 - 6.3. If an individual physician provides strictly professional services and no supervision services than the individual physician must support their level of services with a time sheet.
 - 6.4. Schedules and all other required data within the contract will be required for all directorship contracts.
 - 6.5. Schedules must be signed by each physician providing services and summarized by the department for invoicing and to ensure appropriate charge capture.
7. The department must develop an allocation process that documents the percent of effort for each individual faculty providing services to each facility/site including professional services, supervision, directorship services, HCN services, teaching, administration duties and/or strategic funding for growth.

- 7.1. The allocation documentation must be attached to all PERs to support the level of compensation and the appropriate distribution of such compensation for each faculty.**
- 7.2. The contract documentation (time sheets and/or schedules) must support the base and supplement compensation allocation process for each individual physician.
- 7.3. The allocation process for each individual physician must support all PERs and support the ledgers to comply with any audit.
- 7.4. IN SUMMARY the contract documentation must be consistent with the allocation process which must be consistent with the PERs which must in turn be consistent with the ledgers to ensure compliance with all State and Federal regulations. The departments should only process PERs to the SOM that comply with PM 69.**
8. Supplement compensation can only be paid to the level of services provided by each individual physician in accordance to the fully executed contracts and up to the availability of funding for specific services.
 - 8.1. NO STATE CONTRACT OF ANY KIND CAN BE TAXED AT THE DEPARTMENT OR DEAN LEVEL AND ONLY PHYSICIANS PROVIDING SPECIFIC SERVICES ON SPECIFIC STATE CONTRACTS CAN BE COMPENSATED FROM THESE CONTRACTS.
 - 8.2. PRIVATE CONTRACTS CAN BE TAXED AT THE SUPPLEMENT LEVEL ONLY BY THE DEPARTMENT AND DEAN'S OFFICE. ONLY PHYSICIANS PROVIDING SPECIFIC SERVICES ON SPECIFIC PRIVATE CONTRACTS CAN BE COMPENSATED FROM THESE CONTRACTS. Discretionary funding from private contracts can support departments' strategic growth opportunities either from taxed contract funds or account close out funds.
- 9. Account balance reports reflecting the specific accounts utilized to pay any base and/or supplement must be attached to all PERs starting July 1, 2009.**
- 10. No base or supplement can be paid or processed to the SOM on any account that is more than 60 days in deficit unless a reasonable explanation is provided.**
- 11. Contract payment language must be attached to all PERs July 1, 2009 and for all non executed contracts beyond August 1, 2009 to verify the contract value.**
- 12. Additional compensation for all on call pay must have supporting documentation for all PERs starting July 1, 2009.**
- 13. All payments to gratis and part time faculty must follow the appropriate process for any form of compensation and be supported with the appropriate documentation signed by the faculty and attached to proper process starting July 1, 2009.**
- 14. DEPARTMENTS WILL PROVIDE QUARTELY SUPPLEMENTS STARTING JULY 1, 2009 for faculty funded from various contracts fully executed, HCN, and other sources, and 6 MONTH SUPPLMENTS for faculty funded 100% from fully executed contracts not in deficit. Departments will be required to provide monthly supplements for faculty funded on unexecuted contracts with the proper documentation.**

This process will enhance the department's abilities to comply with all State Regulations, LSU System Office Policies, and LSUHSC Policies and will improve the accuracy of invoicing, appropriate level of faculty compensation, and charging faculty compensation to appropriate accounts based on percent of effort reporting by faculty and source of funding.

LOUISIANA STATE UNIVERSITY
SCHOOL OF MEDICINE IN NEW ORLEANS
Department of _____
Faculty Income Plan Agreement
For the Period of July 1, 2009 through XXXX, FY 10 (insert date)
Faculty Member's Name

It is my understanding that as a faculty member of the LSU School of Medicine in New Orleans, my University compensation for the period stated will total \$_____ (stated in annual terms). This compensation will be comprised of the following:

- 1) **A base salary of \$_____,*** to be paid from the University budgetary sources; and
- 2) An annual supplement of \$_____ to be paid from the following sources:
 - a. \$_____ from the XXXX Resident Supervision Contract
 - b. \$_____ from the XXXX Professional Service Contract
 - b. \$_____ from the XXXX Medical Direction Contract
 - c. \$_____ from a Contract or Grant (listed separately)
 - d. \$_____ from the Faculty Group Practice or Departmental Faculty Compensation Fund

I recognize that LSU will withhold from my compensation and make the required employer's contribution to the Teachers' Retirement System of Louisiana or the Optional Retirement Plan, as the case may be, only on those amounts which are classified by LSU as "base salary" or "base compensation." (No amounts other than "base salary" or "base compensation" shall be considered "earnable compensation" for purposes of retirement. No retirement benefit will be calculated or paid by the Teachers' Retirement System of Louisiana on any amounts other than "base salary" or "base compensation.") I also understand that the base salary listed is the base for FY 09 as any proposed increases in base compensation that might be recommended are subject to administrative review and approvals.

I further understand that if I do not generate sufficient income, after overhead, to yield the amount agreed upon listed under ***"base and supplemental salary," and I do not timely provide the required documentation to ensure proper invoicing, I will accept a reduced supplemental amount during FY 09-10; additionally, should my duties and responsibilities change substantially, compromising a source of funding for my base compensation, I recognize that my supplemental compensation might also be decreased.*** Should the income generated, after overhead, exceed those needed to support the amount agreed upon listed under "supplemental salary, I may be eligible for an increased amount of "supplemental salary" during FY 09-10 upon agreement of all parties.

*Base salary as determined by the University. Amount shown reflects the current level of University base salary and is subject to change as determined by LSU System and Health Sciences Center salary policy for FY 09-10.

Faculty Member's Name
Title:
Department:

Department Head Name
Title:
Department:

Steve Nelson, M.D.
Dean
School of Medicine in New Orleans

Larry Hollier, M.D.
Chancellor
LSU Health Sciences Center