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## Income Generating Contracts at Non-University Clinics

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# Income Generating Contracts at Non-University Clinics

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**Assistant Professor**





University of Nebraska Medical Center (UNMC) College of Nursing (CON) spans 500 miles and 5 campuses across the state.

Nebraska is geographically a large rural state with a sparse population, except for the urban areas of the far eastern border.

Despite the challenges that the distance represents, UNMC CON has been able to successfully sustain and grow faculty practice, as part of the UNMC tripartite mission that includes education, research and service/patient care

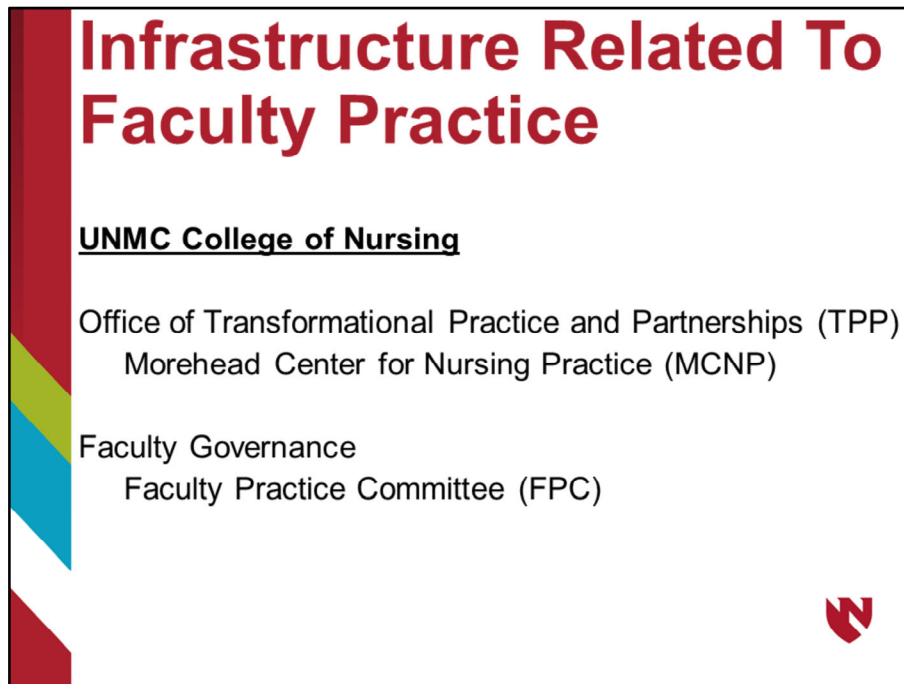
# UNMC CON Faculty Practice

Goal: Optimize Faculty Practice

- Infrastructure
- Contracts
- Practice partnerships
- Innovative ideas



Optimization of faculty practice has been approached via the dedicated focus on the following 4 areas that I will review: infrastructure, contracts, practice partnerships and innovative ideas.



UNMC CON created the Office of Transformational Practice and Partnerships (TPP) in 2014. TPP has an overall focus on outreach and to apply the knowledge and skills of the faculty to the community.

TPP has oversight of three departments: International Programs, Continuing Nursing Education and the Morehead Center for Nursing Practice (MCNP). MCNP est. 2005 and manages the business operations related to faculty practice.

UNMC CON also has a long-standing Faculty Practice Committee as a part of faculty governance. FPC includes elected faculty members who advocate for faculty practice with specific functions including: promoting faculty practice & practice scholarship, providing a forum for addressing practice issues or concerns, and collaborating with MCNP regarding goals for faculty practice.

It is through this organizational structure that faculty practice has been able to demonstrate growth and sustainability. The creation of TPP has served as a catalyst for growth and has spurred other changes that extend into education and scholarship.

Infrastructure	Personnel
TPP -- Outreach through business models that allow our faculty to grow and impact the health of the state	Associate Dean, Administrator, Administrative Assistant
MCNP – integrated model where practice is part of academic appointment	Director
FPC -- stimulate interest and involvement in faculty practice and assist in integrating clinical practice into the academician's role	8 elected members who engage in faculty practice. They nominate 1 member to be chair or 2 members to be co-chairs

TPP: Associate Dean, Administrator and Administrative Assistant.  
Admin associate has some assigned duties specific to MCNP and Faculty Practice Committee.

MCNP is operated by a director, who is an appointed faculty member with an active faculty practice; this role carries a 0.2 FTE workload allocation and includes a small stipend.

Director responsibilities include: faculty mentoring, working with the clinical side of our practice partners, represent practice to the Executive team of the College of Nursing.

FPC

# Faculty Practice Model

**Definition:** “Provision of professional nursing services to individuals, families, populations or systems wherein the faculty member is ultimately responsible for outcomes and demonstrates a commitment to scholarly activity”

- Faculty practice encompasses multiple roles and may include but is not limited to
  - direct and indirect provision of nursing/clinical services
  - Research
  - Education
  - Consultation
  - Administration
  - other collaborative agreements



Faculty practice model: must include a contract through MCNP. Presently, contract specifies a set rate. UNMC does not bill directly to insurance or patients for services.

Most faculty practice includes faculty release time. Exceptions include “casual” faculty practice (i.e. NM Biocontainment Unit, casual / PRN practice)

## Contracts

- Contracts need to be favorable for everyone
- Some considerations:
  - Contract rates
  - Capturing administrative fees related to faculty practice
  - Specifying what is covered
  - Expiration of contracts

	Practice Site A	Practice Site B	Practice Site C
Contract Rate FY 2014-2015	\$45.00	\$53.00	\$58.61
Contract Rate FY 2015-2016	\$55.00	\$60.00	\$65.00

**100% of current faculty practice is through contracts...must buy out time. Contract improvement has been a focus for the last 3-4 years.**

Contracts are protective and need to be favorable for the individual practicing faculty, the faculty practice enterprise, the CON, and for the practice partner / practice entity

Considerations: Should contracts cover patient time only? What about time spent documenting or following up on test results? What about time spent attending training, in-services or mandatory meetings?

Emphasis on contract improvement --





## Practice Partnerships

- 1) Natural community connection leading to a faculty practice opportunity
- 2) A new faculty member brings an agency with them to their UNMC academic position
- 3) A desired partner is sought as a perceived match for a specific faculty member

**Relationships that grow organically in the community are the most successful!**



Embrace the language of “practice partnerships” !!! It is a partnership ... faculty practice isn’t a way of simply making money nor should we be giving away precious resources for free. The relationships are formalized through the contracts themselves, however the focus extends beyond the financial implications of the legal agreement

Practice partnerships typically develop in one of three ways as the slide describes.

UNMC’s experience echoes NONPF findings regarding the benefits and strategies for creating *practice partnerships*.<sup>2,6</sup> UNMC has found that relationships and thus contracts that grow organically in the community are the most successful. These opportunities come from all parties marketing, advocating and being points of reference.

Example: UNO Health Center wanting Psych Mental Health NP ... this knowledge came from a FNP who was there already doing a different type of practice.

## Practice Partners in Surrounding States

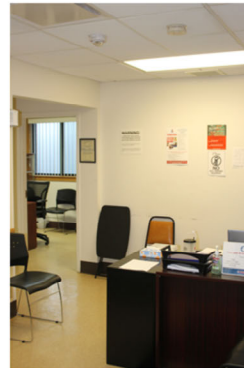


At one time, there were 5 UNMC CON faculty practicing at this site including WHNP, PMHNP, 2 FNPs and FNP/PNP.

The practicing faculty got involved in the community including performing some volunteer hours with other clinic staff and helping at local health fairs and other outreach programs. Three of the faculty were instrumental in being the NPs at new satellite locations that included a School clinic and 2 homeless shelters.

This was providing clinical placement for many NP students of various specialties. One PhD-FNP student who did her FNP clinical hours here was able to develop a positive relationship and recently collected some of her dissertation data here. She reported that having an established relationship with the staff and some of the patients proved incredibly beneficial in terms of data collection. In comparison, it took significantly longer for her to recruit the same number of subjects from another community health center that otherwise had similar demographics.

## Practice Partners: Nebraska Federally Qualified Health Centers



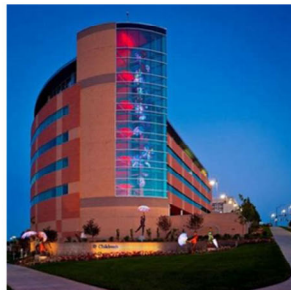
The “Towers” of one FQHC: CDHC – satellite locations in Section 8 Housing apartments. Presently at two different towers one day/week each. This truly allows the FQHC and UNMC CON to be “in the community” given the residential nature of this practice site. This is also been a great place for NP student clinical placement.

# Practice Partners: Student Health Centers



Three different health centers where we have a total of 5 practicing faculty

## Practice Partners:



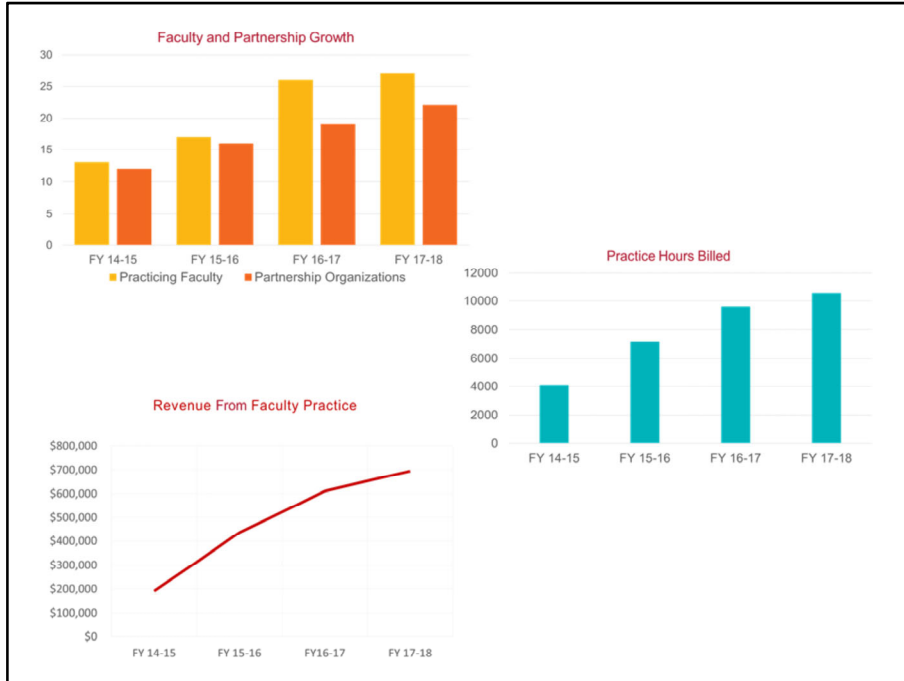
Picture on right: Faculty member who is a great example of practice & research going hand-in-hand. Her research is on heart failure and exercise. She is AGACNP, and this is a picture of cardiac rehab.

Bottom left is Children's – Peds NP at regular clinic, Employee Health for 4 FNPs. Presently, UNMC CON is supplying 1 FTE and supply all providers for the Employee Health clinic.

Bottom right is Munroe Meyer Institute for Genetics and Rehabilitation. MMI serves individuals with intellectual and developmental disabilities, their families and communities through outreach, engagement, premier educational programs, innovative research and extraordinary patient care.

Presently, we have 2 Psych Mental Health NPs at MMI, and this is a great place for students as well.

We have a PhD faculty who collects data here and is completing her PMC PNP, and anticipate she may end up with a practice site there.





- Wouldn't it be great to have funds to help off-set the cost associated with practice?
- Wouldn't it be great to not have to ask the campus associate dean for practice-related development funds?
- **Wouldn't it be great if the income generated from faculty practice could be better aligned to support the practicing faculty?**

# Faculty Practice Fund

FPF Implemented FY 2017-2018

## Purpose

- Support practice expenses
- Encourage practice scholarship
- Engage faculty practice leaders in managing the business of practice

## Eligibility

- Must have an active contract through the Morehead Center for Nursing Practice
- All practicing faculty are eligible for equal reimbursement regardless of their individual faculty practice-generated contribution to the fund



Key point: it doesn't matter how much/little an individual faculty contributes.

Purposeful intent was to off-set the fact that some contracts pay more.



## Faculty Practice Income Distribution \*\*\*

Recipient	Pre FY 2017-2018	FY 2017-2019	FY 2018-2019
Faculty	50%	50%	50%
MCNP	15%	20%	20%
Faculty Practice Fund	N/A	15%	2.5%
Division	30%	10%	10%
Dean	5%	5%	5%
Fringe Benefit Pool	NA	NA	12.5%

\*\*\* During regular academic year  
 MCNP = Morehead Center for Nursing Practice  
 Division = Practicing faculty's campus



Please note: this is during the academic year only for all faculty who get release time for practice.

This does vary during non-academic times for 9-month faculty or if the practice site is "casual" and there is no release time.

Income is revenue minus expenses – so the amount of money remaining after accounting for the faculty's salary cost.

Important to highlight: Faculty get **50%** of faculty practice income.

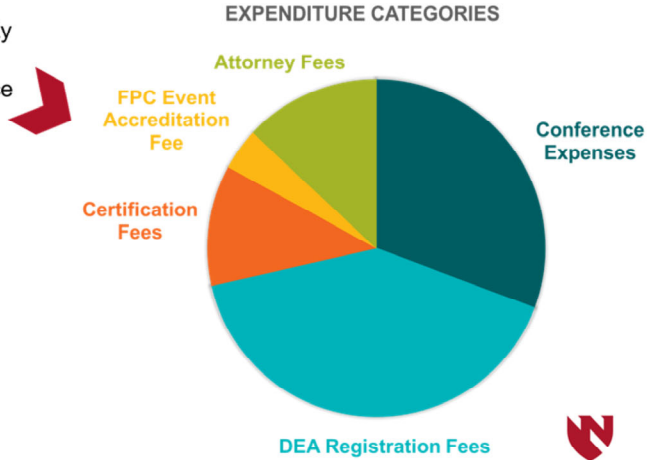
Faculty can elect to put their earned income tax-free into a "faculty development account" that can be used for a myriad of things that include continuing education, conferences, equipment, etc.

Alternatively, faculty can elect to receive their income as a quarterly pay-out. The quarterly payout is taxed and added to their paycheck.

Note: FY 2018-2018 is the 1<sup>st</sup> year of FPF and it got 15% of faculty practice income.

# FPF Expenditures FY 2017-2018

**15%** of Faculty Practice Income to Faculty Practice Fund



Please note: the bulk of the money went to conferences & DEA licenses.

# FPF Impact

FY 2018-2018

- Total Reimbursed: \$12,573
- End-of-Year Balance: \$6,929
- Fund utilized by 45% of practicing faculty



## Expenditure Examples

- 7 DEA Licenses
- 6 Certifications
- Registration fees for numerous conferences including NONPF, pharmacology and others.

# Changes to FPF

Topic	FY 17-18	FY 18-19
Income to FPF	15%	2.5%
Conference and continuing ed requests	Funded	Not Funded
License or certification requests	Funded	Funded
Reimbursement process	New	Streamlined



- Recall, that faculty get 50% of income from their faculty practice. This can be put into a faculty development account, or taken as a quarterly pay-out.
- University-wide budgetary changes led to each college having to account for fringe benefits associated with quarterly compensation payouts. Fringe benefits are a percentage of pay ... so if a faculty takes a quarterly payout, then their pay increases thus the fringe benefit cost increases.
- Prior to start of FY 2018-2019, MCNP and CON Administration requested FPC review and suggest changes to distribution model to account for fringe benefits, with it anticipated that fringe benefit rate would be ~25%.  
MCNP and FPC had discussions and held numerous open forums for practicing faculty
- MCNP & FPC suggested new distribution model **substantially decrease the amount that went to FPF**. This was approved by College Administration

Other changes: streamlining the process itself. Process needed some improvement! Changes to UNMC reimbursement processes meant that we couldn't wait for the next FPF to discuss reimbursement. If request was for license or certification required for faculty practice, request was automatically approved as long as funds were available.

All conference and continuing education requests were temporarily suspended.



Overall, it is a very exciting time for faculty practice at UNMC. Faculty practice has grown in the last 4 years, and that growth has come with some challenges along the way. UNMC has been able to optimize faculty practice through contracts at non-university clinics. I am very excited to see what the next 4 years will bring.