

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

I. Purpose and Scope

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

The CoNFPO's success requires a strategic plan with clear and attainable long-term goals. Our unique community of faculty scholars believes the CoN should maintain a vital presence and provide leadership in regional and national nursing care. The CoNFPO promotes the development and provision of diverse clinical services, educational and research developments, and an integrated array of opportunities with a variety of university and community partners.

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

The CoNFPO will authorize, encourage, and expedite efficient marketing and contracting for faculty services. Under the direction of the Dean for the College of

Nursing a Faculty Practice Council (FPC) will be formed within the Faculty Practice Organization and empowered to act with binding authority in the creation or cancellation of contracts on behalf of its CON faculty members. The CoNFPO will respond expeditiously to new contracting opportunities in the local and regional health care industry, with full cognizance of all the competitive risk and legal constraints involved.

II. Definitions

For the purposes of this policy, these words and phrases have the following meanings:

- A. Members of the CoNFPO are those CON faculty who provide direct or indirect professional services to clients (e.g, individuals, families, groups, communities) as part of their faculty role. The services of the CoNFPO members are reimbursed by self-pay, third party insurance, contracts, grants or gifts. The practice plan does not include consultation activities as defined in E and F (No.2-26) in the University of Utah Policies and Procedures Manual.
- B. Faculty Practice Council: The council formed to conduct the business of the Faculty Practice Organization.
- C. Clinical Income: Net clinical income is defined as gross collections less client refunds and expenses. All revenue derived from the clinical activities of faculty members covered by this Plan shall be distributed in accordance with the provisions of this Plan. Except as otherwise provided in this Plan, this Plan includes any and all revenues derived from professional services rendered to clients.
- D. The salary of faculty members may have two components: academic salary and incentive salary. Total salary is the sum of these two components. The Dean will set the level of each component for each faculty member annually based on consultation with Division Chair and the faculty members. Salary may be paid from any source available to the College including but not limited to clinical

income, funds from health care facilities, and income from research or training grants, awards, contracts, state funds, etc.

1. Academic salary is set annually and reflects academic rank and clinical experience. Academic salary is the only salary component which is associated with tenure or other forms of salary guarantees.
 2. Negotiated incentive salary will be set by the Dean at the beginning of each fiscal year and a year-end review of amounts paid may be conducted, if appropriate. All accounts and funds used to pay faculty member salaries are subject to regular review and audit by designated entities as deemed necessary.
 3. Incentive salary shall be set pursuant to College Practice Plan guidelines. Incentive salary may reflect clinical, research/scholarship, teaching or administrative productivity. Incentive salary is discretionary, is not guaranteed, and is not associated with tenure.
- E. Clinical Income Accounts (CIAs) are vehicles for deposit of receipts for client services related to nurse faculty clinical practice and for disbursement of that nurse faculty clinical income in accordance with the guidelines.

III. Policy

- A. Inaugural Process: Implementation or revision of the Faculty Practice Plan requires approval by a majority vote of the College Council, review by University General counsel, approval by the Dean for the CON, the Senior Vice President for Health Sciences, the President of the University, and the Board of Trustees.
- B. Organization and Structure of the Faculty Practice Council and Faculty Practice Organization:

Definition and Membership

1. Members of the CoNFPO are those CON faculty who provide direct or indirect professional services to clients (e.g, individuals, families, groups, communities) as part of their faculty role. The services of the CoNFPO members are reimbursed by self-pay, third party insurance, contracts, grants or gifts. The practice plan does not include consultation activities as defined in E and F (No.2-26) in the University of Utah Policies and Procedures Manual.
2. It is recognized that different categories of faculty exist within the CON including, but not limited to, full-time and part-time tenure and clinical tracks, adjunct, research, limited term, and academic teaching staff. The principles stated in this Plan apply to the percentage of full-time equivalence appointment as designated by the Dean and as annually determined regarding individual participation in the plan.
3. A faculty member interested in participating in faculty practice is to discuss this option with his/her Program Director, Division Chair and administrator responsible for clinical practices.
4. Pending mutual agreement, the faculty member may be assigned to a currently existing practice or work with the FPC to develop a new practice program.
5. The members of the CoNFPO approve the Faculty Practice Plan and meet at least annually to review the recommendations of the Faculty Practice Council.

[Note: Parts IV-VII of this Regulation (and all other University Regulations) are Regulations Resource Information – the contents of which are not approved by the Academic Senate or Board of Trustees, and are to be updated from time to time as determined appropriate by the cognizant Policy Officer and the Institutional Policy Committee, as per Policy 1-001 and Rule 1-001.]

IV. Rules, Procedures, Guidelines, Forms and other Related Resources

A. Rules: Faculty Practice Council

1. A Faculty Practice Council (FPC) will be formed to conduct the business of the Faculty Practice Organization.
 - a. Membership: The FPC shall be comprised of one representative from each faculty practice as determined by the members of the respective faculty practice groups. For practices with up to five practitioners there shall be one representative; for practices greater than five practitioners there shall be two representatives.
 - b. Chairperson: Elected from the membership of the FPC for a term of two years beginning with an even numbered year.
 - c. Secretary: Elected from the membership of the FPC for a term of two years beginning with an odd numbered year.
 - d. Guests: From time to time the FPC will invite consultants and guests including students to participate in discussion but not vote.
 - e. Ex-Officio Member: College of Nursing administrator responsible for clinical affairs.
2. Responsibilities of the Faculty Practice Council.
 - a. Meet at least quarterly to evaluate opportunities for the start up of new practices; discuss issues related to the maintenance of existing practices; and make decisions regarding the closure of practices.
 - b. Develop service contracts with agencies in consultation with the administrator responsible for clinical practices and Assistant Dean for Finance.
 - c. Develop criteria to evaluate the service of the faculty practices in meeting the missions of the CON.

- d. Set CoNFPO general priorities and strategies for budgeting; review variances at least quarterly; and recommend allocation of resources to the Dean.
- e. Assure a continuous quality improvement approach is utilized by the faculty practices.
- f. Assure that faculty practice, conducted as part of faculty workload, is considered for merit and retention, promotion and tenure procedures.

B. Procedures: Participation in the Faculty Practice Organization

1. A faculty member interested in participating in faculty practice is to discuss this option with her/his Program Director, Division Chair and the administrator responsible for clinical practices.
2. Pending mutual agreement, the faculty member may be assigned to a currently existing practice or work with the FPC to develop a new practice program/site.
3. Contracts with agencies will be developed jointly by the faculty, Assistant Dean for Finance of the CON, administrator responsible for clinical practices and the Dean.
4. Faculty practice conducted as part of faculty workload will have implications for merit and retention, promotion and tenure decisions.

C. Guidelines:

Purpose and Goals of the Faculty Practice Plan

The purpose of the CoNFPO Practice Plan is to provide guidelines for the distribution of clinical revenues. The Plan will:

1. Support the clinical practices of the CoNFPO

2. Define the criteria for clinical practice revenue distribution within the CON
3. Clinical Income
 - a. Net clinical income is defined as gross collections less client refunds and expenses. All revenue derived from the clinical activities of faculty members covered by this Plan shall be distributed in accordance with the provisions of this Plan. Except as otherwise provided in this Plan, this Plan includes any and all revenues derived from professional services rendered to clients.
 - b. All professional billing and collections for clinical activities covered by this Plan must be made through a billing system approved by the Dean and the University Vice President for Administrative Services. Subject to the provisions of this Plan, net clinical revenues shall be distributed to the program area/practice group which generate them. If the employment of a faculty member terminates, all charges for clinical services rendered prior to the date of separation must be processed through the approved billing system. Except as otherwise agreed in writing between a faculty member and Dean, collections for clinical services rendered prior to separation of a faculty member are the property of the College of Nursing.
 - c. This Plan does not cover:
 - i. Honoraria for lectures, visiting professorships, publications of articles and other forms of presentations and scientific or other personal awards.
 - ii. Royalties from publications.
 - iii. Legal consultations.
 - iv. Fees for participation on national peer review committees or site visits.

- v. Clinical income earned during vacation away from the University, provided that the vacation time is approved in advance and recorded with the department.
- vi. Except as otherwise directed by the Division Chair or Dean, industrial consultations not involving direct client care subject to the University policy on outside consulting
- vii. Income from technology licensing.

4. Salary

- a. The salary of faculty members may have two components: academic salary and incentive salary . Total salary is the sum of these two components. The Dean will set the level of each component for each faculty member annually based on consultation with Division Chair and the faculty members. Salary may be paid from any source available to the College including but not limited to clinical income, funds from health care facilities, and income from research or training grants, awards, contracts, state funds, etc.
- b. Academic salary is set annually and reflects academic rank and clinical experience. Academic salary is the only salary component which is associated with tenure or other forms of salary guarantees.
- c. Negotiated incentive salary will be set by the Dean at the beginning of each fiscal year and a year-end review of amounts paid may be conducted, if appropriate. All accounts and funds used to pay faculty member salaries are subject to regular review and audit by designated entities as deemed necessary.
- d. Incentive salary shall be set pursuant to College Practice Plan guidelines. Incentive salary may reflect clinical, research/scholarship, teaching or

administrative productivity. Incentive salary is discretionary, is not guaranteed, and is not associated with tenure.

- e. The Dean, annually with the Senior Vice President for Health Sciences, shall review total salary amounts to encourage national salary competitiveness, compliance with this Plan, and overall consistency with the College of Nursing's mission.
- f. For purposes of this Plan, and subject to advance determination by the College, Veterans Administration Hospital salaries paid to faculty members covered by this Plan shall be treated as academic salary component.
- g. With the exception of (F), all salary payments shall be made through the University payroll system with appropriate deductions for Federal, State, and Social Security taxes. Academic salary shall be paid according to the University payment schedule and shall constitute the benefits base on which University benefits will be paid. Faculty practice incentive salary shall be paid pursuant to College guidelines. No University benefits will be paid on faculty practice incentive salary.

5. Assessments

- a. Assessments apply only to net clinical income.
- b. Annually each practice entity will pay to the Dean's Office an amount equal to 10 percent of net clinical income (gross collections less refunds) (See Section IIIA).
- c. Annually each practice entity will pay an assessment of 10 percent to a faculty incentive pool.
- d. Annually each practice entity will pay an assessment of 10 percent to the program area/practice group.

- e. The remaining 70 percent of net clinical income will be distributed to the program area/practice group/individual faculty as incentive. This income may be used for faculty incentive payments and/or for future practice developments as necessary to support the education and research missions.

6. Clinical Income Accounts

- a. Clinical Income Accounts (CIAs) are vehicles for deposit of receipts for client services related to nurse faculty clinical practice and for disbursement of that nurse faculty clinical income in accordance with the guidelines as further defined in this section. Clinical Income Accounts are designed to facilitate and expedite deposit of client revenues, to refund client overpayments, and to identify and lead to the distribution of clinical practice income to individual faculty of the College associated with a particular Clinical Income Account.
- b. Nurse faculty clinical practice income generated by individual faculty shall be deposited to a Clinical Income Account. Payment to individual faculty will be made from the appropriate University accounts based on distribution calculations made by the College. The University Payroll Department shall process such payments to individual faculty with appropriate deductions for benefits and payroll taxes in accordance with this Plan, applicable policies and laws with all income to be reported on W-2 forms. The University Payroll Department shall be cognizant of maximum calendar year contribution limitations of FICA, FICA-Medicare and retirement programs such as TIAA-CREF, or Utah State Retirement on an individual basis.
- c. Disbursement from the Clinical Income Account may include reimbursements to clients or insurance carriers for overpayments or refunds or transfer to University-based accounts. Disbursements from

specific Clinical Income Accounts may be made by authorized individuals as designated by the Dean or Division Chair.

- d. Clinical Income Accounts will be established and maintained through University accounting systems or University approved accounting systems at no additional expense to the College. University accounts designated as Clinical Income Accounts and assigned to the various Dean, incentive, or program area/practice group accounts shall be interest bearing with earned interest transferred to appropriate accounts on a monthly basis.
 - e. Clinical Income Accounts will be reviewed during an annual audit conducted by the Dean's Office of the College of Nursing and through other University related audits as deemed necessary. All accounts and funds used to pay faculty member salaries currently originate and are controlled in the Dean's Office and are reviewed and reported regularly to appropriate individuals and audited by other University auditors as deemed necessary. At the time the College is organized into departments having responsibility for their own accounts, all accounts and funds used to pay faculty member salaries will be subject to regular review and audit conducted by the Dean's Office of the College of Nursing and through other University-related audits as deemed necessary.
7. The following expenses may be paid from Clinical Income Accounts provided they are approved by the Division Chair and Dean and supported by appropriate invoices.
- a. Clinical operating expenses:
 - i. Annual city, county and state business licenses.
 - ii. Federal and state narcotic licenses (if the individual practices solely within the university system).
 - iii. Salaries, wages, and fringe benefits.

- iv. Office rents, supplies, and equipment related to and necessary for the practice.
 - v. Billing expenses.
 - vi. Marketing expenses.
 - vii. Other operating expenses.
- b. Professional expenses:
- i. Malpractice insurance.
 - ii. Membership and dues in academic and professional societies.
 - iii. Travel and other allowable expenses to scientific meetings.
 - iv. Supplemental support for educational or sabbatical leave.
 - v. Purchase of books, pamphlets and journals, if such publications are readily available for use by any and all members of the College or Division including students.
 - vi. Expenditures necessary for educational and research programs.
 - vii. Expenses involved in board certification and recertification.
 - viii. Recruitment and relocation expenses for new faculty members.
 - ix. College and/or program area assessments.
- c. Non-allowable expenses:
- i. Membership and/or dues in social clubs.
 - ii. Special assessment by any or all nursing specialty or subspecialty societies related to political action or charitable expenses.

- iii. Expenses associated with initial state nursing licensure, including examination fees and reciprocity fees.
- iv. Expenditure for personal use or purposes other than those that benefit the University in accordance with University policies and procedures for expenditures.
- v. Equipment purchases from Clinical Income Accounts are returned to the College of Nursing at the termination of employment.

8. Additional Items

- a. Full-time faculty at affiliated private health care agencies are obligated to abide by the agreement between the College of Nursing and the particular hospital.
- b. full-time Salt Lake City Veterans Administration Health Care System (SLCVAS) nurses, including research associates and clinical investigators, may not perform consultations or give continuing care to the University Hospital clients for remuneration nor may clients be billed for their services no matter where the income goes unless approved in writing by the Dean and the (SLCVAS) Director in compliance with the (SLCVAS) regulations.
- c. full-time and part-time Veterans Administration Hospital nurses, including research associates and clinical investigators, may receive professional expenses from a University account if, and only if, such benefits are allowable under both University (Section 3-6) and Veterans Administration Hospital regulations (VAH circular 00-72-22, dated 6-3-70).
- d. These regulations shall become effective July 1, 2003 and are subject to annual review and revision by majority vote of all College faculty and the Dean with approval by the Board of Trustees as necessary. Acceptance of and compliance with these regulations shall be a condition of employment.

- e. A copy, with written confirmation of receipt, shall be supplied to every faculty member described in Section II, Membership.
- f. Effective communications is considered essential to the success of the FPO. Faculty will receive regular reports and minutes of the FPC meetings will be distributed to divisions.

D. Forms [reserved]

E. Other related resource materials. [reserved]

V. References

VI. Contacts

The designated contact officials for this Policy are:

- A. Policy Owner (primary contact person for questions and advice): Executive Director of Faculty Practice in the College of Nursing.
- B. Policy Officers: Sr. Vice President for Health Sciences.

These officials are designated by the University President or delegee, with assistance of the Institutional Policy Committee, to have the following roles and authority, as provided in University Rule 1-001:

"A 'Policy Officer' will be assigned by the President for each University Policy, and will typically be someone at the executive level of the University (i.e., the President and his/her Cabinet Officers). The assigned Policy Officer is authorized to allow exceptions to the Policy in appropriate cases.... "

"The Policy Officer will identify an 'Owner' for each Policy. The Policy Owner is an expert on the Policy topic who may respond to questions about, and provide interpretation of the Policy; and will typically be someone reporting to an executive level position (as defined above), but may be any other person to whom the President or a Vice President has delegated such authority for a

specified area of University operations. The Owner has primary responsibility for maintaining the relevant portions of the Regulations Library... [and] bears the responsibility for determining -requirements of particular Policies... ." University Rule 1-001-III-B & E

VII. History

Renumbering: Renumbered as Policy 6-001 effective 9/15/2008, formerly known as PPM 2-26.2

Reformatting: Reformatted to Regulations template, 7/28/09

Revision History:

Current version: Revision 2 (effective date, February 27, 2004)

Editorially revised by Legal Counsel 7/03

Approved by College Council, 2/27/04

Earlier versions

Revision 1: effective dates, July 13, 1998 to February 26, 2004

Revision 0: effective dates, January 3, 1995 to July 12, 1998