



**Mount
Sinai
Doctors**

Rules and Procedures Governing Participation in Mount Sinai Doctors Faculty Practice*

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*Mount Sinai Doctors Faculty Practice previously designated as Faculty Practice Associates. Name change December 14, 2012.

Mount Sinai Doctors Faculty Practice
Introduction

The Rules and Procedures Governing Participation in Mount Sinai Doctors Faculty Practice (MSDFP) provide guidelines for administering the operational policies and procedures related to MSDFP practice activities.

Rules and Procedures Governing Participation in Mount Sinai Doctors Faculty Practice

1. Eligibility

A. Full-time Faculty

- (1) All full-time faculty (as defined in the Icahn School of Medicine at Mount Sinai Faculty Handbook) are eligible to participate in Mount Sinai Doctors Faculty Practice. Participation requires endorsement of the Department Chair.
- (2) Eligibility of full-time faculty who derive their full salary from an affiliated institution is subject to conditions prescribed by the affiliate and approved by the Icahn School of Medicine at Mount Sinai.

B. Part-time Faculty

Part-time faculty members who are employed for less than 40 hours per week may, with the recommendation of the Department Chair and approval of the Dean, participate in MSDFP under the following conditions:

- (1) Practice activities are conducted in on-campus space or in leased facilities under the control of the Icahn School of Medicine at Mount Sinai.
- (2) A part-time paid faculty member will not engage in any type of outside practice activities or maintain a practice office off-campus or accept an appointment at another school or unaffiliated hospital except as "visiting" or "lecturer". Any waiver of this restriction requires the endorsement of the Department Chair and approval of the Dean.
- (3) All funds generated in connection with care rendered to private patients (wherever located) are deposited into appropriate MSDFP income accounts and are subject to all authorized MSDFP assessments.
- (4) Distribution of funds will be handled in accordance with "Rules and Procedures Governing Participation in the Mount Sinai Doctors Faculty Practice."
- (5) All other Faculty Handbook rules pertaining to part-time faculty members will apply.

C. Participation

- (1) Participation of any physician in MSDFP is defined as an individual working in concert with other eligible full-time and part-time faculty.

2. **Organization**

A. Participation in MSDFP, subject to Department Chair approval, may be as an individual or as a group in concert with other eligible full-time and part-time faculty.

B. Conditions Pertaining to Groups

- (1) Each founding member of a group, and thereafter each new member, will signify his/her assent to participate in the group.
- (2) New eligible full-time and part-time faculty may be added to the group with the approval of the Department Chairman upon the advice of the group.
- (3) Subject to the approval of the Department Chair, each group shall develop a memorandum of understanding outlining how they will operate, method of billing, arrangements for professional coverage, how authorized charges against the Adjusted Gross Income will be handled, pattern for distribution of authorized supplements, and other relevant issues. A copy of the approved memorandum of understanding will be provided to the MSDFP Administration Office.
- (4) The group may not be dissolved without the unanimous consent of all its participants and the approval of the Department Chair, except that an individual participant may resign from the group.
- (5) Upon resignation or termination of a group, a participant shall be eligible to receive allowances, benefits and payouts which have accrued up to date of resignation or termination as outlined in paragraph 9.

3. **Title to Property**

Title to all furniture, furnishings and professional equipment purchased with practice income and used by each participant to generate income from private practice or other professional activities shall be vested in the School of Medicine.

4. **Practice Facilities**

A. Participants shall be authorized to perform patient care and engage in

professional consultation in accordance with established institutional guidelines as defined in the Faculty Handbook in facilities provided by or under control of the Mount Sinai Health System.

- B. It is intended that the participant may render services to patients at the institution to the extent that, in the opinion of the Dean and Department Chair, such private practice does not interfere with the performance of his/her other academic responsibilities.
- C. Subject to limitations specified in the Paragraphs A and B above, the participant, subject to an agreement signed by the Dean may render services to private patients outside the institution but shall not maintain an office outside the institution unless approval is obtained from the Dean.

5. Practice Income or Fees

- A. Fees charged for professional services shall be determined by the Chair of the Department in which the service is rendered unless limited by third party payers and/or by governmental or institutional policy.
- B. All fees for professional services received by MSDFP participants will be deposited into a practice fund to be established by the School of Medicine for each individual participant or group.
- C. Income for professional services excluded from MSDFP will be governed by institutional guidelines as defined in the Faculty Handbook.

6. Billing for Professional Services

Billing for professional services shall be in accordance with the billing system(s) established by each Department and approved by MSDFP. These systems may be modified, from time to time, upon recommendation of MSDFP Board of Governors and approval of MSDFP CEO.

7. Assessments Against Practice Funds

- A. A percent of gross receipts deposited in the practice fund will be allocated to the School Equalization Fund, to be utilized at the discretion of the Dean. Where a Department considers that a portion of their practice income should be exempt from this assessment, such a request may be submitted to the Dean and must contain adequate justification to support the exemption.
- B. Overhead costs incurred in earning patient care income will be charged against practice accounts. Where a Department considers that a portion of their practice income should be exempt from any overhead charge, such request may be submitted to MSDFP CEO and must contain

adequate justification to support this exemption.

Overhead consists of four components:

- i. Direct Expenses under the control of MSDFP or Department.
 - ii. Indirect expenses to cover administrative and general expenses relative to overall operation of MSDFP to include the cost of federally mandated compliance programs (fixed as a percentage of collections). Elements, constituting indirect overhead expenses, are established as part of the Administrative Services Agreement negotiated between the Dean's Office and MSDFP.
 - iii. Funding of renovation (MSDFP Renovation Fund) and refurbishing account for practice areas fixed as a percentage of collections and may be modified, from time to time, by action of the MSDFP Board of Governors.
 - iv. MSDFP Growth Fund, financed as a percentage of collections and allocated at the discretion of MSDFP Board of Governors, will be used to fund key strategic expenses to promote the growth of MSDFP.
- C. Additional assessments may be levied from time to time, subject to authorization of the MSDFP Board of Governors and approval of the Dean.
- D. A portion of professional liability insurance agreed to by the Dean and the Health System's leadership.
- E. Additional expenses incurred in connection with the physician's practice such as professional dues, license, travel, books, and periodicals will be paid from Departmental funds, consistent with Departmental and Institutional policies
- F. The amount remaining in the practice fund after deducting for the School Equalization Fund and the various overhead assessments is designated as Net Collections.
- G. A portion up to and including 100% of the participant's base salary (salary listed in Faculty Salary Guide and as approved by the Board of Trustees of the Icahn School of Medicine at Mount Sinai and on which fringe benefits are paid or calculated; this salary shall be determined at time of initial employment and may be adjusted from time to time in accord with School of Medicine policy) and related fringe benefits may be charged against this amount. The portion must be approved by the Department Chair and the

CEO of MSDFP. The accounting of any other expenses against the Adjusted Gross Income including Supplements and other non-base salary compensation guarantees and related incentive plans must be approved by the Dean, Department Chair, and CEO of MSDFP.

8. **Disbursement of Remaining Funds**

Note that this policy may be modified pursuant to the terms of a group memorandum of understanding or a written agreement entered into at time the MSDFP participant was hired or at time of termination:

A. Residual Balance

- (1) The amount remaining in the practice fund is designated as the Residual Balance. This amount, or some portion thereof at the discretion of the Department Chair, is available to MSDFP participants to provide a supplement of the base salary. The exact portion of the Residual Balance available for supplements is subject to an annual determination by the Department Chair in concert with each MSDFP participant
- (2) A portion of the Residual Balance in excess of supplement may be used as an incentive bonus subject to annual determination by the Department Chair, and in keeping with agreements between participant, the Dean, and the Icahn School of Medicine at Mount Sinai Board of Trustees
- (3) The remaining portion of the Residual Balance is transferred to a Departmental Fund designated by the Department Chair.

B. Departmental Funds

- (1) Departmental Funds developed through practice fees will be expended in accordance with institutional policies and in furtherance of the clinical and academic missions of the department under the administrative authority of the Department Chair.

9. **Termination**

A participant in MSDFP is required to give the Department Chair notice, in writing, if he or she desires to leave the full-time staff. The required period of notice shall be equivalent to the period of notice the Chair would be required to give the MSDFP participant, if his/her faculty appointment was not to be renewed, as stipulated in the then current Faculty Handbook. The Chair shall have the prerogative of releasing the MSDFP participant earlier.

MSDFP Participants shall be entitled to receive all benefits and allowances which have been accrued, under MSDFP Rules and Procedures, up to the date of resignation or termination, unless modified by a written agreement signed by the

terminating FPA participant or pursuant to the terms of a 'Group Memorandum of Understanding' entered into at the time the MSDFP participant was hired.

MSDFP Participants shall not be entitled to any collections or other revenue accruing in their practice accounts or in any personal or departmental accounts following termination and/or resignation.

Special Note

The Medical Service Plan Advisory* Council, the practice plan's first governing body, initially endorsed a proposed set of Rules and Procedures on October 29, 1976.

The Dean of the School of Medicine, on November 8, 1976, approved the Rules and Procedures and made them effective retroactive to July 1, 1976.

Revisions were subsequently adopted on 8/1/77, 9/1/78, 4/1/81, 1/1/82, 3/15/83, 1/1/84, 4/24/84, 11/20/84, 6/17/86, 9/15/88, 8/1/96, 3/7/00, and or 9/1/02.

*On February 26, 1973 the School of Medicine Board of Trustees approved the establishment of a full-time faculty practice plan, designated as the Medical Service Plan (MSP) to become effective as of July 1, 1973. Following a survey of faculty participants, the name was changed on April 24, 1984, to Faculty Practice Associates (FPA).