GME Program Director, Faculty, and Coordinator Salary Support: An Equitable and Logical Funding Method

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Disclosure

No conflicts of interest
Objectives

• Create an equitable, accreditation requirements-based process for funding GME program salaries
• Logically explain the methodology used to fund GME program salaries
• Bridge potential GME funding communication gaps between Academics and Finance
• Bring transparency to an often misunderstood process
"Everybody has accepted by now that change is unavoidable. But that still implies that change is like death and taxes; it should be postponed as long as possible and no change would be vastly preferable. But in a period of upheaval, such as the one we are living in, change is the norm."

--Peter F. Drucker
Palmetto Health’s GME Programs

Palmetto Health:
• One of two major healthcare systems in new partnership with Greenville Healthcare System
• Four hospitals and multiple pre- and post-acute care facilities; ~14,000 employees; one major teaching hospital
• 27 ACGME accredited programs
• 1 CODA accredited dental residency
• 4 non-traditional fellowships
• ~300 residents and fellows (employer of GME administrative staff and residents)
• Affiliation with University of SC School of Medicine (employer of most GME faculty and staff)
Previous State

- Contract for program director and faculty roles and time from affiliated medical school
- Separate Sponsoring Institution educational budgets for each residency
- Budgets based on requests negotiated individually for each residency
Development of Standardized Model

- Initial methodology developed a decade ago to eliminate inequities between residencies and departments
- Significant barriers encountered in implementation:
  - Historical support for SI needs linked to GME budgets
  - Winners and losers in standardized model
  - No clear agreement on defining GME funding sources
Stimulus for Change

- Dissatisfaction with inequities across residencies and departments
- Increased scrutiny of budgets in all departments of the Sponsoring Institution (SI)
- Merging SI employed physician group with medical school faculty group into single entity
- Creating an equitable compensation model for newly formed medical group physicians
Support for New Model

- DIO and Director of GME Admin. & Finance reviewed, revised, and vetted model with Budget and Finance officials of Palmetto Health
- DIO presented model to CAO, Dean of Medical School & CEO of Medical Group and obtained consensus to proceed with new fiscal year
- Director of GME Administration & Finance worked with Budget and Finance leaders of all entities on logistics of switching to new model
  - Total funds calculated from new model paid to Medical Group
  - Medical Group can choose to allocate differently
“Compensation is the key driver of a collaborative culture, which can be achieved only if the compensation plan has a defined methodology and consistent principles for the entire employed group.”

Process (30,000 ft level)

(1) Identify the program size.
(2) Review RRC for Requirements.
   No specific requirements? Use proxies (next slide).
(3) Establish the Baseline $ (with fringe)
(4) Apply the required FTEs to the Baseline $

GME Dollars
Proxy FTEs

1. RRC Defined?
   - NO
   - YES

2. FAQ?
   - NO
   - YES

3. Other?
   - NO
   - YES

4. Similar Prgm?
   - NO
   - YES

5. Use defined numbers

6. PD 20% Faculty 15% on 1:6 ratio PC 50%

7. Use comparable program

END
Funding Model – Source of Funds

GME DOLLARS

- State Funds
- Clinical $
- IME
- GME/UME overlap
- DGME
- Grant $
Example 1 – Family Medicine Residency

- 30 Residents
- RRC requirements:
  - Program Director: 70% salary support (I.A.4.p)
  - Program Coordinator: Must have a program coordinator, but no % stated (II.C.1)
    - Comparable size programs have 1.0 FTE. We assigned this program the same.
Faculty FTE Requirements

- RRC Requirements:
  - “one core family medicine physician faculty member, in addition to the program director, for every six residents in the program.” [II.B.6]
  - “must...dedicate at least 60 percent time (at least 24 hours per week, or 1200 hours per year), to the program ...”[II.B.6.a).(1)]
  - Result:
    - 30 residents / 6 = 5.0
    - 5.0 x 0.6 = 3.0 FTE Faculty

Example - Family Medicine
Faculty FTE Adjustments

- Calculated need for faculty FTE = 3.0
  - We calculate 0.5 of total faculty FTEs for Chair
- Time residents spend at major sites other than sponsoring institution is deducted.
  - For example, 0.1 FTE for time at the VA.
- Net Faculty FTE: 3.0 - 0.1 (VA) = 2.9 Faculty FTE (0.5 for Chair and 2.4 for other faculty)
Baseline methodology

- Many options available: AAMC Salary survey, MGMA data, actual salaries, etc.
- We chose the AAMC Salary Survey data.
- Cross reference to the correct title and median income.
- Adjust for inflation.
- Apply fringe.
## Baseline $

<table>
<thead>
<tr>
<th>ROLE</th>
<th>BASE SURVEY NUMBER</th>
<th>APPLIED 1 YR INFLATION</th>
<th>APPLIED FRINGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Chair (Professor)</td>
<td>$223,000</td>
<td>$226,278</td>
<td>$248,906</td>
</tr>
<tr>
<td>Program Director (Associate Professor)</td>
<td>$211,000</td>
<td>$214,102</td>
<td>$235,512</td>
</tr>
<tr>
<td>Assoc. PD &amp; Faculty (Assistant Professor)</td>
<td>$199,000</td>
<td>$201,925</td>
<td>$222,118</td>
</tr>
</tbody>
</table>

Example - Family Medicine
## Baseline x FTE for the Total Education

<table>
<thead>
<tr>
<th>ROLE</th>
<th>FULLY LOADED SALARY</th>
<th>CALCULATED FTE</th>
<th>CALCULATED DOLLARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Chair (Professor)</td>
<td>$248,906</td>
<td>0.5</td>
<td>$124,453</td>
</tr>
<tr>
<td>Program Director (Associate Professor)</td>
<td>$235,512</td>
<td>0.7</td>
<td>$164,858</td>
</tr>
<tr>
<td>Faculty (Assistant Professor)</td>
<td>$222,118</td>
<td>2.4 (3.0 - 0.5 - 0.1)</td>
<td>$533,083</td>
</tr>
<tr>
<td><strong>TOTAL FACULTY</strong></td>
<td></td>
<td></td>
<td><strong>$822,394</strong></td>
</tr>
</tbody>
</table>

Example - Family Medicine
Total Dollars for GME

- Total Faculty $822,394
- Program Coordinator (PC) = $65,000 with fringe
- PC FTE = 1.0
- Total PC and other admin support = $65,500
- Total Dollars for Faculty and Staff to provide resident education

$887,394

Example - Family Medicine
Example 2 – Internal Medicine Residency

- 38 Residents
- RRC requirements:
  - Program Director: 50% salary support (1.A.2.a)
  - Assoc. Program Director when >24 residents
    - 24-40 residents = 1 APD @ 50% (1.A.2.b & 1.A.2.c)
Program Coordinator Requirements

- Program Coordinator
  - RRC requires 1.0 FTE.
  - For internal equity, we realigned to follow Pediatric requirements that state, “For programs with 31-60 residents, there must be a minimum of ...1.5 FTE residency coordinators.” *Pediatric Residency Program Requirements I.A.1.b).(1).(b)*
  - Program Coordinator = 1.5 FTE
Faculty FTE Requirements

- Faculty:
  - RRC Requirements: 4 Core Faculty (I.A.2.d) for a program with <60 residents and 15 hrs per week (II.C.3.b)
  - 15 hrs / 40 hrs = 0.375 x 4 Core Faculty = 1.5 FTE required
  - Not equitable so we realigned to follow Family Medicine requirements:
    - Faculty to Resident ratio of 1:6 (II.B.6), AND
    - 60 percent time
  - Result
    - 38 residents / 6 = 6.33
    - 6.33 x 0.6 = 3.8 FTE

Example - Internal Medicine
Faculty FTE Adjustments

- Calculated need for faculty FTE = 3.8
  - We calculate 0.5 of total faculty FTEs for Chair
- Time residents spend at major sites other than sponsoring institution is deducted.
  - For example, 0.9 FTE for time at the VA.
- Net Faculty FTE: 3.8 - 0.9 (VA) = 2.9 Faculty FTE
  (0.5 FTE for Chair and 2.4 FTE for other faculty)

Example - Internal Medicine
Baseline methodology

- Same as Family Medicine (same across all programs)
- AAMC Salary Survey
- Adjust for inflation
- Apply fringe

Example - Internal Medicine
<table>
<thead>
<tr>
<th>ROLE</th>
<th>BASE SURVEY NUMBER</th>
<th>APPLIED 1 YR INFLATION</th>
<th>APPLIED FRINGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Chair (Professor)</td>
<td>$259,000</td>
<td>$262,807</td>
<td>$289,088</td>
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<tr>
<td>Program Director (Associate Professor)</td>
<td>$225,000</td>
<td>$228,307</td>
<td>$251,138</td>
</tr>
<tr>
<td>Assoc. PD &amp; Faculty (Assistant Professor)</td>
<td>$208,000</td>
<td>$211,057</td>
<td>$232,163</td>
</tr>
</tbody>
</table>

Example - Internal Medicine
## Baseline x FTE for the Total Education

<table>
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<th>FULLY LOADED SALARY</th>
<th>CALCULATED FTE</th>
<th>CALCULATED DOLLARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Chair (Professor)</td>
<td>$289,088</td>
<td>0.5</td>
<td>$144,544</td>
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<tr>
<td>Program Director (Associate Professor)</td>
<td>$251,138</td>
<td>0.5</td>
<td>$125,569</td>
</tr>
<tr>
<td>Assoc. PD (Assistant Professor)</td>
<td>$232,163</td>
<td>0.5</td>
<td>$116,082</td>
</tr>
<tr>
<td>Faculty (Assistant Professor)</td>
<td>$232,163</td>
<td>2.4 (3.8 - 0.5 - 0.9)</td>
<td>$557,192</td>
</tr>
<tr>
<td><strong>TOTAL FACULTY</strong></td>
<td><strong>$943,387</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Total Dollars for GME

- Total Faculty $943,387
- Program Coordinator (PC) = $65,000 with fringe
- PC FTE = 1.5
- Total PC and other admin support = $97,500
- Total Dollars for Faculty and Staff to provide resident education

$1,040,887
Sources of GME Dollars

- State Funds
- IME
- DGME
- Clinical $ (GME/UME overlap)
- Grant $
Current Situation

- Current Fiscal / Academic processes in transition
- Financial management of Departments moving one by one from School of Medicine to Medical Group
- This requires a different way of thinking.
Questions?

THANK YOU!

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