Clinical Practices of the University of Pennsylvania (CPUP)

- CPUP is the physician specialty group under the umbrella of Penn Medicine; it is led by the Board of Directors – the clinical chairs
- CPUP leadership reports to the Dean of the SOM
- CPUP Required Clinical Departments to institute a Physician Compensation plan in 2002-2003
- The Compensation Committee of CPUP reviews and approves all compensation plans; subsequent approval is given by the BOD
- The Department of Radiation Oncology instituted its compensation plan in 2006
CPUP Compensation Plan
General Principles

• Total physician income is divided into the base (80%) and an incentive component (20%)
• The base is further divided into the academic base (determined by the University) and the clinical supplement
• Productivity metrics are determined by University Health Consortium WRVU data
• All CPUP compensation plans use the 65th percentile for WRVU data
Department of Radiation Oncology Compensation Plan

• Base is distributed monthly
• Incentive is distributed quarterly
• WRUV data are collected monthly and reported to departmental leadership and individual physicians
• The 65th percentile for WRVUs is approximately 10,600 for a 1.0 CFTE physician
• We use a subset of UHC data which includes MGH, Michigan, and other peer institutions
• WRVU targets are adjusted yearly based upon updates from UHC
Department of Radiation Oncology Compensation Plan

- CFTE allocation is determined by the chair and follows the guidelines established by the faculty handbook
  - CE track faculty 0.80 CFTE
  - AC track faculty 0.90 CFTE
  - HSC track faculty 0.95 CFTE
- Faculty may ‘buy down’ their CFTE through grant funding, administrative responsibilities, or reduction of duties
- WRVU targets are adjusted yearly based upon updates from UHC
Department of Radiation Oncology Compensation Plan

- Components of the incentive calculation
  - Individual WRVU target (CFTE x 65th percentile WRVU target) – (6%)
  - Group WRVU goal – established as part of the annual budget process – (6%)
  - Department P & L – (4%)
  - Citizenship – determined by Chair – (4%)
- 10% discount given for pediatric and HNC services
- Must achieve individual target in order to receive group WRVU component
Department of Radiation Oncology Compensation Plan

- 3 year ramp up for compensation plan
  - Incentive guaranteed year 1
  - 50% at risk year 2
  - 100% at risk year 3

- If physicians achieve target and group WRVU and P&L targets are achieved, total compensation is distributed as outlined on the previous slide

- If physicians exceed their individual target and the other targets are achieved, an additional bonus is distributed in October of the next academic year
Department of Radiation Oncology
Compensation Plan

- The upside is uncapped
- $$ value per WRVU depends upon payer mix, collections, etc.
- It has varied from $25-50 per WRVU
- Physicians must be employed in October of the following academic year to receive the additional bonus
- If physicians don’t achieve their target, reductions to the bonus are permitted the following academic year
Department of Radiation Oncology Compensation Plan

- Provides a clear and transparent expectation regarding productivity
- Evenly applied to all faculty
- Must watch out for perverse incentives
- The impact of IGRT and other new procedures
- Citizenship metrics
  - Teaching evaluations
  - Publications
  - Clinical Trials Accrual
  - Attendance – faculty meetings, chart rounds, etc