

**FLORIDA ATLANTIC UNIVERSITY  
NOTICE OF PROPOSED NEW REGULATION**

Date: April 14, 2011

**REGULATION TITLE AND NUMBER:** Faculty Practice Plan (9.001).

**SUMMARY:** The Florida Atlantic University Charles E. Schmidt College of Medicine seeks approval of the proposed FAU Regulation 9.001, *Faculty Practice Plan*. The Faculty Practice Plan is designed to assure professional and clinical practice opportunities and experiences that are essential in the training of students, residents and other postgraduate health professionals and that will enhance skills and knowledge of faculty members who must teach and train medical students, residents and other health professional students. Participation in such faculty practice activities by members of the faculty of the College of Medicine is vital to the educational mission, the maintenance of skills in the treatment and diagnosis of diseases, and the maintenance of patient management skills, clinical expertise and medical judgment. Such participation is a necessary and essential part of their employment as faculty members. The Faculty Practice Plan will include a written document describing the University's policies and procedures pertaining to faculty practice activities and the resulting professional fees and income generated from those activities. In connection with the Faculty Practice Plan, the University will form a new not-for-profit corporation to act as the University's agent for the operation and administration of the Faculty Practice Plan.

**FULL TEXT OF THE REGULATION:** The full text of the proposed regulation is attached below to this Notice and is posted on FAU's website at [www.fau.edu/regulations/current.php](http://www.fau.edu/regulations/current.php). In addition, the full text of the proposed regulation is available upon request to the Office of the General Counsel, which can be contacted at (561) 297-3007 or [GeneralCounsel@fau.edu](mailto:GeneralCounsel@fau.edu).

**AUTHORITY FOR THE REGULATION:** Article IX of the Florida Constitution and the Board of Governors Regulation Development Procedure dated July 21, 2005.

**UNIVERSITY OFFICIAL INITIATING THE REGULATION:** Michael L. Friedland, M.D., Vice President for Medical Programs and Dean, Charles E. Schmidt College of Medicine.

**COMMENTS CONCERNING THE PROPOSED NEW REGULATION SHOULD BE SUBMITTED WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO THE CONTACT PERSON IDENTIFIED BELOW.** In response, the University may solicit additional written comments, schedule a public hearing, withdraw or modify the proposed regulation in whole or in part after notice, or proceed with adopting the regulation. The comments must identify the regulation(s) on which you are commenting:

**THE PERSON TO BE CONTACTED REGARDING THE PROPOSED REGULATION IS:** Myrlande Dessalines, Paralegal, Office of the General Counsel, 777 Glades Road, Boca Raton, Florida, 33431, (561) 297-3007 (phone), (561) 297-2787 (fax), [GeneralCounsel@fau.edu](mailto:GeneralCounsel@fau.edu).

# PROPOSED NEW REGULATION

## Florida Atlantic University

### **Regulation 9.001**

### **Faculty Practice Plan**

(1) The Florida Atlantic University Charles E. Schmidt College of Medicine (the “College” or the “College of Medicine”) provides educationally oriented professional practice settings and opportunities through which faculty members provide professional services, including medical care and treatment to patients, including patients at independent hospitals, other institutions and various clinical sites as an integral part of their academic activities and employment as faculty members. Such faculty practice activities are designed to assure professional and clinical practice opportunities and experiences that are essential in the training of students, residents and other postgraduate health professionals and that will enhance skills and knowledge of faculty members who must teach and train medical students, residents and other health professional students. Participation in such faculty practice activities by members of the faculty of the College of Medicine is vital to the educational mission, the maintenance of skills in the treatment and diagnosis of diseases, and the maintenance of patient management skills, clinical expertise and medical judgment. Such participation is a necessary and essential part of their employment as faculty members.

Because faculty practice activities generate income from a cross section of patients and third party payors that is critical to support the College’s mission, the College is authorized, in accordance with Florida Board of Governors Regulation 9.017 and this Regulation, to regulate and collect fees and other income generated from such faculty practice and to develop and maintain a faculty practice plan for the orderly collection, administration and distribution of such fees and other income. The College of Medicine is authorized to form corporate entities as agents to achieve the objectives of the faculty practice plan. The faculty practice plan, any subsequent changes thereto, and any proposed corporate entities must be approved by the Dean of the College of Medicine and the President of the University prior to submission for approval by the FAU Board of Trustees and, as necessary, the Florida Board of Governors. The faculty practice plan must be consistent with, and supportive of, the objectives of the College of Medicine and the University and shall be known as the Florida Atlantic University College of Medicine Faculty Practice Plan (the “Faculty Practice Plan”).

(2) Faculty practice income shall include all payments resulting from the clinical or professional services rendered by College of Medicine faculty. Honoraria, royalties, non-clinical consultation fees, or other income derived from outside employment approved by the Dean of the College are not considered to be faculty practice income as described herein. Faculty members employed by the Florida Atlantic University College of Medicine who engage in the practice of medicine must do so exclusively through the College of Medicine and its Faculty Practice Plan, unless otherwise specifically approved in writing by the Dean of the College. Each member of the faculty will assign to Florida Atlantic University all faculty practice income generated by or on behalf of him or her, and adequate records will be kept of these collections.

(3) In order to achieve the objectives of the Faculty Practice Plan, the University has authorized the formation and operation of a Florida not-for-profit corporation, FAU Clinical Practice Organization, Inc. ("FAU CPO"), as the University's agent to support the clinical and professional activities of the College of Medicine, including the orderly collection and administration of income generated from College of Medicine clinical and professional activities. FAU CPO will be responsible for billing and collections, contracting, and the development and reporting to its various oversight entities appropriate data with regard to its activities (and may contract with other entities to provide such services).

(4) Faculty practice income shall be distributed to appropriate funds of Florida Atlantic University to be used for the support and advancement of the academic mission of the College of Medicine and the University. The University shall distribute such funds for purposes that may include, but are not limited to, the payment of clinical practice expenses and faculty and staff salaries and benefits. The assets and activities of FAU CPO will be managed and directed by a Board of Directors in accordance with the Articles of Incorporation and Bylaws of FAU CPO.

(5) The Faculty Practice Plan shall include or provide for:

- (a) A written document that describes the University's policies and procedures pertaining to faculty practice activities and the resulting professional fees and other income.
- (b) Articles of Incorporation and Bylaws of FAU CPO.
- (c) A separate bank account into which all income and fees generated by the College of Medicine faculty practice are to be deposited, which shall be held, administered and distributed by FAU CPO, acting as the University's agent under right of control by the University and the College of Medicine.
- (d) The preparation of the Faculty Practice Plan operating budget to occur at least annually and to be submitted to the Dean of the College of Medicine for approval. The budget shall then be recommended by the Dean of the College of Medicine and the President of the University to the FAU Board of Trustees. An annual financial audit and management letter for the Faculty Practice Plan and FAU CPO shall be conducted and prepared by an independent outside certified public accountant or firm, submitted to the Dean of the College of Medicine, and forwarded to the President of the University, FAU Board of Trustees and the Florida Board of Governors for review and oversight.
- (e) FAU CPO to serve as the administrative services supporting organization for the Faculty Practice Plan and provide that FAU CPO shall not be involved in the delivery of medical services; the maintenance of any medical facilities; the employment, control or compensation of medical doctors or other health professionals; or the determination, control, or evaluation of any medical procedures or standards for any medical doctor, other health professional or medical facility.
- (f) All agreements and contracts involving the Faculty Practice Plan or FAU CPO to be reviewed in advance by the FAU Office of the General Counsel.
- (g) The compliance of the Faculty Practice Plan, including FAU CPO, with applicable regulations, rules, policies and procedures of the University and the Florida Board of Governors.

(h) Such other activities by the Faculty Practice Plan or FAU CPO as directed or authorized by the FAU Board of Trustees.

*Specific Authority: Article IX of the Florida Constitution, Board of Governors Regulations 1.001(8)(a) and 9.017. History–New [            ].*