
POLICY AND PROCEDURE

UNIVERSITY OF NORTH CAROLINA HOSPITALS GRADUATE MEDICAL EDUCATION POLICY ON PAYMENT FOR INCENTIVE COMPENSATION TO HOUSE STAFF

UNC Hospitals is the sponsoring institution for Graduate Medical Education at the UNC Health Care System (“UNC HCS”). Most residents, and some subspecialty residents (“SSR”), are temporary employees of UNC Hospitals. Some residents, and many subspecialty residents, are employees of the UNC School of Medicine. The UNC Health Care System has an incentive compensation program that makes certain employees eligible for the payment for incentive compensation based on the achievement of specific and annually defined organizational performance targets. New performance targets are established for each fiscal/academic year (the “performance period”), which runs from July 1st through June 30th of the following year. The HCS Board determines each fiscal/academic year whether the HCS will offer any incentive payment to employees for that period.

POLICY:

It is the policy of UNC Health Care System that all residents and subspecialty residents will be eligible to receive incentive compensation, consistent with UNC Hospitals and UNC Health Care System eligibility criteria and in accordance with the following:

1. For any given performance period in which the UNC HCS elects to make an incentive payment to eligible employees, UNC Hospitals and UNC School of Medicine will be responsible for the incentive compensation to be paid to their respectively employed eligible residents and subspecialty residents.
2. The entity (UNC Hospitals or the relevant clinical department in the UNC School of Medicine) that employs an eligible resident or subspecialty resident **during the relevant performance period** (July 1 – June 30th) is responsible for the payment of incentive compensation to that resident.
3. A resident/SSR who otherwise meets that period’s eligibility criteria shall nonetheless be disqualified from eligibility for participation in the incentive compensation program for a relevant performance period, if during that relevant performance period the resident/SSR:
 - a. is (excluding any approved moonlighting) engaged in substantially less than the usual clinical activities of a typical full-time resident/SSR of the same program and the same post-graduate year, as determined by the resident’s/SSR’s program director, or

- b. spends more than fifty percent (50%) of his/her clinical activity time at a site other than UNC Hospitals, a UNC P&A practice, or a UNC HCS practice.
4. Each program director shall be responsible for monitoring the eligibility of his/her residents/SSRs, and shall provide the resident/SSR with written notice of any decision to disqualify that person from eligibility for participation in the incentive compensation program in a timely manner.
5. The resident/SSR may appeal a disqualification from eligibility in accordance with the appeal provisions below.
 - a. A resident/SSR who has been disqualified from eligibility for participation in the incentive compensation program has fifteen (15) calendar days after receiving notice from the program director to appeal the decision by presenting a written statement of appeal to the DIO and the Director of the Office of Graduate Medical Education (“DGME”). Such statement of appeal shall be no longer than one page and must include information concerning why the resident/SSR meets the criteria for eligibility, in accordance with this policy.
 - b. The DIO and DGME shall confer, and they, or their respective designees, shall render a written decision to the resident/SSR within seven (7) calendar days of their receipt of the resident’s/SSR’s appeal. The program director shall be copied on such decision letter.
 - c. All appeal decisions rendered by the DIO and DGME will be final, and there shall be no further appeal. The foregoing notwithstanding, and such final decisions shall only affect the eligibility of the resident/SSR for the relevant performance period. Residents/SSR may be eligible for participation in the incentive compensation program during subsequent relevant periods if they meet the criteria set forth herein.