

Vanderbilt Department of Psychiatry and Behavioral Sciences
Incentive Compensation Plan
Updated: January 1, 2021

Effort allocation

- All faculty members and professional staff with billing privileges (PSP) shall receive an individualized performance plan on July 1, at the start of the academic year. Plans may be updated during the year to reflect effort changes.
- The performance plan will detail effort allocation (clinical services, research, education, administration) and respective productivity expectations.

Assignment of productivity targets)

- Productivity targets are set for three clinical services (see: Table below):
 - Clinic, Consult and ECT (unit: wRVU)
 - Emergency Psychiatry (unit: shift)
 - Inpatient (unit: encounter)
- Targets may vary based on division, service type, and provider type.
- Compliance with performance requirements for Clinic and Consult Services are determined based on the wRVUs earned for **posted** billable services.
- Compliance with performance requirements for non-VMG services (e.g., Forensic Psychiatry, VCAP, professional services contracts) are based on posted collections only. Required after-tax collections will be the amount required to cover salary and fringe expense for assigned service effort, plus any additional expenses related to providing the services, such as professional liability insurance or practice supplies.

Eligibility for Incentive Pay

- An average incentive pay is calculated for services in three clinical services (see: Table below).
- A provider working in a single service and who exceeds the performance requirement is eligible for incentive pay at the rate shown in the Table below.
- A provider working in more than one service with identified wRVU targets is eligible for an average incentive pay, **prorated** for the effort in each service. (For example, a physician in the General Psychiatry Division with 50% effort devoted to the inpatient services and 50% effort devoted to the consult services will earn $(0.5 \times \$30) + (0.5 \times \$20) = \$25$ incentive pay per additional wRVU collected.
- A provider working in more than one of the three clinical domains (i.e., Clinic and Consult, Emergency Psychiatry, Inpatient) is eligible for incentive pay at the rate shown in the Table below, if performance in **all domains** is at least at target.
- A provider who exceeds performance requirements non-VMG services is eligible for incentive pay.

Note: If actual rates are lower than budgeted collection rates and the overall financial performance of the department is negatively impacted, the payout rate per unit (wRVU, shift, encounter) may be reduced.

Calculation of Incentive Pay

- **VMG Services:**
 - Excess wRVUs earned x incentive pay per wRVU = incentive pay (i.e., salary + fringe benefits)
 - Excess encounters completed x incentive pay per encounter = incentive pay (i.e., salary + fringe benefits)
 - Extra shifts in PAS and VUH ED at fixed \$/hour rate = incentive pay (i.e., salary + fringe benefits)
- **Non-VMG Services:** After-tax collections in excess of the amount needed to cover expenses incurred to provide services (salary, fringe, professional liability insurance, etc.) = incentive pay (i.e., salary + fringe benefits)

Payment Schedule

- 80% of incentive pay earned during the first quarter of the academic year (July - September) will be paid in November, according to performance requirements and \$/work unit ratios of the previous academic year.
- 80% of incentive pay earned during the subsequent two quarters of the academic year will be paid in February and May, respectively, according to the performance requirements and \$/work unit ratios of the current academic year.
- 100% of incentive pay earned during the first three quarters of the academic year and 100% of the fourth quarter incentive earned will be paid in September of the subsequent academic year, according to the performance requirements and \$/work unit ratios of the current academic year.

Table:
Performance requirements and incentive payments (salary + fringe benefits)
Effective 1/1/2021

Division	Clinic, Consult & ECT	Provider	Annual target for 1.0 FTE (wRVU)	\$/wRVU
All	Consult	MD, NP	2,500	\$20
All	Therapy	PhD, MA	3,000	\$25
Psychology	VSWL	PhD	3,500	\$25
All	Outpatient	MD, NP	3,500	\$30
All	ECT/TMS	MD	4,500	\$30
Psychology	Testing	PhD	3,500	\$40

Division	Emergency Psychiatry	Provider	Annual target for 1.0 FTE (shifts)	\$/hour
All	8A-5P shift	MD	4 x 47 = 188	-
	5P-12A shift		47	
VUH ED/PAS	extra shift	MD	-	\$175
VUH ED/PAS	extra shift	NP	-	\$100

Division	Inpatient	Provider	Annual target for 1.0 FTE (encounters)	\$/enc.
All, except C&A	VPH	MD	2,570	\$45
C&A	VPH	MD	2,400	\$45
All	VPH	NP	2,000	\$45
All, except C&A	VWCH	MD	2,570	\$50
All, except C&A	VWCH	NP	2,400	\$50