

**M E M O**

DATE: January 17, 2013

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cc: Judy Forbes  
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FROM: Kevin Sulewski  
Executive Director, Clinical Services



RE: CLINICAL FACULTY SHORT-TERM ILLNESS BENEFIT

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Please find enclosed a document which describes the procedure for administration of the short-term illness benefit for clinical faculty members who participate in the clinical practice plan. This procedure has been developed with the assistance of FHS Finance and FHS Human Resources. There are no changes to the underlying policy framework in terms of eligibility or coverage. The document merely describes the process to access the short-term illness benefit. If you have any questions, please feel free to contact me.

Encl.

Clinical Faculty Short-term Illness Benefit

BWF Pool 13  
Cure for  
Mgmt.

1. Preamble

Clinical faculty members have a dual role as paid employees of McMaster University for their teaching and research activities and as self-employed physicians providing patient care in the affiliated teaching hospitals. As paid university employees, they participate in the salary continuance plan for their base salary which provides for income replacement during periods of short-term illness up to six months when their LTD coverage commences. As self-employed professionals, they purchase long-term disability insurance as a group through their membership in the Clinical Faculty Association. The CFA negotiates on their behalf for long-term disability coverage. The current carrier is RBC. McMaster University, on behalf of the members of the Clinical Faculty Association, provides administrative support during the negotiations and administers the LTD plan through the collection of premiums. Since Clinical Faculty Members have no insurance coverage from the onset of illness until LTD commences, the FHS Clinical Practice Plan has created a self-insurance pool which reimburses departmental practice plans for the cost of their RMA ceiling payments during a period of short-term illness.

2. Policy Statements

Clinical faculty members who receive a base salary from McMaster University as employment income continue to receive the base salary during a period of short-term illness under the university's salary continuance policy. To be eligible for salary continuance, the faculty member must be totally disabled and unable to perform their regular academic and clinical duties as supported by medical documentation of illness. If the illness or injury of the faculty member also precludes their ability to perform clinical activities and the medical documentation of illness is satisfactory to Employee Health Services, then they are eligible for income replacement of their RMA ceiling through the self-insured pool.

The self-insured pool for short-term illness provides income replacement for the RMA ceiling when the faculty member is totally disabled and unable to perform any of their regular academic and clinical duties. Unfortunately, due to the self-employed status of physicians and the nature of their dual role as salaried university faculty members and self-employed health care providers, the self-insurance pool cannot provide clinical income replacement in those circumstances when the individual returns to work under a modified duties or partial attendance program.

**2.1. Overview**

Clinical faculty members are entitled to twenty-six weeks of salary continuance upon their employment start date. The Periods of Coverage are as follows:

<b>A. Elimination Period</b> (first two weeks of sick leave)	The faculty member continues to receive their base salary from McMaster University. RMA Ceiling is continued and is self-funded from the physician's clinical earnings.
<b>B. Short-term Illness Period</b> (between two and twenty-six weeks of sick leave)	Costs are shared by all clinical departments through Self-insured Risk Pool Coverage.
<b>C. Long-term Disability Period</b> (beyond twenty-six weeks of sick leave)	Costs are covered by the Long-term Disability Carrier, administered by McMaster University on behalf of the Clinical Faculty Association.

## **2.2. Reimbursement from the Self-Insured Pool**

### **(a) RMA Ceiling**

The cost to maintain the RMA ceiling during the short-term illness period will be reimbursed to clinical departments by the clinical practice plan. Reimbursement of the RMA ceiling will apply only to a faculty member's official ceiling as recorded in the University's Human Resources Information System (HRIS) at the time of illness and excludes any incentive payments.

### **(b) Costs of Practice**

Such costs include Allowed Business Expenses (net of CMPA rebate), RMA costs (net of RMA interest income), fringe benefits on ceiling, secretarial salary and benefits, and site costs. Clinical departments will be reimbursed from the Self-Insured Risk Pool for these costs at a rate of \$3,200 per month for a maximum of two months during the Short-term Illness Period.

## **2.3. Sharing of Costs**

The cost of the Self-Insured Risk Pool allocated to each Clinical Department will be based on the actual costs incurred during a given academic year for illness related to clinical faculty members in all clinical departments. The aggregate cost will be distributed across departments based on the number of participating physicians in each department.

## **3. 3. Procedure**

During the short-term illness period, coverage is provided for the base salary and RMA ceiling, but excludes the ceiling increment, AFP practice payments, or academic productivity and incentive payments. Clinical faculty members will receive 100% of their base salary from their clinical department and 100% of the ceiling from RMA. Ceiling coverage will apply only to the faculty member's official ceiling as reported in HRIS at the time of illness. The cost of the RMA ceiling will be offset by credit from the Self-Insured Risk Pool at a rate of 100% of the ceiling (x) the period of illness (-) the initial two weeks of illness. Additional credit will be used to reimburse the costs of practice for two months during the Short-term Illness Period.

Clinical department managers are responsible for assuring clinical faculty members that they will receive 100% of the RMA ceiling during their leave. The faculty member will provide the department manager with a physician's note substantiating the absence due to illness who, in turn, will provide this information to FHS Human Resources, who will inform Employee Health Services (EHS). Additionally, department managers will make arrangements for redeployment of secretarial staff affected by the faculty member's leave.

Department managers will notify FHS Human Resources who, in turn, will inform EHS of the start date of a faculty member's leave for their purpose of logging the first day of a clinical faculty member's leave for the University salary continuance policy. Additional documentation may be requested by EHS. FHS Human Resources will also notify the FHS Finance Office (Anne Painter) with the faculty member's name and department, the start date of the faculty member's leave (and the end date if available), and the official RMA Ceiling on Professional Earnings. Using this information, FHS Finance will calculate the credit for the clinical faculty member's RMA ceiling and transfer the necessary funds to the faculty member's clinical department from the Self-Insured Risk Pool. This amount is transferred by journal entry to credit the individual faculty members' costs of practice account. The department manager incorporates the credit in the year-end reconciliation for Clinical Faculty Members. The aggregate cost of the ceiling guarantees due to illness will be charged to the Practice Plan, and distributed across all clinical departments based on the number of participating physicians in each department.

The nature of the faculty member's illness will not be disclosed to the FHS Finance Office or any other party; EHS is the sole keeper of this information.

During the Long-term Disability Period, coverage will be provided by a Long-term Disability Carrier administered by McMaster University on behalf of the Clinical Faculty Association. Compulsory coverage will apply to the base salary and the RMA ceiling at the time of illness. Optional coverage may be obtained for the ceiling increment, AFP practice payments, and academic productivity and incentive payments. Coverage will be provided at 85% of the clinical faculty member's pre-disability income, with an "own occupation rider" so that the faculty member is not obligated to find alternative employment if their leave continues for more than two years. Premiums will be paid by faculty members through a direct charge against their University base salary.

**4. Departmental Responsibilities**

During the Elimination Period, the faculty member receives base salary coverage from their clinical department. Coverage for the RMA ceiling during this period will be self-funded from the faculty member's clinical earnings. During the Short-term Illness Period, the faculty member continues to receive base salary coverage from their clinical department and ceiling coverage through RMA. The ceiling increment, AFP participation payments, academic productivity or incentive payments are not covered.

	<b>A. Elimination Period</b>	<b>B. Short-term Illness Period</b>	<b>C.1. Long-term Disability</b>	<b>C.2. Return to Work</b>
<b>Clinical Faculty Member</b>	Notifies their department manager that they will be on short-term illness leave and provides documentation from their physician.	Receives 100% of their base salary from McMaster University and 100% of their official ceiling through RMA.	If unable to return to work, applies for long-term disability. If not approved, returns to work.	If able to return to work, notifies their department manager when preparing to return to work and provides return to work documentation from their physician.
<b>Clinical Department Manager</b>	(i) Notifies FHS Human Resources of the effective date that the faculty member will be on short-term illness leave and forwards supporting medical documentation from the faculty member's physician. (ii) Works with FHS Human Resources to resolve any support staffing implications, and reduce the cost of practice expenses.	(i) Advises the faculty member that credit will be provided from the Self-insured Risk Pool to offset the cost of the RMA ceiling for the Short-term Illness Period; the average costs of practice for two months during the Short-term Illness Period, at a rate of \$3200 per month (x) 2 months. (ii) Incorporates the costs of practice revenue in the year end reconciliation for the faculty member, at the end of the illness or at year end close if the faculty member's illness continues. (iii) Advises the faculty member of the discontinuation of AFP participation payments and potential impact on academic productivity payments and incentive payments.	Notifies FHS Human Resources and RMA when the faculty member's short-term illness leave ends (in the case that the faculty member either transitions to long-term disability or returns to work), so that RMA can terminate ceiling payments.	Forwards the faculty member's return to work documentation to FHS Human Resources.
<b>EHS &amp; FHS Human Resources</b>	(i) FHS Human Resources informs FHS Finance and EHS of the start date of the faculty member's leave and forwards to EHS any medical documentation has been obtained. (ii) EHS sends long-term disability forms to the faculty member for completion, and assesses the legitimacy of the faculty member's illness.	EHS makes the appropriate HRIS entry for the faculty member's base salary only, and for the start date of the illness.	(i) FHS Human Resources informs FHS Finance and EHS of the end date of the faculty member's short-term illness leave. (ii) EHS notifies the department manager that the faculty member is applying for or has been approved for long-term disability coverage. (iii) EHS makes the appropriate HRIS entry for the end date of the faculty member's short-term illness leave and the long-term disability start date.	(i) Upon receipt from the Department Manager, FHS Human Resources forwards to EHS the faculty member's return to work documentation (ii) EHS makes the appropriate HRIS entry for the end date of the faculty member's short-term illness leave and the date of their return to work.
<b>FHS Finance</b>	Records the start date of the	Calculates the credit for the RMA ceiling at a rate	Records the end date of the Faculty	Records the end date of the

Faculty member's leave.	of 100% of ceiling (x) length of illness (-) 2 weeks. This amount is transferred to credit the individual faculty members' costs of practice account.	Member's short-term illness leave and the long-term disability start date.	Faculty Member's short-term illness leave and the date of their return to work.
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