

UNIVERSITY OF CALIFORNIA, SAN FRANCISCO

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SANTA BARBARA • SANTA CRUZ

SCHOOL OF MEDICINE

Please address reply to the undersigned at
THE DEAN'S OFFICE, ROOM 2A21
SAN FRANCISCO GENERAL HOSPITAL
1001 POTRERO AVENUE
SAN FRANCISCO, CALIFORNIA 94110

December 8, 1989

TO: Cedric Bainton, M.D.
Chairman, Professional Services Committee

FROM: Elliot Rapaport, M.D. *ER*
Associate Dean

RE: POLICY ON DISTRIBUTION OF PROFESSIONAL FEE INCOME

I have reviewed the Statement of Policy regarding professional fee income generated at San Francisco General Hospital which the Professional Services Committee recommended for approval at the October 25, 1989 meeting. As you know, the Professional Services committee serves as advisor to the Associate Dean at SFGH on policies governing the collection and disbursement of professional fee revenues at SFGH.

I am pleased to accept the recommendation of this Committee. The Statement of Policy (attached) governs the use of all professional fee income derived from services performed at SFGH and insures that these funds shall be spent only at SFGH for the purposes specified in the policy. As you are aware, this policy reaffirms the long standing commitment which was made by UCSF to the San Francisco Board of Supervisors and was the rationale upon which the Board approved professional fee billing.

cc: Joseph Martin, M.D., Dean, School of Medicine
Moses Grossman, M.D., Past Chairman
Professional Services Committee

Statement of Policy

The history of the development of the professional fee billing at SFGH includes an agreement that billing will be allowed by the Board of Supervisors and the Director of Public Health to be conducted by the University on behalf of the SFGH physicians based upon assurance that the money earned at SFGH would remain at SFGH.

In accordance with such long standing practice, the University, each year, reassures the City officials that indeed these funds are dedicated to the support of programs at SFGH. Violation of this agreement would damage the credibility of the University in conducting business with the City.

Therefore, the Professional Services Committee hereby reaffirms this policy regarding the use of professional fee income derived from services performed at SFGH. Specifically, money earned for services rendered at SFGH shall be spent only at SFGH, for improvement in the care of patients, for support of the faculty and housestaff and for the enhancement of the academic and service programs developed by the University for implementation at SFGH.

Any proposed exceptions to this policy must be submitted to the Associate Dean, SFGH and the Dean of the School of Medicine for prior approval. The City will be fully informed of any approved major exceptions to our policy before implementation will be permitted.

Approved 10/25/89 by the
Professional Services Committee, SFGH

SFGH GUIDELINES FOR THE U.C. MEDICAL SCHOOL
COMPENSATION PLAN

1. The SFGH Professional Services Committee wishes to reaffirm the philosophy of the Compensation Plan with local interpretation for its implementation at SFGH. Specifically, each medical school department is accountable for the integrity of their accounts and for the administration in accordance with disbursement policy. The order of priorities for disbursements as stated in the Compensation Plan are as follows:

- a) billing and collection expenses
- b) compensation for faculty salaries
- c) supplemental salary related benefits
- d) School of Medicine (Dean's Office) fund
- e) academic enrichment activities

2. At all times the departments shall have a positive balance between the total income in the revenue account and the sum total of expenses in all other compensation plan accounts. An average reserve amount of at least 20% of total income shall remain unencumbered in each revenue account in any six month period. Special spending restrictions shall be imposed on departments which accrue a deficit in their expense accounts beyond this margin. However, unusual temporary problems may be discussed with the Associate Dean.