10. Non-cash Compensation ................................................................. 27
11. Complaints and Appeals ............................................................... 28

INCOME LIMITATION PLAN (ILP) ..................................................... 28

BENEFITS .......................................................................................... 28
A. Base Salary-Related Benefits ........................................................ 28
B. Optional Benefits on Additional Compensation .............................. 29
C. Paid Leave .................................................................................... 29
  1) Extended Illness Leave ............................................................... 29
  2) Childbearing Leave ................................................................. 30
  3) Childrearing/Parental Leave With Pay ......................................... 31
  4) Childrearing/Parental Leave Without Pay .................................... 31
  5) Other Paid Leave ..................................................................... 31
  6) Bereavement Leave ................................................................. 31
D. Sabbatical and Professional Development Leave ............................ 32
E. Vacation Leave ........................................................................... 34
F. Active Service Modified Duties (ASMD) ....................................... 34
G Unpaid Leave: ............................................................................ 35

VI. ACCOUNTING AND BUDGETING METHODS ........................................ 35
A. Management and Reporting of Income and Expenses .................. 35
B. Assessment of Professional Fee Income ....................................... 36
  1) Patient Care Taxes .................................................................. 36
  2) Outside Professional Income .................................................. 36
C. Budgeting and Accounting ........................................................... 36

VII. IMPLEMENTATION AND TRANSITION ARRANGEMENTS .................... 37

APPENDIX ....................................................................................... 37
Requirements for Continuation of the Income Limitation Arrangements .......... 37
I. INTRODUCTION

The Health Sciences Compensation Plan (“Regents’ Plan” or “Plan”) was approved by The Regents of the University of California in July 1999 and amended in 2012 for implementation at all University of California health sciences schools. In accordance with the Regents’ Plan, the President issued Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants. The procedures contained herein (“Implementing Procedures”) provide supplementary regulations for implementation of the Regents’ Plan at the University of California, San Francisco (UCSF) School of Medicine.

In adopting these Guidelines, the faculty and administration of the Department of Medicine affirm the philosophy outlined in the Plan. The Plan, the Implementing Procedures, and these Guidelines will be used in the Department of Medicine to foster academic balance among the joint responsibilities of teaching, research, patient care, and other public service responsibilities. Individual levels of compensation shall be established so as to maintain this academic balance and to permit the recruitment and retention of the individuals necessary for the Department of Medicine to fulfill its missions at a level of excellence.

In addition to these Implementing Procedures, faculty who are members of the Plan (“Plan Participants”), as defined in section IV of these Implementing Procedures, are also subject to the requirements of other University policies, including (1) the University’s Conflict of Interest code, adopted pursuant to the requirements of the Political Reform Act of 1974, which requires designated University employees to disqualify themselves from participating in University decisions in which they have a personal financial interest; and (2) the Policy on Requirements to Submit Proposals and to Receive Awards for Grants and Contracts Through the University. A Plan Participant’s compensated outside activities may create an obligation for the Plan Participant to disclose a financial interest before making or participating in certain University decisions. Faculty may obtain information on the disclosure and disqualification requirements of the Political Reform Act of 1974, including the Academic Decision Regulation, from the campus Office of Legal Affairs.

II. REVIEW AND APPROVAL RESPONSIBILITY

These Implementing Guidelines are developed to be consistent with the policy framework of the Regents’ Plan. Affected Plan Participants in the Department of Medicine shall be afforded the opportunity to review and comment on any proposed
revisions to the Department of Medicine guidelines, including consultation with the School of Medicine Compensation Plan Advisory Committee (“SOM Advisory Committee”). All such revisions shall be reviewed by the Advisory Committee and approved by the Dean or his/her designee prior to implementation.

The Chancellor may approve individual exceptions to the provisions of the Regents’ Plan to meet special teaching, research, or clinical service requirements. All such exception requests shall be proposed by the Chair and approved by the Dean or his/her designee prior to the Chancellor’s review. The School of Medicine (SOM Advisory Committee shall be provided the opportunity to review and comment on any proposed exception(s) to these Implementing Procedures that the Dean intends to submit to the Chancellor for approval.

SOM ADVISORY COMMITTEE

The SOM Advisory Committee’s role is to assist the Dean in resolving issues that may arise from Plan implementation. The SOM Advisory Committee assists by assuring compliance with and resolving issues on outside professional activities, conflict of interest, and conflict of commitment. The Committee also reviews the submissions of individual Department and Unit compensation plans (“department/unit guidelines”).

The SOM Advisory Committee shall consist of six voting members, all of whom must hold faculty appointments and must be Plan Participants in good standing. The Dean shall appoint three members and then three members shall be elected from the School’s Plan membership. At least one member from each title series shall serve on the Advisory Committee at all times; the sixth member may represent any title series. The members shall be representative of the disciplines participating in the Plan. Elected committee members’ terms shall be staggered in order to promote the stability of Committee membership. The terms of service will be three years; elected members may renew their term of service once.

The SOM Advisory Committee’s function shall include advising the Dean on:

1) Development of the School Implementing Procedures, including the establishment of Good Standing Criteria, Academic Programmatic Unit (APU) assignments, and APU Scales. (See APM - 670-18-b for more information on APUs).

2) Department/Unit Guidelines, including methods for obtaining faculty input and for determining consistency with these Implementing Procedures.

Revised: 7/1/2014
3) Review of potential conflicts between a Plan Participant’s commitment to generating revenue within the Plan and his/her outside professional activities. *(See APM - 670-19-c).*

4) Review of Plan Participants’ appeals regarding implementing and administering the Plan that are not resolved at the department or school level or are submitted to the Advisory Committee as a result of a determination of being found Not in Good Standing. Plan Participants who are Academic Senate members may pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Plan participants who are Non-Senate faculty are entitled to a Step III hearing under the Academic Personnel Manual (“APM”) - 140.

The Advisory Committee shall provide an annual summary report on its activities to Plan participants, the Dean, and the Chancellor.

**III. GOOD STANDING CRITERIA**

**DEFINITION OF GOOD STANDING**

Plan Participants shall be deemed in Good Standing until they are otherwise found to be not in Good Standing.

Plan Participants should meet department/unit guidelines regarding productivity in research, teaching, patient care, mentoring, and University service, as defined by their series, rank and step.

Plan Participants are responsible for actively participating in activities that support the Department of Medicine’s objectives. Plan Participants are expected to demonstrate professional behaviors in all areas of work and share responsibility for the overall success and well-being, including financial well-being, of the department/unit.

Loss of Good Standing may occur in the following instances:

- Finding of faculty misconduct
- Finding of research misconduct
- Finding of unsatisfactory performance in a Five-Year review
- Refusal or failure to participate in assigned duties
- Loss of clinical privileges (as required)
- Loss of licensure and/or credentials (as required)
- Refusal or failure to complete required trainings
- Lack of compliance with University policy and/or reporting requirements
• Failure to meet expectations related to the generation of salary support and/or shared expenses

ADMINISTRATIVE REVIEW PROCESS

In cases of disagreement related to the determination of Good Standing of a Plan Participant or to specific consequences, the Chair shall meet with the Plan Participant to discuss how to remedy the situation and review the specific consequences, as determined by the Plan including, but not limited to, initiating the formal process outlined below. The Chair and the Plan Participant should strive for informal resolution as appropriate to the circumstances, but a specific timeline for resolving the conflict must be defined by the Chair. The Chair shall prepare a written document that summarizes the discussion; a copy of this document shall be given to the Plan Participant.

If informal resolution is unsuccessful, the Chair must provide a written statement that summarizes the reason(s) for requesting that a Plan Participant be deemed Not in Good Standing. The document should include recommendations on what actions the Plan Participant must take if they are deemed to be Not in Good Standing. Relevant back-up documentation should be included.

The Plan Participant shall be given a copy of the Chair’s written statement and have the opportunity to provide a written response to the Chair within 14 days. If the issue is resolved within the 14 day response period, the Chair shall provide the Plan Participant with a written document that the matter is closed.

If the issue is not resolved within the 14 day response period, the Chair’s written statement, any supporting documentation, and the Plan Participant’s response (if provided) shall be sent to the Dean.

If the Dean agrees with the Chair’s assessment, the Dean shall issue a written determination that the Plan Participant is Not in Good Standing. This written document will describe any corrective action(s) that must be taken in order for the Plan Participant to return to Good Standing. A copy of the Dean’s determination shall be provided to the Plan Participant, the Chair, and the Vice/Associate Dean of Academic Affairs.

If the Dean does not agree with the Chair’s assessment, the Dean will issue a written determination that the Plan Participant remains in Good Standing. A copy of the Dean’s determination shall be provided to the Plan Participant, the Chair and the Vice/Associate Dean of Academic Affairs.
Appeal process: If a determination is made that the Plan Participant is Not in Good Standing and the Plan Participant believes that the Good Standing Criteria were applied unfairly, the Plan Participant may appeal to the Advisory Committee. The Advisory Committee shall review the documents, may interview the Plan Participant and/or the Chair, and prepare a written assessment for the Dean. The final decision will be made by the Dean. Plan Participants who are Senate members may pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Plan participants who are Non-Senate faculty are entitled to a Step III hearing under APM - 140.

CONSEQUENCES

The following consequences may be imposed on Plan Participants who are determined to be Not in Good Standing:

- Prohibition from participating in and/or retaining income from outside professional activities.
- Decrease in negotiated compensation (Y; see APM - 670-18-c (1)).
- Loss of or reduction in incentive compensation (Z; see APM - 670-18-c (2)).
- Requests for any academic leave will not be approved and/or requests that were previously approved will be reconsidered.

Additional consequences may result, as set forth by other policies.

RETURN TO GOOD STANDING

To return to Good Standing, the Plan Participant must submit a written request to his/her Chair that outlines how the issues were resolved or rectified. The Chair shall review the request, assess the Plan Participant’s progress and submit his/her written recommendation to the Dean, along with the Plan Participant’s request and other supporting documentation, if applicable. If the Chair’s written assessment states that no progress or insufficient progress was made, the Chair should specify in his/her written recommendation to the Dean what further actions must be taken.

If the Dean endorses the Chair’s assessment that no progress or insufficient progress was made, the Dean will notify the Plan Participant in writing that he/she is not returned to Good Standing and outline what further actions must be taken. A copy of the Dean’s determination shall be provided to the Plan Participant, the Chair and the Vice/Associate Dean of Academic Affairs.

If the Dean determines that all issues were resolved, the Dean shall provide a written assessment to the Chair. The Chair shall notify the Plan Participant in writing that s/he
has returned to Good Standing. A copy of the Dean’s assessment shall be provided to the Plan Participant, the Chair and the Vice/Associate Dean of Academic Affairs.

If the Plan Participant does not submit a written request to the Chair, s/he shall remain Not in Good Standing.

If a Plan Participant remains Not in Good Standing for more than one calendar year, the Chair may wish to pursue further action(s), as set forth by other academic policies.

**APPEAL PROCESS**

If the Dean determines that the Plan Participant has not returned to Good Standing and the Plan Participant disagrees with this determination, based upon unfair assessment or application of criteria, the Plan Participant may appeal to the Advisory Committee. The Advisory Committee shall review all written documents, may interview the Plan Participant and/or the Chair, and will prepare a written assessment for the Dean. The Dean will make the final decision. Plan Participants who are Senate members may pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Plan participants who are Non-Senate faculty are entitled to a Step III hearing under APM - 140.

**IV. MEMBERSHIP IN THE HEALTH SCIENCES COMPENSATION PLAN**

Membership in the Health Sciences Compensation Plan (“the Plan”) is a term and condition of employment. All new and continuing Plan members will receive a copy of the Regents’ Plan document, the School Implementing Procedures, and these Department of Medicine Guidelines, as well as any related documents or policies.

Membership in the Plan continues so long as the Plan continues to be in effect. Separation from an eligible appointment terminates membership in the Plan.

School of Medicine faculty members employed by The Regents shall be Plan Participants if they hold University-funded appointments at greater than 50 percent of full time in a School of Medicine department or unit in any of the following professorial series: Professor, Professor in Residence, Professor of Clinical _____ (e.g., Medicine), Adjunct Professor, Acting Professor, Health Sciences Clinical Professor, and Dean. Faculty in the Visiting Professor series who receive income for clinical services and meet the above criteria are also Plan Participants.
Faculty members who are otherwise eligible to be Plan Participants, as defined above, but who have appointments of 50 percent of full time or less may participate in the Plan upon the recommendation of the Chair and approval by the Dean or his/her designee. For the Department of Medicine, plan membership is required of faculty members at the San Francisco Veterans Affairs Medical Center ("SFVAMC") who are in ladder rank, In-Residence, or Clinical "X" series (i.e., they are members of the Academic Senate) and who receive funding from UCSF, even if their University-funded appointment is 50% or less of full-time. Clinical and Adjunct faculty members (i.e., not members of the Academic Senate) at the SFVAMC who receive funding from UCSF will be members of the Compensation Plan if their UCSF funded appointment is greater than 50%. SFVAMC faculty who do not receive any salary support from the University will not be members of the Compensation Plan.

Deans and other faculty administrators in Plan schools shall be Plan Participants if they hold an underlying Health Sciences Compensation Plan faculty title; however, salary and reporting requirements are defined by the personnel policies that govern administrative appointments. If the faculty position is funded by two or more School of Medicine departments/units, the Plan Participant shall be subject to the department/unit guidelines of the department/unit in which the preponderance of his/her academic activities occurs. Exceptions to this policy must be requested by submission of a written explanation for the request by the relevant Chairs/Directors and must be approved by the Dean or his/her designee.

If a Plan Participant’s position is funded by two or more professional schools with health sciences faculty compensation plans, the Plan Participant shall belong to the compensation plan within the School in which his/her academic home department resides. Exceptions to this policy must be recommended by the relevant Chairs/Directors, endorsed by the Dean(s), and must be approved by the Chancellor.

A member of the faculty who was appointed in a health sciences school at the time of his/her retirement may be recalled in accordance with APM 205. All recalled faculty are limited to a maximum total monthly effort of 43 percent. In the Department of Medicine, retired faculty members are recalled to base salary appointments (X, X’), and are not Plan Participants.

Plan Participants remain members of the Plan while on vacation and other paid leaves, even if salary is reduced to covered compensation (X) or Base Salary, as well as while on unpaid leaves. Thus, while on any leave, Plan Participants are bound by the rules of the Plan, including but not limited to those rules relating to outside professional activities and income due the plan.
V. COMPENSATION AND BENEFITS

No single member professional corporations, or any other form of professional corporation, partnership, or other entities for the provision of professional health care shall be permitted for faculty under the Plan without the express written approval of the President.

Affected Plan Participants have the opportunity to review and comment on proposed Department of Medicine guidelines as well as any significant modifications, including the setting of approval thresholds, setting of APUs and department assessment rates.

These guidelines shall detail:
- the Base Salary scale(s);
- the manner in which Additional Compensation is negotiated;
- the methodology for calculating Incentive Compensation and the frequency of payments;
- department requirements on occasional outside professional activities, including good standing criteria;
- the department policy on collecting and distributing all income paid into the Plan; and
- department policies regarding paid and unpaid leaves of absence and sabbaticals.

Plan Participants’ input on proposed department guidelines and subsequent revisions must be obtained by consultation with all affected Plan Participants in a department. Revisions to guidelines must be reviewed and approved by the Dean or his/her designee and may only be altered to take effect on July 1 of each fiscal year. Department guidelines may be more, but not less, restrictive than the Regents’ Plan and must be consistent with the School of Medicine Implementing Procedures.

Individual salaries shall be negotiated annually between each Plan Participant and his/her Chair. Requests for salary increases that exceed the specified percentage determined by the Dean require the approval of the Dean or his/her designee.

Additional compensation shall be paid in accordance with the applicable University and department guidelines during sabbatical leave, vacation leave, extended illness leave, or other types of paid leave.

By July 1 of each fiscal year, each Plan Participant shall receive in writing from his/her Chair a statement of proposed compensation for the forthcoming period July 1 – June 30. Base Salary scale assignment, Additional Compensation, and the methodology for calculating Incentive Compensation must be detailed in this statement.
For faculty engaged in compensated clinical activities, in the event of termination of employment any outstanding account receivables will be treated in accordance with the compensation arrangement of the individual faculty member. Receivables originated by those without Incentive Compensation will be the property of the University. Incentives earned by a faculty member prior to leaving the university will be paid to the faculty member through the University of California payroll system.

COMPENSATION

A. Total Compensation

Plan Participants shall receive Base Salary, as described below and in APM 670-19, be eligible for optional University additional compensation, as described below, and be permitted to retain other miscellaneous income, as described below and in APM 670-19. Payment under the Plan shall be made directly to the Plan Participant in his/her individual capacity.

Generally, off-scale salaries are not permitted. No state funds shall be used for compensation above the portion of Base Salary equivalent to the Fiscal Year salary scales or for any optional University additional compensation as described below.

B. Base Salary (X and X’) and Academic Programmatic Unit (APU)

Base salary is the approved rate on one of the Health Sciences Compensation Plan Salary Scales associated with a Plan Participant’s academic rank, step and assigned APU. Base salary shall equal at least the approved rate on the Fiscal Year Salary Scale (HSCP Scale 0) for the Plan Participant’s rank and step (X). Base salary is covered under the University of California Retirement Plan (UCRP) up to the amount permissible under Internal Revenue Code provisions and in accordance with UCRP policy and provisions. Plan Participants’ APU scale assignments shall be approved by the Dean or his/her designee and assignments may be changed in accordance with guidelines issued by the Chancellor. The differential between X (Scale 0) and a Plan Participant’s rank and step on the HSCP Salary Scale assigned to the Plan Participant’s APU is designated X-prime (X’).

APU: Effective with the implementation of these Guidelines, the Department of Medicine is on Scale 3 of the Health Sciences Scale except for the following Plan members:
1. SFVAMC faculty whose UC effort/salary is less than 51% and therefore must be on Scale 0.
2. SFVAMC faculty whose UC effort/salary is equal to or greater than 51% who elect to be on Scale 0, and whose election is approved by the Department.
3. One unit that was permitted to remain at their historically higher scales when they joined the Department's full-time faculty.

New faculty appointments within all academic program units, except for certain faculty at the SFVAMC, will be paid at the Departmental base salary scale. The Department may review the base salary scale annually.

No individual Plan Participant may be moved from one APU to another without a significant change in duties or a change in department/unit. Chairs/Directors shall obtain written approval from the Dean or his/her designee prior to moving any Plan Participant from one APU to another.

C. Optional University Additional Compensation

Chairs may provide for the payment of additional compensation, negotiated on an annual basis, to Plan Participants. This optional “Y” salary component is beyond the Fiscal Year base Salary (X) and Health Sciences Scale Differential (X prime) and is never covered compensation under the University of California Retirement Plan (UCRP). Prior to implementing or revising department/unit guidelines, affected Plan Participants and the Advisory Committee shall be afforded the opportunity to review and comment on the proposed Procedures. Additional compensation may be paid, in accordance with fund source restrictions, as follows:

1) Negotiated additional compensation (“Y”)

Plan Participants may receive a negotiated amount of additional compensation. This component of pay is beyond the base salary and is not covered compensation for UCRP, but may be eligible for optional disability and life insurance programs, where applicable.

Mid-year renegotiation of the “Y” is permitted only under unusual circumstances and requires prior approval of the Chancellor or his/her designee.

Additional Compensation (“Y”) will be negotiated with the department chair and division or service chief on an annual basis. This component is paid on a monthly basis. The "Y" component of a Plan Participant's salary is based upon factors such as the quality, scope, and volume of a Plan Participant's teaching, research, clinical and administrative activities, as well as the availability of a reliable revenue stream for salary support.
2) Administrative Stipends

Plan Participants may receive administrative stipends, defined as payments by the University for responsibilities related to University administration that exceed normal responsibilities. Division chiefs, program directors and faculty with special administrative responsibilities will be eligible for an administrative stipend.

3) Incentive compensation (“Z”)

Plan Participants may receive incentive compensation, referred to as a Z payment. This incentive compensation is not covered compensation for UCRP.

Z payments are drawn from income accumulated in the Plan in excess of financial requirements. To meet financial requirements, a Plan Participant must:

- Be in good standing, as defined in Section III of these Implementing Procedures.
- Maintain a positive compensation plan account balance.
- Maintain solvent X and Y salary sources.

In addition, the Plan Participant or his/her home division must be able to demonstrate availability of funds sufficient to cover department tax, as applicable, salary and benefits funded from the compensation plan, and other regularly occurring expenses, in order for incentives to be paid.

The Department has implemented an incentive plan as outlined below:

1. The department incentive will be equal to 80% of the surplus reported on individual income and expense statements up to an annual maximum, which is currently $50,000 and which may be changed on an annual basis. The other 20% and any additional surplus will remain in the faculty member’s division. The maximum amount will be reviewed annually by the Department’s compensation plan advisory committee.

2. Only 50% of State-funded FTE support and income from endowed chairs and distinguished professorships will be counted as a source of income in the calculation of the incentive.

3. Researchers who do not typically generate clinical revenues in excess of their funding requirements can meet the criteria for a departmental supplement of up $50,000 per year by virtue of salary support on grants and/or by using discretionary funds. As described for the departmental bonus, researchers must contribute the 20% matching funds to their division from permissible sources.

4. The following programs have specific incentive methodologies that vary from the department incentive calculation described above:
   - Electrophysiology Section, Division of Cardiology (Parnassus/Mt. Zion)
   - Division of General Internal Medicine (Parnassus/Mt. Zion)
• Division of Geriatrics
• Division of Hospital Medicine (Parnassus/Mt. Zion)
• Kidney Transplant Unit (Parnassus/Mt. Zion)
• Division of Nephrology (Parnassus/Mt. Zion)
• Division of Pulmonary, Critical Care, Allergy and Sleep Medicine (Parnassus/Mt. Zion)
• Medical Services at San Francisco General Hospital
• Medical Services at San Francisco Veterans Administration Medical Center

5. With prior approval from the Chair, divisions may opt to use a work-RVU-based incentive methodology as an alternative to the department incentive calculation described above.

D. Department Disincentive

1. Total compensation may be reduced if a deficit is reported on an individual’s income and expense statement.
2. The Department will work with faculty who make a good faith effort to maximize their productivity so as to avoid deficits whenever possible and to minimize salary reductions as a result of deficits.
3. Faculty compensation will not be reduced below the base salary scale (e.g., scale 3 for most of the Department).
4. For purposes of calculating disincentives, faculty salary sources will include full credit for state-funded FTEs.

E. Method of Payment for Faculty Incentives

Negotiated Additional and Incentive/Bonus Compensation will be paid to faculty through the University payroll system, will be subject to Federal and State withholding, and reported on a W-2 form as wages.

By May 31 of each fiscal year, each Plan Participant shall discuss with his/her Chair and, with the Chair’s written approval, shall select in writing one of the following two options for income generated through outside activities accumulated in the plan in excess of financial requirements that will remain in effect for the forthcoming fiscal year (July 1 – June 30). Changes are not permitted under any circumstances until the following fiscal year. After the Plan Participant selects one of the following options, the Chair shall review his/her selection. If approved, the Chair shall issue written approval of the Plan Participant’s selection.

The options for disposition of outside activity income that has been turned into the compensation plan are:

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Option A: Z Payment

Income is paid as a “Z” payment, after deduction of appropriate taxes. “Z” payments are paid within 60 days of receipt by the Department. In special circumstances, the Department may hold outside earnings longer than 60 days in order to ensure that all financial obligations have been met. This is the default option and it will be implemented each year for Plan Participants who do not select in writing another option, i.e., Option B.

Option B: Academic Enrichment Account

Income is allocated to an academic enrichment account and is never eligible to be taken as a “Z” payment or as salary by the Plan Participant. Unexpended balances remain the property of the University when the Plan Participant retires or separates from University employment.

Academic Enrichment Accounts are established for the purpose of supporting the academic activities of the Plan Participant by allowing direct charge or reimbursement for business-related expenses. Funds allocated to an Academic Enrichment Account may be used to support University-approved academic professional activities that are allowed direct charge or reimbursable University-related business expenses of an individual Plan Participant consistent with University accounting guidelines. Once funds are allocated to an Academic Enrichment Account, these funds cannot subsequently be used for faculty salary support. Funds are allocated to an Academic Enrichment Account under the following conditions:

• On an annual basis, a Plan Participant may request that funds be allocated to an Academic Enrichment Account for the forthcoming academic year (July 1 through June 30) and such a request must always occur in writing by May 31 of the forthcoming academic year in which the income will be earned.

• The Chair or his/her designee reviews the Plan Participant’s allocation request and if approved, written approval shall be given to the Plan Participant.

• Chairs may submit a written request to the Dean’s Office to allocate funds for the upcoming fiscal year to an Academic Enrichment Account. The Dean or his/her designee shall review the request and if approved, approval shall be in writing.

• Disposition of the funds in an Academic Enrichment Account is under the auspices of the Department. UCSF, through the Chair (or Dean/designee), has final authority over the use and distribution of funds held in an Academic Enrichment Account.
• Once funds have been allocated to an Academic Enrichment Account, the Plan Participant cannot change the designation of these funds as Academic Enrichment Account funds.

• The department must maintain detailed records that are readily available for audit and other appropriate reviews that support the allowable nature of the reimbursable academic professional expenses that are paid from the Academic Enrichment Account. Plan Participants must submit all required supporting documentation for reimbursement consistent with University accounting guidelines. Unspent travel advances or any other disallowed amounts charged to the Academic Enrichment Account must be repaid by the Plan Participant consistent with University accounting guidelines.

• An Academic Enrichment Account can maintain a positive balance at the end of an academic year that may be carried forward to the next academic year, at the discretion of the Chair (Dean/designee). Disposition of year-end positive balance is communicated annually to the Plan Participant at the time requests for allocations to an Academic Enrichment Accounts are made.

The Department of Medicine will limit the election described above to treatment of outside income only, unless otherwise specified in the division incentive methodologies listed in Section C.3.4 (Optional University Additional Compensation – Incentive Compensation (“Z”) – Division-Specific Incentive Methodologies).

F. Treatment Of Accounts Receivable If A Faculty Member Leaves Department

Accounts receivable for patient care revenue belong to and will be kept by the Department of Medicine in the event of a faculty member's departure. For faculty engaged in compensated clinical activities, in the event of termination of employment, any outstanding accounts receivable will be treated in accordance with the compensation arrangement of the individual faculty member. Receivables originated by those without incentive compensation will be the property of the University.

Undistributed consulting income that was generated by the faculty member prior to his or her separation from the Department will be paid out to the faculty member after appropriate School and Department taxes have been deducted. These payments will occur via the UC payroll system and will be net of the faculty member's salary, fringe benefits, and other expenses.

Academic Enrichment Account funds remain the property of the University. Receivables of Plan Participants with Incentive Compensation shall be handled in accordance with department/unit guidelines. All Incentive Compensation shall be paid through the University of California payroll system.
CATEGORIES OF COMPENSATED OUTSIDE PROFESSIONAL ACTIVITIES (SEE APM 025)

Compensated outside professional activities are divided into three categories in terms of the extent to which they may raise conflict of commitment issues. For each category, there are different requirements as to prior approval, inclusion in the time limit, and annual reporting. Each of the categories and the related requirements are described below.

A. Category I
Category I activities are likely on their face to raise issues of conflict of commitment. In order to engage in such activities while an active member of the faculty, the faculty member must make a written request (see APM - 025, Appendix B) to the Chancellor or Chancellor’s designee(s) and receive written approval (e.g., assuming an executive or managerial position in a for-profit or not-for-profit business).

B. Category II
Category II activities are unlikely to raise issues of conflict of commitment and are ordinarily accepted as regularly performed compensated outside professional activities. Because of this, they are ordinarily allowable without prior approval. (see APM - 025, Appendix C).

C. Category III
Category III activities are integral to all disciplines and ordinarily do not present issues of conflict of commitment. They are accepted as part of the faculty member’s scholarly and creative work.

OTHER INCOME THAT MAY BE RETAINED BY PLAN PARTICIPANTS (APM 670-19)

Certain income that accrues from occasional service, as described below, may be “retained” by Plan Participants. Income generated from these activities can deposited into the Plan Participant’s non-University accounts and should not be paid to the University, i.e. is not due to the plan. The Chair and/or Dean or his/her designee shall monitor the frequency of individual activity in these areas:

1) Income from occasional outside professional activity in accordance with the Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants issued by the President or the President’s designee, these Implementing Procedures, APM 025 and APM 670, Appendix B;
2) Prizes, defined as gifts in recognition of personal achievements and not for services rendered;

3) Royalties, defined as shares of proceeds for contributions as authors or inventors, as allowed under the University’s copyright and patent policies;

4) Honoraria, defined as payments by agencies outside the University for occasional lectures and similar public appearances beyond normal academic responsibilities to the University of California and which are not in return for other services, whether given directly or indirectly;

5) University honoraria, defined as payment for occasional lectures or similar services performed on a University of California campus as permitted by Academic Personnel Policy; and

6) Income from a profession or activity unrelated to the training and experience, which is the Plan Participant’s qualification for University appointment as determined by the Chair in consultation with the Dean.

Only the income from item 1 above must be reported annually, as described below, and in APM 025. The preceding item numbers 2 through 6 may be retained as personal income by Plan Participants, are excluded from reporting requirements and do not count in the outside professional activities threshold.

Please note that the term “honoraria” is used by other institutions or agencies to refer to compensation for a wide variety of activities. A Plan Participant should not rely on the “honoraria” label to determine the appropriate disposition of a payment by relying on the descriptions of the types of activities where the income can be “retained” by the Plan Participant (described above), or turned into the Plan, as described below. Plan Participants are also encouraged to consult with their division administrators for clarification.

DEPARTMENT/UNIT REQUIREMENTS ON OCCASIONAL OUTSIDE PROFESSIONAL ACTIVITIES

Patient care activities must be provided within the University setting or as part of an approved affiliation agreement or professional service agreement. All clinical income is due to the Plan. All income derived from patient care activities is due the Plan, including income earned while on paid or unpaid leaves of absence (e.g., vacation, holidays, or weekends. Income due the Plan must be deposited into the revenue account of the appropriate department/unit compensation plan fund. In no case are Plan Participants allowed to retain income from patient care activities.

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As described below, income from certain categories of outside activity are “due to the Plan” or “must be deposited to the Plan.” Those funds should be remitted to the University. Once turned into the Plan and appropriate University taxes are deducted, the funds are first used to cover any deficit in the Participant’s salary and benefits funded from the compensation plan and other regularly occurring expenses. Any excess funds not needed for that purpose will be paid out as a “Z” payment or deposited into an Academic Enrichment Account, as determined by the option selected by the Plan Participant, as described earlier.

1. **The limit on the number of days that may be devoted to outside professional activity:**

Plan Participants must not spend more than 48 days (384 hours) per year on outside professional activity.

2. **Different types of income:**

   - **Income that shall be retained by Plan Participants (i.e., not turned into the Plan), as long as activity totals less than 21 days (168 hours) per year:**
     - Payments for service to governmental agencies;
     - Payments for service to non-profit health- or education-related organizations;
     - Payments for activities related to continuing health education programs administered by the University;
     - Payments from University extension;
     - Payments for work as a consultant to non-profit entities;

   - **Income that must be deposited to the Plan by Plan Participants:**
     - All patient care income, regardless of where the clinical activity is performed
     - Payments for work as a consultant to for-profit entities;
     - Payments for services as an expert or professional witness;
     - Payments from non-profit health- and education-related organizations, and governmental agencies that exceed 21 days (168 hours) per year
     - Payments for activities related to continuing health education programs or University extension that exceed 21 days (168 hours) per year.
     - Stock and stock options in lieu of cash are reportable to the Plan:
       - Faculty who receive stock or stock options in lieu of compensation for outside professional activities must disclose them to the Dean's Office within 30 days of receipt.
       - Treatment of stock and stock options is described in detail in Section 10 below.
Faculty who neglect to disclose the stock/options at the time of receipt will owe the Plan the difference between the initial purchase price and the market value at the time it is disclosed.

3. **Method of Payment of Outside Professional Activities**

Faculty members must deposit all outside earnings due the Plan into the Department of Medicine Compensation Plan upon receipt of such payments. The procedures for depositing of checks into the Department of Medicine Compensation Plan are as follows:

a. the faculty member enters a new check through the Consulting and Professional Witness Fees Checks (CPWF) online application through MyAccess: http://dombo.ucsf.edu/CPWF/CheckReport.aspx
b. if the check is made payable to the individual faculty member, he/she endorses the check to "UC Regents - for deposit only," and checks the box on the on-line form next to “Check Written to Faculty?”
c. the faculty member mails the check, with no attachments, to:
   
   UC Department of Medicine/SFGH
   PO Box 742641
   Los Angeles, CA 90074-2641

4. **Conflict of Interest Code**

A Plan Participant’s compensated outside activities may create an obligation for him/her to disclose a financial interest before making or participating in certain activities. Disclosure and disqualification requirements can be found in the Political Reform Act of 1974, including the Academic Decision Regulation; and in the University’s Conflict of Interest Code, which requires designated University employees to disqualify themselves from participating in University decision in which they have a personal financial interest. Additional information about these requirements is available through the campus Office of Legal Affairs.

5. **Mechanisms for Addressing Potential Conflicts of Interest**

a) **Reporting of Outside Professional Activities:** Each Plan Participant shall be required to submit to his/her Chair an annual report that describes the previous year’s outside professional activities from which the Plan Participant received income and an attestation of adherence to the department guidelines. The report should itemize outside activities in temporal order and should be consistent with the reporting requirements specified in APM 025 and any successive sections of the APM. It is the responsibility of the Chair to file and keep these reports.
Chair reports shall be submitted annually to the Vice Dean of Academic Affairs. It is the responsibility of the Plan Participant to bring to the attention of his/her Chair any activity(ies) that require(s) advance approval as detailed below. Failure to timely submit such a report is grounds for a finding that the Plan Participant is not in good standing as described in Section III A.

When outside professional activities require travel time during a Plan Participant’s regular working hours, the time spent traveling shall be included in computing hours/days of outside service, except when the service is provided to governmental agencies. Service performed during paid or unpaid leaves of absence, including but not limited to vacation days, weekends, and holidays, is reportable and counts toward the limit.

b) **Good Standing Criteria:** As set forth in Section III of these Implementing Procedures, Plan Participants must satisfy the good standing criteria in order to be allowed to earn and/or retain income from outside professional activities.

c) **Annual Outside Professional Earnings Approval Threshold:** The current annual outside professional earnings approval threshold is $40,000 or twenty-percent of the Health Sciences Compensation Plan Salary Scale for an individual Plan Participant’s rank, step and APU, whichever is greater. Service during paid and unpaid leaves of absence (e.g., vacation, holidays, weekends) counts toward the threshold.

There are two components to the threshold: maximum time and maximum earnings.

**Time Threshold:** The total number of hours for all outside activities (service to governmental agencies, non-profits, for-profits, legal witness, etc.) must not exceed 48 days (384 hours). Plan Participants in the Department of Medicine are permitted to retain up to 21 days of certain outside income or up to the earnings threshold, whichever comes first, as described in Section V.E.2. Plan Participants in the Department of Medicine who wish to exceed the time threshold defined by their department/unit must receive advance written approval for outside professional activities that exceed the department’s/unit’s time threshold. Chairs shall seek written approval from the Dean or his/her designee. All income from activities in excess of the time threshold is due the Plan, even if the earnings threshold has not been reached.

**Earnings Threshold:** Effective with the issuance of these Implementing Procedures, the maximum annual outside professional earnings approval threshold is $40,000 or 20% of the Plan Participant’s Base Salary (covered compensation, Fiscal Year: July 1 to June 30), whichever is greater. All income
from activities that exceeds the earnings threshold is due the Plan, even if the
time threshold has not been reached.

A Plan Participant who has satisfied the good standing criteria set forth in these
Implementing Procedures and established by his/her department/unit, who has not
exceeded the limit on the number of days devoted to compensated outside professional
activities established by the department/unit, and whose annual earnings from all
outside professional activities is estimated to be less than the approval threshold is
allowed to engage in outside professional activities (other than patient care) without
having to request prior approval from his/her Chair to engage in the activities unless
required by other Academic policies, e.g. APM 025 for Category 1 activities. The Dean
or his/her designee must approve such activities for the Chair.

Plan Participants are responsible for maintaining updated records of their annual
earnings and the time spent on all outside professional activities.

To request approval to exceed the $40,000/20% base salary Earnings Threshold, a Plan
Participant must complete and submit the Earnings Threshold Exception Request form
to his/her division chief. The chief will verify that the Plan Participant is in good
standing, and that issues around potential conflict of interest and/or conflict of
commitment area resolved. The Chair will review requests approved by the chief. The
Plan Participant must submit requests at least 30 days prior to the expected start date of
the work that requires the exception.

This policy must conform to the Regents’ Plan Guidelines on Occasional Outside
Professional Activities.

If a Plan Participant wishes to engage in an outside professional activity that might
reasonably be expected to generate income that exceeds $40,000 / 20% of base salary
per year, s/he must request written approval to engage in the activity. To request
approval, the Plan Participant is required to provide his/her Chair an advance written
request. Chairs shall seek written approval from the Dean or his/her designee. This
request must include relevant details about the proposed activity including: the nature
of the services to be provided, the person or entity who will pay for the services;1 the
anticipated period of service and/or days to be devoted to the activity; the total
expected income from the activity; and the amount by which the Plan Participant’s total
annual earnings from outside activities are expected to exceed the threshold. Chairs
shall forward to the Dean or his/her designee any request which requires review by the
Dean and/or Chancellor, in accordance with these Implementing Procedures and APM
670. The Chair shall advise the Plan Participant whether: 1) the activity may be

______________________________
1 When required to ensure patient confidentiality, the person or entity to be reported as
recipient/payer for professional witness activities is the attorney or the law firm requesting the
services.
undertaken, but with all related income accruing to the department/unit in accordance with their implementation guidelines and established accounting practices; or 2) the activity may not be undertaken. If a Plan Participant has received approval to engage in an activity that is reasonably expected to cause his/her total annual earnings from outside professional activities to exceed the established approved threshold, s/he must request the Chair’s approval for any subsequent engagement(s). If any subsequent engagements are allowed, they shall be undertaken with all related income accruing to the Plan unless an exception is approved in writing in accordance with department/unit Guidelines. Chairs and/or the Dean or his/her designee may approve a Plan Participant’s request to engage in outside professional activities in accordance with these Implementing Procedures and department/unit Guidelines.

Only the Chancellor has authority to approve any request which involves a Plan Participant’s retention of earnings that exceed the maximum annual outside professional earnings approval threshold set by the Provost (currently $40,000 or 20% of the Plan Participant’s base salary). Plan Participants shall notify their Chair immediately if they inadvertently exceed the dollar threshold or if any of the information they provided in an approval request changes or is found to be inaccurate; for example, a Plan Participant should immediately notify his/her Chair if the initial estimate of earnings from an outside professional activity turns out to be understated. Plan Participants are subject to corrective action and disciplinary measures as outlined below and in APM 670 Appendix B-d for violation, neglect or manipulation of Compensation Plan requirements. Chairs/Directors must notify the Vice Dean for Academic Affairs if they believe a Plan Participant has violated, neglected, or manipulated Compensation Plan requirements. Plan Participants may be subject to corrective action and disciplinary measures for such violations.

The following table lists the different types of outside professional activities, whether the income from those activities should be retained by Plan Participants or is due to the Plan, and whether it is subject to the 48-day limit on outside professional activities.

Plan Participants must obtain approval from their Chair/Dean to engage in more than $40,000 of work in the categories listed below the double lines in the following table.

<table>
<thead>
<tr>
<th>All patient care income, regardless of where the clinical activity is performed</th>
<th>Retained by Plan Participant (income is not deposited to the DOM Comp Plan)</th>
<th>Due to Comp Plan (income is deposited to the DOM Comp Plan)</th>
<th>Must be included in Annual Reporting and counted in 48-day limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prizes (recognition of)</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Retained by Plan Participant (income is not deposited to the DOM Comp Plan)</td>
<td>Due to Comp Plan (income is deposited to the DOM Comp Plan)</td>
<td>Must be included in Annual Reporting and counted in 48-day limit</td>
</tr>
<tr>
<td>------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>------------------------------------------------------------</td>
<td>--------------------------------------------------------------</td>
</tr>
<tr>
<td>personal achievement)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royalties (author, inventor)</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Honoraria for occasional lectures, public appearances outside the University</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>University honoraria (e.g., occasional lectures)</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Income unrelated to qualifications for University appointment</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Service to governmental agencies</td>
<td>Yes, up to 21 days and &lt;$40,000 total outside earnings</td>
<td>Yes, for work done beyond 21 days and for total outside earnings &gt;$40,000</td>
<td>Yes</td>
</tr>
<tr>
<td>Service or consulting to non-profit health- or education-related organizations or other non-profit entities;</td>
<td>Yes, up to 21 days and &lt;$40,000 total outside earnings</td>
<td>Yes, for work done beyond 21 days and for total outside earnings &gt;$40,000</td>
<td>Yes</td>
</tr>
<tr>
<td>Continuing health education programs administered by the University or University extension</td>
<td>Yes, up to 21 days and &lt;$40,000 total outside earnings</td>
<td>Yes, for work done beyond 21 days and for total outside earnings &gt;$40,000</td>
<td>Yes</td>
</tr>
<tr>
<td>Consulting to for-profit entities</td>
<td>No</td>
<td>Yes, all earnings</td>
<td>Yes</td>
</tr>
<tr>
<td>Expert or professional witness fees</td>
<td>No</td>
<td>Yes, all earnings</td>
<td>Yes</td>
</tr>
</tbody>
</table>

6. **Monitoring and Enforcement**

Chairs/Directors have primary responsibility for monitoring and enforcing the requirements of their department/unit guidelines and these Implementing Procedures. The primary means of monitoring compliance shall be the Chair’s/Director’s annual
review of the information the Plan Participants provide in their annual reports on outside professional activities. If a Chair/Director has concerns about whether a Plan Participant is meeting the established standards, the matter should be referred to the Dean’s Office. The responsibility for oversight of the outside professional activities of Chairs and Directors resides with the Dean and may be delegated to the Vice Dean of Academic Affairs.

7. Corrective Action and Disciplinary Measures

The University reserves the right to take corrective action and disciplinary measures against any Plan Participant who fails to comply with the Plan, these Implementation Procedures, and or department/unit guidelines. Situations where Plan Participants will be considered out of compliance include, but are not limited to: a) failure to disclose and deposit income due to the Plan as required by these Implementation Procedures and department/unit guidelines; and/or b) failure to accurately disclose and describe the nature and scope of outside professional activities as required by these Implementation Procedures and department/unit guidelines. Corrective action refers to the discontinuation of certain privileges available only to Plan Participants, in particular the opportunity to earn and receive compensation above the fiscal year salary scale through the Plan because of noncompliance.

For example, corrective actions may include:

- Discontinuation of Incentive Compensation (the “Z”) until the Plan Participant complies with the Regents’ Plan provisions; and/or
- Additional Compensation (the “Y”) may be set with consideration of the Plan Participant’s prior performance, including compliance with guidelines on outside professional activities.

Whenever reductions in compensation are the result of corrective action or discipline, the Chair/Director shall notify the Plan Participant in writing. Corrective action does not preclude sanctions or disciplinary measures in accordance with the Faculty Code of Conduct and Academic Senate Bylaws. Plan Participants who violate either the time or earnings thresholds on outside professional activities represent an unauthorized use of University resources and/or retention of funds belonging to the University. Such violations are subject to discipline in accordance with the Faculty Code of Conduct. A Plan Participant who is an Academic Senate member and who is subject to corrective action has available to him/her a grievance process through the Privilege and Tenure Committee as provided by Academic Senate Bylaw 335. Non-Academic Senate Plan Participants may grieve through the provisions set forth in APM-140.
8. Limitations on use of University resources in connection with outside professional activities

The use of University staff, laboratories, facilities or other University resources in connection with outside professional activities is subject to limitations. Reference the Faculty Code of Conduct, Part II. C, and APM-015, Section II.

Plan Participants who wish to engage in consulting or expert witness activities are strongly encouraged to contact the Risk Management Office to clarify whether the outside activity is within the course and scope of University employment and to determine the need for personal liability coverage.

A reasonable amount of University resources may be used in support of activities to governmental agencies, non-profit health-or education-related organizations, continuing health education programs administered by the University, and/or University Extension, even if the individual Plan Participant retains the income from these activities.

Reasonable use of University resources includes use of office telephones or faxes for incoming or outgoing communications (although long-distance charges should not be borne by the University); use of departmental office space for interviews or other similar activities; use of University-provided computers (though not departmental computer support personnel); minimal use of administrative personnel to arrange meetings, prepare materials, schedule travel, etc. when these activities relate to the outside professional activities of a faculty member. Questions about appropriate use should be directed to the Plan Participant’s division chief; if the Plan Participant is a chief, questions should be directed to the Chair.


The Policy on the Requirement to Submit Proposals and to Receive Awards for Grants and Contracts Through the University was issued by the President on December 15, 1994 and applies to all faculty. This policy states that employees who receive any part of their salary through the University, or whose activities use any University resources or facilities, must submit their proposals for extramural support through the appropriate University contracts and grants office. This requirement ensures that all research and other extramurally funded projects comply with relevant University policies and guidelines. An exception to this policy has been granted to UCSF VA faculty who are physically located at the VA and who use VA resources to perform the funded project.
10. **Non-cash Compensation**

Professional income governed by the Plan includes cash and non-cash compensation. Plan Participants are required to disclose non-cash compensation received in exchange for professional services *within 30 days of receipt*. The following paragraph provides specific guidance with respect to stock, stock options, and founders’ stock.

A Plan Participant who receives **stock** in lieu of compensation for outside professional activities must disclose this fact to his/her Chair/Director and to the Dean’s Office within 30 days of the date of receipt, at which time it will be valued. If the stock is given to the Plan Participant at no cost, payment in dollars equal to the stock’s full value on the date of receipt is due the Plan. If the purchase price is equal to the market price/value on the date of receipt, no money is owed the Plan. If the purchase price is below the valued price on the date of receipt, the difference between the purchase price and the value of the stock on the date of receipt is due the Plan. Following a determination of the value of the stock, the Plan Participant will be notified of the nature of any Plan obligations, based on the above methodology. Plan Participants who do not disclose the stock at the time of receipt will owe the Plan the difference between the purchase price or value of the stock at the time of receipt and the value of the stock at the time it is disclosed. Disclosure at the time of receipt is required regardless of the stock’s potential valuation, and regardless of whether a Plan Participant believes that any payment is due the Plan. Plan Participants in the Department of Medicine may be able to retain the money due the Plan if they have not yet met or exceeded their time and/or earnings threshold for outside professional activities. However, both the time spent in outside professional activities related to the receipt of stock and any dollars due the Plan under the formula above must be counted toward their time/earnings thresholds.

A Plan Participant who receives **stock options** in lieu of compensation for outside professional activities must disclose this fact to his/her Chair/Director and the Dean’s Office *within 30 days of the date the stock option agreement is signed*. The Dean’s Office shall obtain a valuation of the stock options as of the date of the agreement. If the option offer price is equal to or greater than the stock’s valuation/market price on the date the agreement is signed, no money is owed the Plan. If the option price is below its valued price on the date the agreement is signed, the difference between the option price and the value of the stock is due the Plan. Following determination of the value of the stock, the Plan Participant shall be notified of the nature of any Plan obligations, based on the above methodology. Plan Participants who neglect to disclose this information within 30 days of signing such stock option agreements shall owe the Plan the difference between the offered option price at the time the agreement was signed and the value of the stock at the time it is disclosed. Disclosure of stock options is required regardless of: 1) the stock’s potential valuation, 2) whether the Plan Participant intends to exercise the options, and 3) whether the Plan Participant believes that any dollars are due the Plan. Plan Participants may be able to retain the dollars due the Plan if they have not yet met or exceeded their time and/or earnings threshold for outside professional activities.
However, both the time spent in outside professional activities related to the receipt of stock options and any dollars that would be due the Plan under the formula above must be counted toward their time/earnings thresholds.

A Plan Participant who receives *founder’s stock* in lieu of compensation for outside professional activities must disclose this fact to his/her Chair/Director and to the Dean’s Office within 30 days of the time of receipt. The founder’s stock will be valued at the time of receipt and any value shall be due the Plan. Since the value of founder’s stock is generally insignificant, in most cases a negligible amount will be due the Plan. However, if the founder’s stock is not disclosed upon receipt, the value of the stock at the time that the disclosure is ultimately made shall be due the Plan.

11. **Complaints and Appeals**

If a Plan Participant has a complaint about an issue related to outside professional activities, s/he should make every effort to resolve the complaint at the department/unit level. If the complaint cannot be resolved through discussion and negotiation at this level, then the Plan Participant’s complaint and the Chair/Director’s response shall be documented in writing. If the Plan Participant disagrees with the department/unit response, s/he should file a formal complaint with the Dean. The Advisory Committee is charged with fact-finding to assess the nature of the complaint. Both the Chair/Director or his/her designee and the Plan Participant have the right to be interviewed by the Committee. The Committee shall issue a formal written recommendation for resolution of the complaint to the Dean. The Dean shall review this recommendation and make a final decision. Plan Participants who are Academic Senate members may pursue their grievance rights under the terms of Senate Bylaw 335. Non-Senate Plan Participants may request a hearing under the terms of APM - 140.

**INCOME LIMITATION PLAN (ILP)**

The Income Limitation Plan (ILP) arrangement is not an option for compensation of faculty who were not grandfathered as ILP members on July 8, 1998.

**BENEFITS**

All benefits as described below and in related policies shall be provided uniformly within the Department of Medicine, as reviewed by plan participants and as approved by the Dean.

A. **Base Salary-Related Benefits**

Revised: 7/1/2014
Base salary-related benefits are associated with a Plan Participant’s salary from one of the Health Sciences Salary Scales. These benefits may include participation in the UCRP, health care benefits, disability benefits, regular term life coverage, and other benefits as may be approved by The Regents. Base salary-related benefits shall be made available to Plan Participants on the same basis as to all other members of the University faculty.

**B. Optional Benefits on Additional Compensation**

The Regents have authorized disability and life insurance benefit programs related to health sciences additional compensation beyond the base salary. These programs must be approved by the Office of Human Resources, Office of the President. Policies governing optional disability and life insurance programs on additional compensation are available from that office.

**C. Paid Leave**

Plan Participants who are eligible for sabbatical leave, leave with salary, or extended illness leave shall be granted such leave paid at least the Health Sciences Scales Base Salary rate (X, X’) as set forth in these Implementing Procedures. A Plan Participant who leaves University service or transfers from a vacation-accruing title to a non-accruing title shall be paid for accrued vacation at the Plan Participant’s total negotiated salary rate at the time of separation.

With the exception of the provisions below, or where explicitly stated in policy, Plan Participants are eligible for leaves as defined in APM - 710 - 760.

Plan Participants remain members of the Compensation Plan while on paid leave, even if their salary is dropped to base. While on paid leave, they are bound by rules of the Plan, the School of Medicine Implementing Procedures and these Guidelines, including but not limited to policies related to income due the Plan.

1) **Extended Illness Leave**

Extended illness is defined as a health condition resulting in absence for more than two weeks. Extended illness must be documented as a leave with pay on a Leave of Absence form.

Per University policy, faculty do not accrue sick leave but may be approved for leaves with pay (i.e., "salary continuance") during periods of extended illness or disability (APM 710). An absence of greater than two weeks for health reasons is considered an

Revised: 7/1/2014
extended illness and should be officially recorded as a leave with pay, and when appropriate, will be designated as Family Medical Leave (FMLA).

Faculty who can perform part of their usual duties or other duties assigned by the Department will be required to do so. With appropriate documentation, which may include a physician's certification of disability and/or an outside third party review at the Department's expense, the Department of Medicine will provide salary continuance during periods of extended illness or disability as follows:

Plan Participants with 0-3 years of service: Full time Plan Participants who are unable to work for health reasons and who have less than three years of service at the time of illness/disability, will continue to receive full salary (X+Y) for a period equivalent to 1 day per month of service, from the date of hire to the date of illness or disability.

Plan Participants with 3+ years of service: Plan Participants who are unable to work for health reasons and who have more than three years of service at the time of illness/disability will receive full salary (X+Y) for 180 calendar days. A maximum of 180 days of full salary (X+Y) continuation will be provided to a Plan member during a period of six fiscal years. Plan Participants who have used any months will regain 30 days per subsequent year or fraction thereof until 180 days have been re-accumulated.

Plan Participants who are unable to return to work after using their extended illness/disability leave will no longer be paid by the Department. However, the Plan Participant may be covered by employee and/or employer-paid plans, in which s/he had previously enrolled via the University or an outside source.

Plan Participants are strongly encouraged to review their individual insurance needs for extended illness/disability leave and to consult current extended illness/disability policy documents for complete information about the University plan and the coverage they provide. Plan Participants are encouraged to apply for supplemental disability insurance with a 30 day waiting period.

See attached Appendix, Section II for more details of the faculty disability plans which also may be obtained from the Office of the President benefits' web site at http://atyourservice.ucop.edu/.

2) Childbearing Leave

Childbearing leave is for a Plan Participant who bears a child or children regardless of academic series or months of service. Childbearing leave shall consist of time the Plan Participant is temporarily disabled because of pregnancy, childbirth, or related medical conditions. The Department of Medicine grants 12 weeks of childbearing leave, which is twice the leave required by University policy. Compensation during this leave is at a
Plan Participant’s currently negotiated salary rate, excluding bonuses. Childbearing leave will be granted even if the Plan Participant has served in their faculty title less than 12 consecutive months. It is expected that the funding sources supporting a Plan Participant at the time of her childbearing leave will continue to be used during childbearing leave. If additional leave is required for medical reasons, the Department's policy regarding leaves for extended illness shall apply. Prior to the commencement of an approved childrearing/parental leave, the Division Chief, Service Chief, Department Chair, and individual Plan Participant should reach an agreement about clinical commitments, keeping in mind any medically necessary and/or reasonable accommodations. A Plan Participant who bears a child is also eligible for childrearing/parental leave without pay and a period of Active Service-Modified Duties (See APM 760-28).

3) **Childrearing/Parental Leave With Pay**

Fathers/non-birth parents shall be granted two weeks of paid childrearing/parental leave, upon request, at their current negotiated compensation. Childrearing/Parental leave with pay must be used within 12 months of the birth or adoption.

4) **Childrearing/Parental Leave Without Pay**

Plan Participants are eligible for full-time or part-time parental leave without pay for a maximum of 12 months to care for a child. At the Plan Participant’s request, accrued vacation shall be substituted for unpaid parental leave. Childrearing/Parental leave without pay must be used within 12 months of birth or adoption.

5) **Other Paid Leave**

Paid leave will be granted when a Plan Participant is unable to work because s/he must care for a spouse, domestic partner, child or parent who is ill. Paid leave under such circumstances shall be for five days per Plan Participant per year at full salary (X+Y). If eligible for family and medical leave in accordance with APM 715, the five-day paid leave will run concurrently with the family and medical leave.

6) **Bereavement Leave**

In event of death of a Plan Participant’s family member or of a person residing in the Plan Participant’s home, the Plan Participant may take ten (10) days of bereavement leave, at their current negotiated compensation. In the case of the death(s) of individual(s) not in a Plan Participant’s family or household, the Plan Participant may
take five (5) days of bereavement leave, in total, in a calendar year, at their current negotiated compensation.

D. **Sabbatical and Professional Development Leave**

1) The maximum period for a sabbatical or professional development leave is 12 months. The time allowed depends on the amount of accrued leave credit, as well as the goals and academic plans for the sabbatical. Fiscal-year appointees accrue four quarters of sabbatical leave credit per calendar year, excluding periods of leave of absence without salary. The maximum number of credits which may be accrued is forty quarters or ten years. The smallest unit of leave one can take is one quarter or up to three months.

Sabbatical Leave Credit for Fiscal-Year Appointees on the Quarter System as found in the APM 740-Chart II:

<table>
<thead>
<tr>
<th>Qualifying service</th>
<th>1 Quarter</th>
<th>2 Quarters</th>
<th>3 Quarters</th>
<th>4 Quarters</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 quarters</td>
<td>0.67 Salary*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 quarters</td>
<td>Regular Salary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 quarters</td>
<td>0.67 Salary*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 quarters</td>
<td>0.83 Salary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 quarters</td>
<td>Regular Salary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>or</td>
<td>0.67 Salary*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 quarters</td>
<td>0.78 Salary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24 quarters</td>
<td>0.89 Salary or 0.67 Salary*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27 quarters</td>
<td>Regular Salary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>or</td>
<td>0.75 Salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 quarters</td>
<td></td>
<td>0.83 Salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>33 quarters</td>
<td></td>
<td>0.92 Salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>36 quarters</td>
<td></td>
<td>Regular Salary</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Or regular salary if leave is taken in residence.

2) Initial eligibility requires an appointment as a full-time Academic Senate member of the faculty and the accrual of sufficient sabbatical leave credit. For Plan Participants whose initial appointments were in a non-Academic Senate series, departmental endorsement for a sabbatical or professional development leave may be forwarded to the Dean’s Office once a sufficient amount of leave credit has been accrued and if approved by the Plan Participant’s Division Chief and Service Chief, and by the Departmental Promotions Committee.
3) Immediately following the leave of absence, the recipient will return to active University service for a period at least equal to the period of leave. Subsequent sabbaticals and professional development leaves may be taken by Plan Participants once they have accrued sufficient sabbatical leave credit. For Plan Participants whose initial appointments were in a non-Academic Senate series, time served prior to their full-time Academic Senate appointment does not count towards sabbatical leave credit accruals.

4) Except as noted below, Plan Participants are expected to provide all of the salary support needed for sabbatical or professional development leaves. The Plan Participant should not expect salary coverage from their Division or Service, or from the Department.

Plan Participants eligible for an approved sabbatical leave with pay will, at a minimum, be paid at a rate equal to their Base Salary Scale (e.g., 1.3x) while on leave. If a Plan Participant has sources of support to meet the difference between his/her FTE and 1.3x, it is expected that such funds will be used to cover this difference. To receive any salary above the amount of their Base Salary Scale, faculty must have sufficient funds to cover the difference between what the Department receives for their FTE and the salary they are paid, which can be as high as their full, negotiated salary. Sources of funds may include extramural funds and/or clinical funds. Plan Participants are not able to accept salary directly from another institution during paid sabbatical or professional development leave.

Plan Participants eligible for professional development leave with pay must provide funds to meet their Base Salary Scale amount while on leave and can receive up to their full salary if their sources of funds are adequate.

5) Because of the need for adequate scheduling, planning, and organization, the desire to take a sabbatical or professional development leave must be discussed with the Division Chief, Service Chief (if applicable), and Chair. It is expected that the Plan Participant’s request for sabbatical or professional development leave be submitted to the Department one year prior to the proposed departure date. Furthermore, the Plan Participant is strongly urged to seek outside funds early. The exact dates of such leaves will depend on the needs of the Division and the Department of Medicine.

6) Provision must be made by the Plan Participant in consultation with the Division Chief, Service Chief (if applicable), and Chair, to cover his/her institutional, research and particularly, clinical duties. Provision must also be made to take appropriate care of the personnel within the investigator's laboratory, especially any fellows or graduate students.

7) Because it is easy to continue current activities if the sabbatical or professional development leave is carried out in San Francisco, the Plan Participant is encouraged to
take the time at a site distant from the institution. This will maximize the benefits to be obtained from this opportunity.

8) In discussing the proposed sabbatical or professional development leave with the Division Chief, Service Chief (if applicable), and Chair, the following points should be included:

- A written academic plan (see APM-740: "Application" for specific details)
- The benefits to the individual and institution
- The plans for coverage of clinical, institutional, grant and laboratory responsibilities.
- Actual or potential sources of financial support.
- Specific departure and return dates
- Written approval (see APM-740-99)
- A written summary of accomplishments (see APM 740-97).

E. Vacation Leave

In accordance with Academic Policy 730, full-time faculty vacation allowance accrues at the rate of two working days per month for full-time service. For part-time faculty who work at least half time (50%), vacation allowance accrues at that proportion of the full-time rate. For part-time faculty working less than half-time, there is no vacation allowance.

Vacation credit may accumulate to a maximum of 48 working days. Faculty may not use vacation leave until it is actually accrued.

The Department of Medicine is required by the University to maintain vacation use records of faculty who accrue vacation leave. Each faculty must log into the online HBS Timekeeping system on a monthly basis to report any vacation use. Even if no leave is taken, each faculty must log into the HBS system to indicate that no leave was used. On a quarterly basis, the Division Administrator will prepare a report on faculty compliance with the HBS system for the Division Chief to sign and submit to the Academic Affairs Manager of the Department.

F. Active Service Modified Duties (ASMD)

In addition to paid or unpaid parental leaves, periods of Active Service—Modified Duties (ASMD), at full negotiated pay (i.e., X + Y) shall be granted on request to any Plan Participant who has primary responsibility for the care of an infant or child for the period before and/or immediately following a birth or adoption of a child under age five. Under academic policy, the total combined period of childbearing leave and ASMD for each childbirth or adoption may not exceed one quarter. The Plan Participant who requests a period of ASMD must confer with her/his department chair, director
and/or division chief prior to its begin date, in order to reach agreement on the nature and scope of the Plan Participant’s duties during this period.

G Unpaid Leave:

In addition to the types of leave described above, leaves of absence without pay for other good cause (e.g., for family care or other personal reasons) may be granted, subject to approval by the Department Chair, Vice Dean for Academic Affairs, and Vice Provost for Academic Affairs. In general, such leaves may not exceed one year. However, during such periods of leave, Plan Participants may not engage in compensated outside professional activities, and they shall remain members of the compensation plan and subject to all its requirements. Exceptions to this policy are granted only in extraordinary circumstances, or where other policy or formal agreements supersede compensation plan policy (for example in cases of extended governmental service, for faculty placed on administrative leave, or for those on leave under the terms of a formal UCSF affiliation with an outside organization such as the Howard Hughes Medical Institute).

VI. ACCOUNTING AND BUDGETING METHODS

A. MANAGEMENT AND REPORTING OF INCOME AND EXPENSES

All professional services income generated by Plan Participants shall be accounted for and reported as revenue of the University; the only exception to this requirement shall be income which the Plan Participant is allowed to retain in accordance with his/her department/unit guidelines.

All income owed the University must be deposited in accordance with University cash/check handling policies and procedures and recorded in the appropriate revenue account and a fund within the UCOP fund group 409140. For payments made directly to the individual Plan Participant and owed to the Plan, the check should be endorsed payable to the University and deposited in the same fund. A receipt for each such deposit should be provided to the Plan Participant.

All compensation paid by the University to Plan Participants is subject to Federal and State tax withholding and reported on a W-2 form as wages. All financial transactions shall be approved, documented, and otherwise processed or executed in accordance with University, campus and School of Medicine policies, procedures, and delegations of authority.

Revised: 7/1/2014
In accordance with the Plan, all professional fee billing and collection activities shall be conducted by a University billing group or by an external vendor which has been approved by the Medical Group and the Dean.

**B. ASSESSMENT OF PROFESSIONAL FEE INCOME**

A rate annually recommended by the Dean and approved by the Chancellor for each Department shall be applied against gross professional fee collections. The Department of Medicine's Dean's tax, which is subject to change annually, currently is 3.7% at Parnassus/Mt Zion and 3% at SFGH.

1) **Patient Care Taxes**

Information on departmental tax rates on patient care income will be available to each faculty member at the beginning of the fiscal year.

2) **Outside Professional Income**

As of October 1, 2001, Department taxes on Professional Fee Income that is deposited to the Compensation Plan are as follows:

<table>
<thead>
<tr>
<th>Department Tax</th>
<th>Income deposited into Compensation Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>≤ $5,000</td>
</tr>
<tr>
<td>15%</td>
<td>$5,001-$20,000</td>
</tr>
<tr>
<td>20%</td>
<td>&gt;$20,000</td>
</tr>
</tbody>
</table>

**C. BUDGETING AND ACCOUNTING**

All the funds and transactions associated with the Plan will be accounted for in accordance with the applicable sections of the University accounting manuals. Each department and unit shall develop and submit to the Dean an all funds consolidated budget/forecast at regular intervals as determined by the Dean’s Office. Except where accumulated surpluses are being used to support an extensive growth phase, it is expected that revenue will always be adequate to support anticipated expenses. Current Year expenditures shall be budgeted for and funded in the following order of priority:

1) Clinical practice operating expenses, defined as costs incurred by the department/unit for billing and collection of fees for clinical services; for Plan Participant use of University-owned and/or leased practice facilities; and for all related operating activities including administrative overhead.

2) To the extent that funds remain after expenditures for clinical practice costs indicated in 1) above, compensation may be paid to eligible Plan Participants.

Revised: 7/1/2014
salary and related benefits, including any required contribution on behalf of UCRP-covered compensation shall be funded before additional compensation.

3) To the extent that funds remain after the foregoing expenditures, benefits approved in accordance with the Regents’ Plan may be paid. Each department and unit shall maintain a Reserve for Contingencies. These reserves will be used for academic purposes such as funding necessary renovation projects, recruitment expenses, or unfunded research expenses, and as a security for emergencies. In the event a department/unit has accumulated a surplus beyond that required to cover contingencies, it is expected that these funds will be used to enhance the department’s/unit’s academic program or to develop new programs as recommended by the Chair/Director and approved by the Dean. Fund balances will be monitored quarterly by the Dean or his/her designee.

VII. IMPLEMENTATION AND TRANSITION ARRANGERMENTS

These School of Medicine procedures are developed in accordance with the Regents’ Plan approved for implementation July 1, 2012 and supersede any previous implementation. These departmental implementation guidelines are effective September 1, 2013.

APPENDIX

REQUIREMENTS FOR CONTINUATION OF THE INCOME LIMITATION ARRANGEMENTS

Continuation of an individual employed or operating under Income Limitation Plan (ILP) arrangement policies requires that the ILP arrangement policies and practices are in conformance with legal requirements. To the extent that an individual’s practice fails to conform with either tax laws or Federal or State regulatory statutes, consultation shall occur with appropriate representatives of the campus regarding steps necessary to comply with tax laws and statutes governing physician reimbursement. Where such requirements cannot be met, the individual shall become a member of the Health Sciences Compensation Plan.

Revised: 7/1/2014
Faculty members operating under the ILP arrangement will continue to be subject to the provisions of the applicable University and School of Medicine policies and procedures and modifications regarding reporting and assessment of income approved by the Office of the President for operation under the 1977 Regental Plan.
I. SPECIFIC DEPARTMENTAL COMMITMENTS FOR THE VARIOUS ACADEMIC SERIES

1. Ladder Rank (FTE)

Faculty members appointed in the ladder rank (FTE) series have continuous funding from the University of California State 19900 budget. Permanent and temporary budget reductions have resulted in funding for each faculty FTE at approximately 55%. This percentage is reviewed annually and is subject to change based on increases or reductions in state budget allocations. The Department credits each ladder rank faculty member with approximately 55%, or the revised percentage, unless the faculty member chooses voluntarily to use these funds for purposes other than their salary. Faculty in the ladder rank series must hold 100% appointments.
except for personal health reasons or, following review and approval by the chair, vice dean and vice chancellor, because of family responsibilities.

2. In-Residence

In accord with the Report of UCSF In-Residence Task Force, faculty in the In-Residence series at the Associate and Full Professor ranks may have appointments with no specific ending date. Their appointments are contingent upon continuation of funding and may be converted to one with an ending date as a result of budgetary reasons, programmatic reasons, and/or lack of work. UCSF will support appointments with indefinite end dates for In-Residence faculty at the Associate Professor and full Professor ranks, provided that at the time of appointment, there is an explicit understanding that the individual’s salary support does not involve departmental or divisional support, unless explicitly committed in a formal letter of agreement from the Department Chair or Dean.

The Department follows the UCSF In-Residence guideline for one year of support for Associate and full Professors. Effective 7/1/10, the year of support is calculated as a bank of support equal to one year of base salary (X at scale) plus fringe. The value of the bank is established in the first year of use, however, any remaining bank balance will inflate annually in accord with any COLA or merit increments and is available for use in future years. Any prior expenditures from the bank can be replenished in future years by the faculty member.

Faculty in the In-Residence series must hold 100% appointments except for personal health reasons or, following review and approval by the chair, vice dean and vice chancellor, because of family responsibilities. When continued appointment in the In-Residence series is not possible, conversion to an appointment in a non-Senate series is at the discretion of the Department.

3. Clinical “X”

Appointments in the Clinical X (e.g., Clinical Professor of Medicine) series are year-to-year appointments. By University policy, no prior notice of termination is required if an appointment is scheduled to lapse at the end of an academic year. However, the Department of Medicine will follow the guidelines below for terminating a position (if funding sources permit):

- Less than 2 years of service: may be given a minimum of 6 months notice
- Greater than 2 years of service: may be given a minimum of 1 year notice

Notice may be in the form of termination or reduction in salary to the level supported by the faculty member.
Faculty in the Clinical X series must hold 100% appointments except for personal health reasons or, following review and approval by the chair, vice dean and vice chancellor, because of family responsibilities. When continued appointment in the Clinical X series is not possible, conversion to a non-Senate series is at the discretion of the Department.

4. **Clinical**

Appointments in the Clinical series are year-to-year appointments. By University policy, no prior notice of termination is required if an appointment is scheduled to lapse at the end of an academic year. However, the Department of Medicine will follow the guidelines below for terminating a position (if funding sources permit):

- Less than 2 years of service: may be given a minimum of 60 days notice
- Greater than 2 years of service: may be given a minimum of 90 days notice

The form of notice may be termination or reduction in salary to the level supported by the faculty member. Conversion to part-time status will be at the discretion of the Department.

5. **Adjunct**

Appointments in the Adjunct series are year to year appointments. By University policy, no prior notice of termination is required if an appointment is scheduled to lapse at the end of an academic year. However, the Department of Medicine will follow the guidelines below for terminating a position (if funding sources permit):

- Less than 2 years of service: may be given a minimum of 60 days notice
- Greater than 2 years of service: may be given a minimum of 90 days notice

The form of notice may be termination or reduction in salary to the level suggested by the faculty member. Conversion to part-time status will be at the discretion of the Department.
II. ADDITIONAL INFORMATION ON FACULTY LEAVE PLANS

1. Illness/Disability Leave

After a faculty member’s illness/disability leave has been exhausted (see Section C.1.e., Illness/Disability Leave in Department of Medicine Implementation Guidelines), the faculty member will need to rely upon employee-paid short-term University disability benefits and/or on personally funded private disability insurance. The University’s current plan is detailed below. The terms of these benefits are subject to change and are not within the control of the Department of Medicine.

**Disability Plan on "X":** The University-paid disability plan pays short-term benefits up to 55% of X (maximum is $800/month) for up to six months, after the waiting period has been met. For more specific information, please see [http://atyourservice.ucop.edu/employees/health_welfare/index.html](http://atyourservice.ucop.edu/employees/health_welfare/index.html).

**Disability Plan on "Y":** After a one-year waiting period, long term disability (beyond one year) is a University paid benefit for the "Y" portion of a faculty member’s salary if certain conditions have been met. For more specific information, please see [http://ucsfhr.ucsf.edu/index.php/benefits/article/health-sciences-compensation-plan/](http://ucsfhr.ucsf.edu/index.php/benefits/article/health-sciences-compensation-plan/).

You are encouraged to review your personal benefits coverage. Additional details on these plans are available from the Department’s Academic Affairs Manager or at the websites listed above.

III. COMPLIANCE WITH THE PROVISION, DOCUMENTATION, AND BILLING OF CLINICAL SERVICES AND WITH THE RESPONSIBLE MANAGEMENT OF RESEARCH AND ACADEMIC ACCOUNTS

I. Documentation and Billing of Clinical Services

Faculty members who participate in clinical activities under the auspices of the Department of Medicine at the University of California, San Francisco (UCSF) School of Medicine, must abide by all rules and regulations of the medical staff of the affiliated hospitals at which they are credentialed.
A. **Provision of care**

1. In performing all clinical activities faculty members will exercise the clinical skills, judgment, and professionalism expected of physicians at a leading medical school and hospitals.
2. Recognizing that timeliness is critical to the provision of medical services, faculty members are required to respond and provide requested clinical services (both in the inpatient and outpatient services) in a prompt and timely manner.

B. **Documentation of care**

1. Faculty members have a legal and professional responsibility to document promptly all clinical services performed: inpatient notes will be completed within 24 hours and outpatient notes within 72 hours of the provision of services.
2. Clinical notes should be clear and comprehensive, thereby facilitating the patient’s care and subsequent care by other physicians.\(^2\)
3. Clinical notes will be written, dictated and transcribed, or typed consistent with the templates or procedures required by a faculty member’s Division and Department. If patient care notes are in an electronic format or are transcribed, the faculty member will, within 48 hours, review the notes, confirm their accuracy, and provide an appropriate electronic signature.

C. **Billing for clinical services**

1. The faculty member must ensure that his/her written documentation supports the level of service provided.
2. Since clinical notes are the basis for all billing, the faculty member is responsible for configuring and formatting (in terms of both clarity and content) the note to expedite the billing process.
3. The generation of billing codes will be done either by professional coders or by the faculty member, as per Division and Department policy.
4. The faculty member will abide by all policies regarding discounts and charity care as determined by the UCSF Medical Group or the appropriate practice group at the affiliated hospital(s).
5. The Chief of the Medical Service at each of the UC-affiliated hospitals may suspend the clinical activities of any faculty member who has violated the rules and regulations of the Department of Medicine.\(^1\)
6. For those clinicians who fail to meet the documentation requirements, three progressive steps will be taken:
   - The first letter from the Department of Medicine Director of Clinical Operations and Revenue Management will inform the faculty member of the noncompliance with policy and recommend immediate action to correct the problem (the clinician’s division chief will be notified of the problem);
If the problem is not corrected within the required time frame proposed in the initial letter, a second letter from the clinician’s division chief will sent to the clinician;

If the problem persists, the clinician will receive a third and final letter from the Chair. For clinicians practicing at Parnassus/Mt. Zion, this letter will be copied to the UCSF Medical Staff Office.

7. If the faculty member is not in compliance with the UCSF Department of Medicine’s Health Sciences Compensation Plan (attached) or the above regulations, any projected direct loss of revenue may, at the discretion of the Department as guided by its Compensation Plan Advisory Committee, be used in calculating bonus eligibility and future salary.

8. Since the above clinical responsibilities are aspects of professional competency, the faculty member recognizes that failure to meet these obligations will influence decisions regarding academic advancement, reappointment, and all other academic decisions under review by the Department of Medicine’s Executive Promotions Committee.

9. The faculty member recognizes that if issues related to clinical performance, documentation, or billing compliance are brought to the Compensation Plan Advisory Committee or the Executive Promotions Committee, the faculty member will have the right to submit written materials and/or appear in person before a decision is rendered by these committees.

II. Research and Academic Accounts

Faculty members are responsible for managing their grants, contracts, and other academic accounts.

Overdrafts and deficits

Any deficit incurred by any grant, contract, or other academic account are the responsibility of the faculty member.

Compliance and oversight

1. Faculty members who have recurrent issues or unresolved deficits, at the Department’s discretion, may be
   a. put into “receivership,” whereby the faculty member will no longer have sign-off authority on any account, and any and all expenditures must be approved by the Department, and/or
   b. prohibited from submitting new grants or contracts or accepting new funds.

2. The Department can and will use other funds generated by or in any accounts held by the faculty member to offset any deficits at the discretion of the Department.
If you have any questions regarding this document or its requirements and regulations, please contact your Division Chief. It is expected by the Department that all faculty members will comply with these requirements and regulations or be subject to the penalties and disciplinary actions associated with violations of the provision, documentation, and billing of clinical services. Such actions may include, but are not limited to, adjustment of future salary, forfeiture of leadership roles with the department, delayed or foregone promotions because of unprofessional behavior, and non-renewal of appointment.

References

1. UCSF Medical Staff Bylaws, Rules and Regulations; Section 2.I.B.3(d)(i)
2. UCSF Compliance Manual; Section I.R

IV. CLARIFICATION OF LOSS OF GOOD STANDING

I. Background

The Department of Medicine compensation plan describes the concept of “Good Standing.” It establishes criteria for situations which can trigger loss of good standing and lists potential consequences for loss of good standing. It also describes an Administrative Review Process to resolve situations where a Plan Participant disagrees with a determination of loss of good standing and/or disagrees with whether good standing has been restored. The process outlines the roles of the Department Chair, Dean, and SOM Compensation Plan Advisory Committee in adjudicating disputes.

It is recognized that the criteria that trigger loss of good standing are somewhat ambiguous. When a concern about a Plan Participant is identified, determining the appropriateness of the consequences and corrective action requires review of the seriousness of the issue, the strength of the evidence, and existence of prior issues. That said, this document is intended to clarify, to the extent possible, the circumstances that would trigger loss of good standing, per recommendations made by the SOM Compensation Plan Advisory Committee.

2. Principles

Several key principles were recommended by the DOM Committee:
- Loss of good standing results from a serious concern about a Plan Participant.
  - It leads to loss of privileges that are provided in the compensation plan, including reduction in compensation and restrictions on outside
professional activities. Loss of good standing should be considered a “last step” once other options or corrective actions have been exhausted.

- Consequences for Plan Participants should be similar to those for staff and trainees.

- The formality of process used to identify the problem and to determine the severity of consequence should be proportional to the seriousness of the problem. For example, malfeasance should have more severe consequences than low productivity or failure to complete encounter forms.

- Chronic or repeat offenses by a Plan Participant, or failure of the Plan Participant to take corrective action, should result in escalating consequences.

- DOM should be clear in communicating expectations to the Plan Participant.

- Loss of good standing is not the same as loss of faculty appointment, though loss of good standing could be a precursor to losing one’s appointment.

3. Departmental Administrative Review Process

The DOM compensation plan outlines an Administrative Review process when there is disagreement between a Plan Participant and the Department Chair related to the determination of Good Standing of that Plan Participant. The following section describes the review process for concerns about fulfillment of faculty duties and/or faculty conduct within the Department of Medicine for issues as identified as “minor” or mid-level” (as described above).

The division chief holds primary responsibility for communicating concerns about fulfillment of faculty duties and/or faculty conduct to the Plan Participant and determining consequences. The division chief and Plan Participant should strive for informal resolution as appropriate to the circumstances, with a specific timeline for resolving the conflict defined by the division chief. The chief shall prepare a written document that summarizes the discussion; a copy of this document shall be given to the Plan Participant. When there is a dispute about the appropriateness of the consequences, the Plan Participant may contact the Department Chair for resolution. The Department Chair will determine whether the issue should be brought for review by the DOM Compensation Plan Advisory Committee.