

Recommendations to KMSF Board Regarding Physician Faculty and the Proposed College of Public Health

On October 10, 2003, the KMSF Board voted to approve the following recommendations regarding the relationship between KMSF and physician faculty in a proposed College of Public Health, with the understanding that the KMSF Board's approval does not constitute an endorsement of physician movement from the College of Medicine to a proposed College of Public Health, but rather relates to KMSF's ability and willingness to continue to provide financial management and certain benefits to certain physician faculty should such a movement occur.

[1] The faculty in the Department of Preventive Medicine and Environmental Health will develop a practice plan that is approved by the KMSF Board and will utilize KMSF exclusively to perform billing and collections of professional fees.

[2] The physician faculty will execute a practice agreement and assignment with KMSF and the University.

[3] The physician faculty in the Department of Preventive Medicine and Environmental Health in the College of Public Health will agree that physician revenue in the College of Public Health will be taxed at the same rate for KMSF and the Dean as in the College of Medicine. The Dean of the College of Public Health will provide an annual accounting of Dean's funds to the KMSF Board.

[4] The physician faculty in the Department of Preventive Medicine and Environmental Health in the College of Public Health will comply with KMSF standards, including requirements that any contracts for physician clinical services come through the College of Medicine and/or KMSF.

[5] KMSF benefits will be extended to the current members of the plan. KMSF benefits will be extended to any newly hired practicing physician in the Department of Preventive Medicine and Environmental Health. An annual reconciliation will occur in which the cost of benefits will be compared to tax revenue generated by current and new physician faculty, and the Dean of the College of Public Health will provide funds to cover any deficit.

[6] The practicing physician faculty, including the Chair of the Department of Preventive Medicine and Environmental Health, will be eligible for election to the KMSF Board provided that they are part of the contractual agreement between the College of Medicine and the College of Public Health.

[7] The By-laws and the contract between KMSF and the University are quite explicit in stating that KMSF will provide billing and benefits for the "members of the plan" and that the members are currently restricted to faculty in College of Medicine. Physician faculty in the Department of Preventive Medicine and Environmental Health in the College of Public Health will have joint appointments in the College of Medicine. Therefore, the expansion of the plan to practicing physicians in the College of Public Health does not set a precedent for other colleges, and, the KMSF Board reserves the right to review and refuse membership in the plan to other health care practitioners elsewhere in the University.




UNIVERSITY OF KENTUCKY

**Executive Dean
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October 10, 2003

TO: Robert Mentzer
Chair, Kentucky Medical Services Foundation Board

FROM: David Watt 
Associate Provost for Academic Affairs

RE: Department of Preventive Medicine and Environmental Health

I would appreciate it if you would bring the following recommendations to the KMSF Board for their consideration. The Executive Committee discussed the future relationship of the Department of Preventive Medicine and Environmental Health and the proposed College of Public Health in a meeting on October 7, 2003. The Committee discussed the transfer of the Department of Preventive Medicine and Environmental Health to this new college subject to the following caveats:

- The faculty in the Department of Preventive Medicine and Environmental Health agree to the transfer from the College of Medicine to the proposed College of Public Health.
- The College of Public Health receives appropriate administrative approvals leading up to final approval by the University's Board of Trustees.

Recommendations:

[1] The faculty in the Department of Preventive Medicine and Environmental Health will develop a practice plan that is approved by the KMSF Board and will utilize KMSF exclusively to perform billing and collections of professional fees.

[2] The physician faculty will execute a practice agreement and assignment with KMSF and the University.

[3] The physician faculty in the Department of Preventive Medicine and Environmental Health in the College of Public Health will agree that physician revenue in the College of Public Health will be taxed at the same rate for KMSF and the Dean as in the College of Medicine. The Dean of the College of Public Health will provide an annual accounting of Dean's funds to the KMSF Board.

[4] The physician faculty in the Department of Preventive Medicine and Environmental Health in the College of Public Health will comply with KMSF standards, including requirements that any contracts for physician clinical services come through the College of Medicine and/or KMSF.

[5] KMSF benefits will be extended to the current members of the plan. KMSF benefits will be extended to any newly hired practicing physician in the Department of Preventive Medicine and Environmental Health. An annual reconciliation will occur in which the cost of benefits will be compared to tax revenue generated by current and new physician faculty, and the Dean of the College of Public Health will provide funds to cover any deficit.

[6] The practicing physician faculty, including the Chair of the Department of Preventive Medicine and Environmental Health, will be eligible for election to the KMSF Board provided that they are part of the contractual agreement between the College of Medicine and the College of Public Health.

[7] The By-laws and the contract between KMSF and the University are quite explicit in stating that KMSF will provide billing and benefits for the "members of the plan" and that the members are currently restricted to faculty in College of Medicine. Physician faculty in the Department of Preventive Medicine and Environmental Health in the College of Public Health will have joint appointments in the College of Medicine. Therefore, the expansion of the plan to practicing physicians in the College of Public Health does not set a precedent for other colleges, and, the KMSF Board reserves the right to review and refuse membership in the plan to other health care practitioners elsewhere in the University.



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October 10, 2003

TO: Emery Wilson
Dean, College of Medicine

Thomas Samuel
Interim Director, School of Public Health

FROM: David Watt 
Associate Provost for Academic Affairs

RE: Department of Preventive Medicine and Environmental Health

The Executive Committee discussed the future relationship of the Department of Preventive Medicine and Environmental Health and the proposed College of Public Health in a meeting on October 7, 2003.

We discussed the transfer of the Department of Preventive Medicine and Environmental Health subject to the following caveats:

1. The faculty in the Department of Preventive Medicine and Environmental Health agree to the transfer from the College of Medicine to the proposed College of Public Health.
2. The College of Public Health receives appropriate administrative approvals leading up to final approval by the University's Board of Trustees.

We anticipate that the practice activity of physicians in the College of Public Health will be performed through an agreement between KMSF and the College of Medicine and a separate agreement between the College of Public Health and the College of Medicine.

The following is a summary of the key points that should be addressed in constructing both agreements. Some of these points are academic in nature and some are pertinent to the relationship of the physicians in the Department of Preventive Medicine and Environmental Health in the College of Public Health with KMSF. At the end of this memorandum, we have also attached a related memorandum to Dr. Robert Mentzer, Chair of the Kentucky Medical Services Foundation Board, that summarizes the issues pertinent to KMSF relative to this transfer.

Key points:

- [1] The Chair of the Department of Preventive Medicine and Environmental Health will be a practicing physician.
- [2] The Dean of the College of Public Health will agree to provide educational programs in preventive medicine for medical students.
- [3] The Dean of the College of Public Health will agree to maintain an accredited, residency-training program and will receive SB28 funds. Since all residents are on the College of Medicine payroll, SB28 accounts will stay in the College of Medicine but will be utilized by the College of Public Health. (Note: The Primary Care Residency Program or Kentucky Senate Bill 28 (SB28) was passed in 1976 and significantly amended in 1980. The intent of this legislation is to encourage the training of primary care resident physicians for practice in underserved, primarily rural areas of Kentucky. Funds are appropriated to support some resident stipends and to underwrite faculty salaries for the supervision of those residents.)
- [4] The current faculty in the Department of Preventive Medicine and Environmental Health as well as any future physicians recruited to this unit in the College of Public Health will utilize KMSF exclusively to perform billing and collections of professional fees.
- [5] The current faculty in the Department of Preventive Medicine and Environmental Health as well as any future physicians recruited to this unit in the College of Public Health will have joint appointments in an appropriate department in the College of Medicine. This will not preclude the College of Public Health from hiring a physician who will not perform clinical work and will therefore not need a joint appointment in a department in the College of Medicine.
- [6] The physician faculty in the Department of Preventive Medicine and Environmental Health in the College of Public Health will agree that physician revenue in the College of Public Health will be taxed at the same rate (10%) as in the College of Medicine. Two percent will be directed to the support of the Kentucky Clinic administration and primary care. The Dean's support of

Kentucky Clinic South will also be deducted., as per prior agreements with the Dean of the College of Medicine. The remainder of the 8% will flow initially to the Dean of the College of Medicine who will transfer these funds to the Dean of the College of Public Health. The Dean of the College of Public Health will utilize these funds exclusively to support physician-related expenses, such as the College's assessment for malpractice insurance. The Dean of the College of Public Health will provide an annual accounting of these funds to the KMSF Board.

[7] The Dean of the College of Public Health will have the responsibility of enforcing compliance with KMSF standards, including requirements that any contracts for physician clinical services come through KMSF.

[8] KMSF benefits will be extended to the current members of the plan. KMSF benefits will be extended to any newly hired practicing physician in the Department of Preventive Medicine and Environmental Health. The Dean of the College of Public Health will guarantee that the cost of benefits will not exceed tax revenue generated by current or new physicians.

[9] Physician faculty, including the Dean, in the Department of Preventive Medicine and Environmental Health will be eligible for election to the Board provided that they are physicians and part of the contractual agreement between the College of Medicine and the College of Public Health.

[10] The By-laws and the contract between KMSF and the University are quite explicit in stating that KMSF will provide billing and benefits for the "members of the plan" and that the members are currently restricted to faculty in College of Medicine. Physician faculty in the Department of Preventive Medicine and Environmental Health in the College of Public Health will have joint appointments in the College of Medicine. Therefore, the expansion of the plan to practicing physicians in the College of Public Health does not set a precedent for other colleges, and, the KMSF Board reserves the right to review and refuse membership in the plan to other health care practitioners elsewhere in the University.

cc: Michael Nietzel