

Policy 2-26 Rev. 1  
Date: January 28, 2002

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**Subject: MEDICAL PRACTICE PLAN FOR THE UNIVERSITY OF UTAH SCHOOL OF MEDICINE FULL-TIME FACULTY**

**PREAMBLE**

Faculty members in the School of Medicine may derive a portion of their income from education, research and clinical activities. The following Plan outlines the policies and procedures related to the distribution of clinical income to faculty members. Academic salary, negotiated salary and incentive salary (as defined below), are determined according to established departmental criteria in compliance with applicable University policies and principles of academic freedom. To this end salary determinations may be reviewed by the appropriate administrative officer (Department Chair, Dean, Senior Vice President) and, when appropriate, by established University grievance committees.

**I. GENERAL**

A. The purpose of this Plan is to define policies of the University of Utah School of Medicine with respect to income from clinical services provided by faculty. The principles stated in this Plan apply to full-time faculty and part-time faculty up to the percentage of full-time equivalency appointment as designated by the Dean of the School of Medicine.

B. All Clinical activities of faculty members, except as described in IIB-4 are considered to be within the scope of employment by the University regardless of the location where the services is rendered.

**II. CLINICAL INCOME**

A. Clinical income is defined as all income generated by any clinical activity. This includes collections (less patient refunds), contracts for clinical and administrative services, and other income related to clinical activities, irrespective of practice site.

B. This Plan excludes:

1. Honoraria for lectures, visiting professorships, publications of articles and other forms of presentations and scientific or other personal awards, and other considerations subject to the University Policy [2-26](#).

2. Royalties from publications.

3. Fees for participation on national peer review committees or site visits.

4. Clinical income earned during vacation away from the University, provided that the vacation time is approved in advance and recorded with the department.

5. Clinical research activities subject to University overhead.

6. Income from technology licensing

C. If the employment of a faculty member terminated, all charges for clinical services rendered prior to the date of separation must be processed through the approved billing system. Collection for clinical services rendered prior to separation of a faculty member are the property of the faculty member's department.

### III. SALARY

A. The salary of faculty members covered by this Plan may have three components: academic salary, negotiated salary and incentive salary. Total salary is the sum of these three components. Subject to departmental or divisional policies and the provisions of this Plan, and with the approval of the Dean, the Department Chair or Division Chief will set the level of each component for each faculty member annually. Salary may be paid from any source available to the department or division.

B. Academic salary is set annually reflecting academic rank according to School of Medicine Guidelines. Academic salary is the only salary component which is associated with tenure or other forms of salary guarantees. Outside funding sources, such as but not limited to V.A. salaries, shall be used to satisfy the academic salary component to the extent necessary.

C. Negotiated salary shall be set on an annual basis pursuant to departmental or divisional policies and the provisions of this Plan. The negotiated salary level should reflect clinical, research, teaching and administrative efforts. With the approval of the Dean, the Department Chair or Division Chief may adjust the amount of the negotiated salary during the year. Negotiated salary is discretionary, it is not guaranteed and is not associated with tenure.

D. Incentive salary shall be set pursuant to departmental or divisional guidelines. Incentive salary may reflect clinical productivity. Incentive salary is discretionary, is not guaranteed and is not linked to tenure.

E. The Dean and Senior Vice President for Health Sciences shall review total salary amounts annually to encourage national salary competitiveness, compliance with this Plan and overall consistency with the School of Medicine's mission.

F. Salaries of Department Chairs will be set by the Dean but are otherwise subject to these provisions. The salary of the Dean will be set by the Senior Vice President for Health Sciences but is otherwise subject to these provisions. The salary of the Vice President for Health Sciences will be set by the President.

### IV. ASSESSMENTS

A. School of Medicine assessments will be determined annually by the Senior Vice President and Dean, with changes approved by a two-thirds vote of the clinical department chairs.

B. Assessments will be paid quarterly by the departments and divisions to the Dean's Office

## V. CLINICAL INCOME ACCOUNTS

A. Clinical Income Accounts (CIAs) are vehicles for deposit of receipts for patient services related to physician clinical practice and for disbursement of that physician clinical income in accordance with the guidelines as further defined in this section.

B. Physician clinical practice income generated by individual physicians shall be deposited to a Clinical Income Account. Payments to individual physicians will be made from the appropriate University accounts based on distribution calculations made by the division or department. The University Payroll Department shall process such payments to individual physicians with appropriate deductions.

C. Disbursements from the Clinical Income Account may include reimbursements to patients or insurance carriers for overpayments or refunds or transfer to University-based accounts. Disbursements from specific Clinical Income Accounts may be made by authorized individuals as designated by the Division Chief or Department Chair.

D. Clinical Income Accounts will be established and maintained through University accounting systems or University approved accounting systems at no additional expense to departments and divisions. University accounts designated as Clinical Income Accounts and assigned to the various divisions or departments shall be interest bearing with earned interest transferred to appropriate division or department accounts on a monthly basis.

E. Reasonable professional, research and education expenses may be paid from Clinical Income Accounts provided they are approved by the Department Chair or Division Chief and are supported by appropriate invoices.

F. The following expenses may not be paid from Clinical Income Accounts:

1. Membership and/or dues in social clubs.
2. Special assessment by any or all medical specialty or subspecialty societies related to political action purposes.
3. Expenses associated with initial state medical licensure, including examination fees.
4. Expenditures for personal use or purposes other than those that benefit the University in accordance with University policies and procedures for expenditures outlined in [PPM section 3-6](#).
5. Expenditures restricted by [PPM section 4-4](#).

G. Upon separation from the University, all balances in Clinical Income Accounts become the property of the faculty member's division or department.

## VI. ADDITIONAL ITEMS

A. Full-time faculty at affiliated private hospitals are obligated to abide by the agreement between the School of Medicine and the particular private hospital.

B. These regulations are subject to annual review and revision by two-thirds vote of the clinical Department Chairs. They are also subject to approval by the Dean, Senior Vice President and Board of Trustees.

C. Acceptance and compliance with these regulations is a condition of employment.

Approved: Board of Trustees 1/28/02

Approved: Academic Senate 1/7/02

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