

Health Sciences Compensation Plan and Outside Professional Activities

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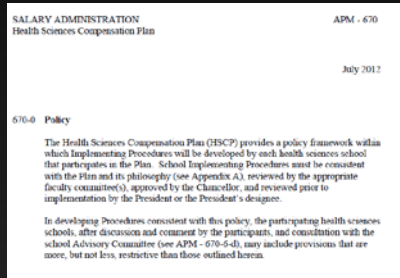
Professor of Surgery

Vice Dean for Faculty



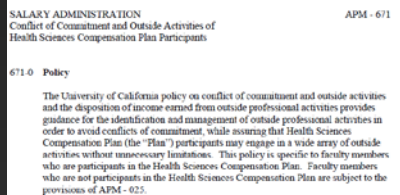
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Three key documents



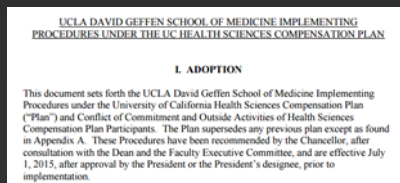
APM 670: Health Sciences Compensation Plan (HCSP)

http://www.ucop.edu/academic-personnel-programs/_files/apm/apm-670.pdf



APM 671: Conflict of Commitment and Outside Activities for HSCP

http://www.ucop.edu/academic-personnel-programs/_files/apm/apm-671.pdf



DGSOM Implementing Procedures under UC HSCP

<http://medschool.ucla.edu/workfiles/Site-AcademicAffairs/Salary/SOM-Imp-Proc-32015.pdf>

Topics

Outside activity principles for HSCP under APM 671

Conflict of commitment

Reporting requirements

HSCP Principles: Professional Allegiance

- Faculty members who are employed by UC owe their primary professional allegiance to the University.
- Clinical care, teaching, research or other creative activities, and the cultivation of scholarly or creative competence are faculty members' primary activities.
- These activities should receive the majority of a faculty members time and energy.

HSCP Outside Professional Activities

- Plan Participants may engage in outside professional activities (other than patient care)
- Plan participants may retain income from outside professional activities only in accordance with the terms of APM 671, the Compensation Plan, the School's Implementing Procedures, and departmental bylaws

Outside Professional Activities (APM 671-4a)

- Outside professional activities are activities that are within a faculty member's area of professional academic expertise and that advance or communicate that expertise through interaction with industry, the community, or the public
- The outside professional activities may be compensated or uncompensated
- Clinical work cannot be provided as outside activity, must be done within course and scope of University employment, usually provided through a formal Affiliation Agreement or Professional Services Agreement (PSA)
- Non-professional activities are part of the faculty member's private life and are not expressly governed by University regulations or by the guidelines on outside professional activities

Outside Professional Activities

- To be eligible to engage in outside professional activities, you must comply with the terms and conditions of the HSCP in accordance with the terms of APM 671, the HSCP and the School's Implementing Procedures, including:
 - Being "in good standing"
 - Adhering to time & income thresholds for all outside professional activities
 - Disclosing income which includes cash, stock and stock options. If stock/options are received in lieu of income, they must be disclosed to the Dean's office within 30 days of receipt or signing of agreement
 - Seeking pre-approval for activities as required

Outside Professional Activities

- Outside activities may be based on a consulting agreement with the faculty member, in which case the following should be considered:
 - The agreements are personal agreements between the faculty member and the outside organization
 - The Regents are not a party to the agreement
 - Income related to outside professional activity must be paid to the faculty member directly (IRS - Constructive Receipt)
 - University provides a voluntary review of Consulting Agreements specifically related to compliance with University roles, responsibilities and rights of the faculty member
 - Outside legal review may be appropriate, if the faculty member has concerns, and is the faculty member's responsibility

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Outside Professional Activities – Differentiating Conflicts

- Conflict of Interest (COI)
 - Not discussed in this presentation
- Conflict of Commitment (COC)



Conflict of Commitment

- Conflict of Commitment (COC) occurs when a faculty member's outside activities interfere with the faculty member's professional obligations to UC
- Outside professional activities are categorized based on the extent to which they are likely to constitute a conflict of commitment
 - Category 1 – most likely to create a conflict of commitment
 - Category 2 – typically shorter and lower risk activities
 - Category 3 – generally within course and scope of University employment
- When an activity falls into more than one category, it should be assigned to the category that requires more stringent reporting and prior approval, if applicable (APM 671-10)

Conflict of Commitment – Category 1

- Most likely to create a conflict of commitment because activities are related to training and expertise for which the individual has a University appointment, but are performed on behalf of a third party and/or require significant professional commitment
- Require *prior approval* by the Chancellor and annual disclosure
- Time and earning thresholds apply

Category 1 Examples

- Teaching, research, or administration of a grant at an educational institution, trust, organization, government agency, foundation, or other entity outside of the University
- Employment outside of the University
- Assuming a founding/co-founding role of a company
- Assuming an executive or managerial position outside of the University

Conflict of Commitment – Category 2

- Typically a shorter term activity outside of the course and scope of University employment
- Lower risk of COC than Category 1 activities
- Does not require prior approval for the activity -- *but*
- Advance approval must be obtained to exceed the time or earnings threshold
- Must be disclosed annually

Category 2 Examples

- Consulting or testifying as an expert or professional witness
- Consulting for for-profit entities
- Consulting for non-profit entities
- Consulting for government agencies
- Teaching or providing a workshop at a for-profit company
- *Others: see UCLA HSCP Implementing Procedures*

Conflict of Commitment – Category 3

- Generally within course and scope of University employment
- Unlikely to raise conflict of commitment concerns
- Must not interfere with obligations to University
- Even if compensated, Category 3 activities do not:
 - require prior approval
 - require disclosure in annual reporting
 - count toward the time or earnings thresholds

Category 3 Examples

- Serving on government or professional panel or committee
- Serving as an officer or board member of a professional or scholarly society
- Reviewing manuscripts; acting in an editorial capacity
- Attending and presenting talks at university or academic colloquia and conferences

- *Others: see UCLA HSCP Implementing Procedures*

Conflict of Commitment – “Other” Activities

- Specific entities and activities:
 - Prizes
 - Royalties
 - Honoraria
 - University honoraria
 - Administrative stipends
 - Income from a profession or activity unrelated to training and experience that is the individual’s qualification for University appointment
- Income may be retained and does not count toward approval threshold
- Time does not count toward time threshold

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Conflict of Commitment Reporting Requirements

- All Category I activities and requests to exceed the time or earnings threshold require prior written approval from the Chancellor or Dean, respectively, in advance of performing the activity
- Each year, Plan Participants must provide an annual report of Category I and II outside professional activities.
- Annual HSCP Report is required even if there were no outside professional activities during the year

HSCP Thresholds

- Time Threshold
 - Compensation Plans must set a maximum threshold that is not less than 21 days and not more than 48 days
- Earnings Threshold
 - Maximum annual threshold up to \$40,000 or 40% of the fiscal year Scale 0 base salary, whichever is greater based on individual faculty member's rank and step

Exceeding the Time or Earnings Threshold

- Prior approval is required before exceeding the time or earnings threshold(s)
- After a Plan Participant has received approval to engage in an activity that may cause their time and/or earnings to exceed the approval threshold, (s)he must request the Chair's approval for all subsequent engagements
- Final approval authority is the Vice Dean for Faculty

Retaining Earnings Exceeding Maximum Threshold

- Request to retain earnings from activities that exceed the time or earnings thresholds require approval as an exception.
- Plan participants should notify their Chair immediately if they inadvertently exceed either the time or earnings threshold.
- Final approval authority is the Vice Chancellor Academic Affairs.

Student Involvement in Outside Professional Activities

- For the purpose of this policy, “student” includes trainees, graduate students, professional students, residents, fellows, and postdocs
- The relationship between the faculty member and the student must be protected from influences or activities that could interfere with the student’s learning and must be consistent with the goals and ideals of the University
- Participation by a student must not affect a faculty member’s evaluation of the student’s performance
- Prior approval is required when:
 - The student’s participation in the activity is substantive, whether compensated or uncompensated
 - The faculty member has, or expects to have instructional, evaluative or supervisory responsibility for the student

Stock, stock options, founder's stock

Must be valued when received (≤ 30 d) and declared to Vice Dean for Faculty

Options: if option price $<$ market price, difference is owed to Plan

Later valuation may mean a **large** obligation to Plan!

<http://medschool.ucla.edu/workfiles/Site-AcademicAffairs/Salary/SOM-Imp-Proc-32015.pdf>

Additional Information and Resources

- Policies and Guidelines
 - APM 671 https://www.ucop.edu/academic-personnel-programs/_files/apm/apm-671.pdf
 - UCLA Implementing Procedures <https://medschool.ucla.edu/workfiles/Site-AcademicAffairs/Salary/SOM-Imp-Proc-32015.pdf>
 - UCLA FAQs <https://medschool.ucla.edu/workfiles/Site-AcademicAffairs/Salary/202003%20HSCP%20FAQs.pdf>
- For policy questions, please contact:
 - Your Department Chair or CAO
 - DGSOM Vice Dean for Faculty Jonathan Hiatt
- OATS user questions
 - OATS website <https://info.ucoats.org/pages/>
 - OATS training <https://info.ucoats.org/pages/training>
 - UCLA OATS <https://www.apo.ucla.edu/outside-activity-tracking-oats>



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