

**BETH ISRAEL MEDICAL CENTER  
FACULTY PRACTICE PLAN  
POLICIES AND PROCEDURES FOR FACULTY PRACTICE**

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**1. GENERAL POLICIES:**

Beth Israel Medical Center (the “Medical Center”) employs full-time and part-time professional staff to provide administration, teaching, and supervision of residents on behalf of the Medical Center. Physicians in the Ancillary Service Departments are, in addition, responsible for providing services to hospital inpatient, clinic and emergency patients. Clinical practice is an integral part of the Medical Center's mission as it helps to maintain clinical acumen of staff physicians and increases the number, scope and complexity of illness treated at the Medical Center. Clinical practice enhances educational and investigational objectives of the Medical Center. In addition, the Medical Center recognizes its need for:

- a. Attracting physicians on a full time basis.
- b. Retaining the existing staff with established practices on a full time basis.
- c. Developing and maintaining a constant source of revenue in the form of fees generated by employed professional staff for meeting the above objectives and other Medical Center needs.
- d. Promoting clinical teaching of high quality with a wide range of practice experiences.
- e. Promoting high quality patient care by encouraging ongoing patient physician relationships.

**Accordingly, the Medical Center recognizes the necessity for its professional employee staff to maintain a clinical practice to the extent feasible and consistent with their other duties at the Medical Center. Furthermore, because of the importance to the Medical Center of revenue in the form of fees generated by the professional staff, for the support of clinical, teaching, research, professional and departmental activities consistent with the Medical Center's role and mission, Faculty Practice Plan activities will be integrated with other departmental functions through the budgetary mechanism.**

**2. PARTICIPATION IN FACULTY PRACTICE PLAN:**

**All full time professional employees of the Medical Center who are eligible for Icahn School of Medicine at Mount Sinai (“ISMMS”) faculty appointments and are holders of appropriate licenses to practice their specialty will participate in the Medical Center's Faculty Practice Plan (FPP). These professionals shall include:**

- a. Physicians**
- b. Dentists**
- c. Psychologists (Non-Union)**
- d. Masters of Social Work (Non-Union)**
- e. Other specialists, as indicated**

**Part-time professional employee staff who meets the above qualifications may be eligible for participation upon approval of the department Chairman and the President.**

**Any members of the professional employee staff who are not allowed to see patients in their offices as part of their employment arrangement, such as those employed in governmentally funded programs, , are not eligible to participate in the plan.**

**In addition, members of any union which has a collective bargaining agreement with the Medical Center prohibiting compensation on a basis other than the formulas specified in the union contract are not eligible to participate in the Faculty Practice Plan.**

**Participation in FPP activities shall cease upon termination of employment at the Medical Center. The precise handling of collections for services rendered during the period of participation in the FPP shall be determined in accordance with the provisions outlined in this policy.**

### **3. DEFINITION OF ACTIVITIES AND INCOME**

#### **SUBJECT TO FACULTY PRACTICE PLAN:**

**All professional services rendered by full time professional staff of the Medical Center are part of their employment duties. Professional employees act on behalf of the Medical Center when caring for patients under the auspices of the FPP. FPP policies apply to fee generating professional services whether rendered within or outside the Medical Center. Such services shall include (but are not limited to) the following:**

- a. Medical and dental practice, including consulting services,**

for which bills for professional services are rendered to patients, third party payors, and other professional or governmental agencies.

- b. Any other professional service for which the participant renders a bill.

**4. HANDLING OF INCOME PURSUANT TO FACULTY PRACTICE PLAN**

All FPP income is to be deposited in the name of individual participants into a restricted fund at the Medical Center, in accordance with the provisions outlined in this policy. The only income not subject to Faculty Practice Plan distribution, and, which may therefore be retained entirely by the participants without accounting to the Medical Center, includes the following:

- a. All payments received from the Medical Center.
- b. Honoraria, defined as payments made to the participants for which the amount to be paid is not determined by the participant but rather by the paying institution, and services which might reasonably have been expected to be provided even if no fee were paid at all.
- c. Royalties or payments received from authorship of academic and/or professional publications.
- d. Income generated from providing consulting services and other services provided to outside entities, Such income is subject to the applicable policies of ISMMS.

**5. PRACTICE FACILITIES:**

a. Participants shall be authorized to conduct a professional practice and engage in professional consultation in facilities provided by or under the control of the Medical Center in accordance with established guidelines. Authorized facilities include facilities within departments at other Mount Sinai facilities, and, professional offices provided by the Medical Center, including outside Medical Center facilities such as BETH ISRAEL MEDICAL GROUP.

b. Participants may engage in clinical practice at the Medical Center to the extent that, in the opinion of the Chairman and the President, such FPP practice does not interfere with the performance of responsibilities to the Medical Center. The Medical Center reserves the right to restrict professional practice of any participant if in its opinion, such practice may interfere with other responsibilities of the participant.

c. With the prior written approval of the Chairman and the President, the participant may render services to patients outside of the institution. An individual participant or an approved group practice of participants may maintain an outside office with the prior written approval of the Chairman and the President.

6. **PROFESSIONAL FEES, BILLING AND COLLECTION**

a. FPP participants shall authorize the Medical Center to bill, collect, and deposit professional fees on their behalf. Participants may use an outside Billing Vendor only with the approval of the Chairman and the President of the Medical Center. All participants with outside Billing Vendors shall provide monthly billing and collection reports to the Medical Center in accordance with the guidelines established by the Medical Center.

b. Fees charged for professional services shall be determined by the individual participant or the group of participants rendering services, subject to review by the Medical Center, and consistent with any applicable limits imposed by third party reimbursement and/or by governmental policy.

c. Upon collection, the monies shall be deposited promptly in the individual participant or participating group's restricted fund for distribution to individuals consistent with their current FPP policies and procedures.

d. All professional fees will be deposited utilizing an FPP Collection Transmittal List, reflecting either the FPP Individual or Group Account Number.

## **7. DEDUCTIONS FROM GROSS COLLECTIONS**

**Overhead expenses of the practices shall be deducted from collections.**

**8. DISTRIBUTION OF NET COLLECTIONS**

Net collections are defined as the balance of the gross collections remaining after any applicable deductions have been made (as defined in section 7 above). Unless otherwise agreed upon, the net collections shall be distributed as follows:

**SUPPLEMENTAL INCOME TO THE PARTICIPANTS**

The Faculty Practice Plan arrangement provides that FPP participants shall be paid on a revenue minus expenses model as a supplement to their base salaries. This arrangement is applicable to individual participants only, as the precise predetermined percentage arrangement for groups may vary.

**PARTICIPANTS RECEIVE:**

- a. Current salaries as determined by the Department Chairman with prior approval of the President or his/her designee.
- b. Professional practice revenue less expenses.
- c. Fringe Benefits as currently applicable to the participants.

**9. "GROUP" ARRANGEMENTS:**

Departmental and divisional group practices may be allowed in order to foster the development of complex, educationally enriching patient bases. Subject to the approval of the Department Chairman and the President, two or more participants are permitted to enter into a group arrangement, allowing them to bill and collect professional fees as a group.

**Group participants will develop their own supplementation arrangements for the distribution of net collections which shall be subject to the written approval of the Department Chairman and the President or his/her designee.**

**10. MAXIMUM SUPPLEMENTATION**

**The President may periodically review the reasonableness of the total compensation of the participant, and may at his/her discretion impose constraints on total compensation packages to ensure they are consistent with fair market value and meet legal requirements.**

**As noted above, the Medical Center also reserves the right to limit the professional practices of FPP participants if they interfere unduly with the participant's other responsibilities.**

**12. TERMINATION FROM THE FACULTY PRACTICE PLAN:**

**FPP supplementation is due only from collections from patient care services. Payment of amounts guaranteed as supplementation during employment upon termination, if any, shall be limited to the participant's share from collections received prior to termination, in accordance with the Plan.**

**Upon termination from the Medical Center, all practice accounts receivable and receipts shall be the property of the Medical Center, and no amounts received after a participant's last day will be distributed to the participant.**

**13. MISCELLANEOUS:**

**a. Fringe Benefits:**



**The fringe benefits of each participant are based upon base salary or agreed upon fringe benefit base. There are no fringe benefits on the FPP supplementation paid by the Medical Center.**

**b. Ownership of Assets:**

**Ownership of all assets used by physicians to provide FPP patient care including office furniture, furnishings, and professional equipment purchased with practice income and used to generate from FPP practice or other professional activities, shall be vested in the Medical Center.**

**c. Amendments**

**The above rules, procedures, charges and allocation may be amended from time to time by the President, after consultation with the FPP Advisory Council.**

**Revised as of January 2015**