

**MEDICAL PRACTICE PLAN  
RULES AND REGULATIONS**

**FOR THE LEBANESE AMERICAN UNIVERSITY GILBERT AND ROSE-MARIE  
CHAGOURY SCHOOL OF MEDICINE PHYSICIANS PRACTICING AT THE  
LEBANESE AMERICAN UNIVERSITY MEDICAL CENTER-RIZK HOSPITAL**

**TABLE OF CONTENTS:**

- 1. PREAMBLE**
- 2. DEFINITIONS**
- 3. PURPOSE OF THE PLAN**
- 4. ADMINISTRATION OF THE PLAN:**
  - A) PARTICIPANTS**
  - B) COMPENSATION AND FRINGE BENEFITS OF THE PARTICIPANTS**
  - C) DUTIES OF THE PARTICIPANTS**
  - D) CAPTURING PLAN CONTRIBUTIONS**
- 5. GOVERNANCE OF THE MPP**
- 6. MPP COMMITTEE**
- 7. GRIEVANCES AND APPEALS**
- 8. MPP FINANCIAL SCHEME**
- 9. DISTRIBUTION OF THE MPP FUND**
- 10. AMENDMENT OF THE MPP**
- 11. APPENDIX A**

**1. PREAMBLE:**

This Medical Practice Plan is the Lebanese American University Gilbert and Rose-Marie Chagoury School of Medicine (“**GRCSOM**”) document that regulates and governs the income generated from the practice of the GRCSOM faculty having clinical privileges to practice at the Lebanese American University Medical Center-Rizk Hospital and all other health facilities affiliated and which is an integral part of the related affiliation agreements.

**2. DEFINITIONS**

1. **Affiliated Health Facilities** - shall refer to any medical facility that maintains good standing through a formal affiliation agreement, a cooperation agreement or a similar arrangement with the GRCSOM allowing the GRCSOM faculty to provide clinical services at said facility that result in revenue generation and where GRCSOM students/trainees are placed to learn and be trained as part of their GRCSOM program requirements for graduating or post-graduation training.
2. **Applicable Rules and Regulations** - means (i) the Bylaws of the GRCSOM, (ii) the LAUMC-RH Medical Staff Bylaws, (iii) all other policies and procedures of the LAUMC-RH and the University, (iv) the decisions of the MPP Committee, (v) applicable Lebanese law; and (vi) the applicable canons of professional ethics and the Physicians Order in Beirut, all of the foregoing as from time to time amended.
3. **Board of Trustees** - means LAU Board of Trustees referred to in LAU Constitution and Bylaws.
4. **Chief Executive Officer** - shall refer to the Chief Executive Officer of LAUMC-RH.
5. **Chief Medical Officer** - shall refer to the Chief Medical Officer of LAUMC-RH.
6. **Dean** -shall refer to the Dean of the GRCSOM.
7. **Department/Service** - shall refer to those Departments/Services of the GRCSOM that have an account established within the Plan and as recommended by the MPP Committee. GRCSOM full time faculty and part time faculty of these Departments or Services shall be qualified as Participants.
8. **Department Chair** - shall refer to the academic chairman of a Department/Service at GRCSOM and LAUMC-RH.
9. **Full Time Physicians** - shall refer to full time faculty at the GRCSOM as per the Bylaws of the GRCSOM and having privileges to practice on a full time basis at LAUMC-RH pursuant to the LAUMC-RH Medical Staff Bylaws (referred to thereunder as Active Medical Staff).
10. **Gilbert and Rose-Marie Chagoury School of Medicine and/or GRCSOM-** shall refer to the Gilbert and Rose-Marie Chagoury School of Medicine at the Lebanese American University.

11. **Group** -shall refer to Participants within a Department and/or Service or division who pool together their collected professional fees.
12. **LAUMC-RH** and/or **Medical Center** - shall refer to “Lebanese American University Medical Center-Rizk Hospital Sal”, the primary medical center affiliated with GRCSOM.
13. **MPP Rules and Regulations** - shall refer to these Medical Practice Plan rules and regulations.
14. **Plan**- shall be construed to mean the plan and the governing structure created to organize and govern the Participants Collections related to their practice at LAUMC-RH and Affiliated Health Facilities and the use of the Plan Contributions.
15. **Plan Contributions** - shall be construed to mean all contributions agreed upon by the Participants as provided in these MPP Rules and Regulations, to be deducted from all the Participants’ Collections.
16. **MPP Committee** - shall refer to the committee referred to in Section 6 of the MPP.
17. **MPP Fund** - shall refer to the fund that includes the Participants’ Plan Contributions.
18. **Part Time Physicians** - shall refer to part time faculty at the GRCSOM as per the Bylaws of the GRC-SOM and having privileges to practice at LAUMC-RH pursuant to LAUMC-RH Medical Staff Bylaws (referred to thereunder as Active/Offsite Medical Staff).
19. **Participant(s)** - shall mean a) the Full Time Faculty at GRCSOM having privileges to practice at LAUMC-RH in their respective specialties and other Affiliated Health Facilities as the case may be and b) the Part Time Faculty at GRCSOM having privileges to practice at LAUMC-RH, all of whom are subject to the MPP Rules and Regulations and contribute to the Plan.
20. **Participants Collections / MPP Collections** - shall refer to all the collections of the a) Full Time Physicians-Participants professional fees resulting from their respective practice at LAUMC-RH and/or Health Affiliated Facilities as the case may be, and b) Part Time Physicians- Participants professional fees resulting from their respective practice at LAUMC-RH, be it, for inpatient and/or outpatient activities and clinics consultation fees.
21. **University** and/or **LAU** - shall refer to The Lebanese American University.

Capitalized terms used herein, unless otherwise indicated, shall have the meanings ascribed to them in the section herein entitled “Definitions.”

### 3. **PURPOSE OF THE PLAN**

All Plan Contributions referred to thereafter, shall be irrevocably assigned to the University by the Participants; no Plan’s Participant shall have any right, title or interest in any such Plan

income or the MPP Fund; the University shall have the unrestricted right to such income and complete control over its disposition as described herein.

Provisions in these MPP Rules and Regulations for computing Plan Contributions and expenses and for recommendations from Plan Participants are not intended to and shall not be construed to confer on Plan Participants any right, title or interest in said Plan Contributions; and shall not confer Plan Participants any right to control the disposition of Plan income and/or the MPP Fund and expenses in any way whatsoever, or any right to determine the Participants' remunerations and/or payments.

The Plan is intended to:

1. Provide a platform that enables the GRCSOM faculty to fulfill their commitment to the highest quality of patient care and active medical practice.
2. Support programs which benefit the academic missions of GRCSOM and the clinical mission of LAUMC-RH.
3. Support the recruitment, promotion and fostering the retention of qualified faculty at GRCSOM.
4. Establish mechanisms of compensation incentives that will enable the GRCSOM faculty to attain the goals of the GRCSOM in delivering excellent patient care, fostering research and providing excellent education of the GRCSOM graduate and post graduate students.
5. Assure a Plan that will be competitive with income plans of other academic medical centers in Lebanon.
6. Expenditures from the MPP Fund shall be made solely in furtherance of the advancement of the academic mission of the University and to promote clinical services at LAUMC-RH.

The MPP Fund is self-funded from deducting the Plan Contributions from the Participants revenues collected by LAUMC-RH (or other schemes implemented at Affiliated Health Facilities as the case may be) on behalf of the Participants towards the professional fees they charge for patient care.

#### **4. ADMINISTRATION OF THE PLAN**

##### **A) PARTICIPANTS**

The Participants subject to the terms of the MPP Rules and regulations are i) all Full-Time Physicians and Part Time Physicians who are licensed to practice medicine in Lebanon and have clinical privileges at LAUMC-RH and/or the Affiliated Health Facilities (for Full Time Physicians only), and their practice will be governed by the Plan.

## **B) REMUNERATION AND FRINGE BENEFITS OF THE PARTICIPANTS**

**Full Time Physicians:** Full Time Physician-Participants, receive from LAU, in addition to their remuneration for academic duties, a clinical guaranteed income for a set period subject to the terms of their respective Letter of Appointment at LAU and the applicable terms of this MPP rules and regulations. The clinical guaranteed income will be deducted from the concerned Participant Collections. Full Time Physician- Participants are entitled to the University fringe benefits as detailed in the Appendix A attached hereto to this MPP Rules and Regulations.

**Part Time Physicians:** Part Time Physician Participants, receive from LAU a remuneration for their academic duties , if any, pursuant to the terms of the GRCSOM Bylaws and regulations and their respective Letter of Appointment at LAU. They are entitled to their own professional clinical income only. Part Time Faculty members in the GRCSOM are not entitled to University fringe benefits or *ex-gracias* in lieu of indemnity.

All payments made, including benefits as applicable, to the Full Time Physicians and Part Time Physician Participants to this Plan, shall be subject to tax deductions, social security and other similar contributions as may be required under Lebanese, US or other applicable law.

The clinic usage fees related to the occupation of LAUMC-RH clinics will be paid by Full Time Physicians and Part Time Physicians according to the rules, regulations and rates as approved and communicated by LAUMC-RH Administration. Access to the use of clinics at LAUMC-RH may be granted to Part Time Physicians depending on availability.

## **C) DUTIES OF THE PARTICIPANTS**

1. The advantages and privileges of the Participants whether a Full Time Physician or Part Time Physician are described in the LAUMC-RH Medical Staff Bylaws and applicable regulations.
2. All Participants must strictly abide by the LAUMC-RH billing regulations, and must agree that the professional fees set by the LAUMC-RH billing guidelines are applicable while always safeguarding their own professional integrity and highest ethical standards.
3. Patient billing for all services rendered at LAUMC-RH (including at private clinics) must be processed through LAUMC-RH billing system; any patient billing or collection of professional fees outside this system is considered a breach of the Applicable Rules and Regulations. Any referrals of diagnostic services outside of LAUMC-RH that are determined to be incentivized referrals are also a violation of medical ethics and will be subject to review and possible disciplinary action against the concerned Participant, including a termination from the GRCSOM and suspension of privileges at LAUMC-RH and
4. The Participants must strictly abide by, and render medical and/or surgical services at LAUMC-RH and Affiliated Health Facilities in a manner consistent with the Applicable Rules and Regulations.

5. All Participants shall properly and duly discharge of their assigned and expected duties and shall duly fulfill their commitments to the GRCSOM and LAUMC-RH.
6. All Full Time Physician- Participants must restrict their professional practice at LAUMC-RH facilities. They can practice at the Affiliated Health Facilities (as assigned by both their Department Chair and the Dean), provided however that their practice at said Affiliated Health Facilities is at all times subject to the MPP Rules and Regulations, as long as the affiliation agreement between GRCSOM and the concerned Affiliated Health Facility is valid and in effect.
7. All Participants must recognize the importance of their unique role at the GRCSOM and thereby reaffirm their ongoing commitment to support its academic mission.
8. All Participants shall devote a substantial part of their activities to enable the GRCSOM to:
  - Provide teaching services to its medical students as assigned by the GRCSOM.
  - Provide for administration of its academic, clinical or service departments.
  - Encourage and support research.
  - Provide teaching, supervisory and administrative services to all GRCSOM students including all post graduate medical education programs.
9. The Participants are encouraged to form group practice plans and enter into group practice arrangement.
10. The Participants must refer to LAUMC-RH all diagnostic tests and utilize its therapeutic facilities designated by the University, for the care of their patients.
11. In the event of the breach of any provisions of the MPP Rules and Regulations or the Applicable Rules and Regulations, Full Time Physician and Part Time Physician appointments to the GRCSOM and the privileges of admitting patients at LAUMC-RH may be terminated immediately, or at any time, in accordance with the provisions of LAUMC-RH Medical Staff Bylaws.
12. Admitting privileges at LAUMC-RH will automatically terminate upon termination of (a) a Participant's academic appointment at the GRCSOM or (b) the revocation of a Participant's professional licensure all in accordance with LAUMC-RH Medical Staff Bylaws.

#### **D) CAPTURING PLAN CONTRIBUTIONS**

- 1- The percentage of each Participant Plan Contributions will be calculated and determined based on the amount of collected professional clinical income generated by each Participant and the brackets provided for below in the MPP Rules and Regulations.
- 2- The Comptroller's Office at LAU will hold the MPP Fund. All Plan Contributions will be recorded as additions to the MPP Fund, and expenses will be recorded as deductions from the MPP Fund.
- 3- Payments due to the Participants, if any, based on their respective prior professional fees billed (but uncollected) prior to the entry into effect of MPP Rules and Regulations shall be governed by its regulations.

- 4- Billed but uncollected fees at the date of termination of a Participant's appointment which are subsequently collected shall be settled to the concerned Participant after deducting the appropriate Plan Contributions, as per the terms of this Plan.
- 5- LAUMCR-RH shall bill for and collect through the LAUMC-RH billing system all payments for professional fees relating to services rendered by the Participants. The Participants have agreed that all professional fees collected in LAUMCR-RH premises, whether in the out-patient clinics/facilities or in Affiliated Health Facilities, shall be made through LAUMC-RH billing system and shall be considered as MPP Collections, paid into an account opened and maintained in the name of the University

## **5. GOVERNANCE OF THE MPP**

Serving as the ultimate legal and fiduciary authority of the University, the LAU Board of Trustees shall have primary responsibility and authority over the establishment, administration, amendment and/or termination of the Plan. The President of the University and the Dean shall, in consultation with the MPP Committee as described further below, have the oversight responsibility of ensuring that the Plan is administered in accordance with these MPP Rules and Regulations and consistent with the Applicable Rules and Regulations.

The Board of Trustees may amend, suspend, or terminate the Plan, in whole or in part, with or without retroactive effect. Retroactive amendment, suspension, or termination may be required if necessary or appropriate to meet legal or regulatory requirements.

## **6. MPP COMMITTEE:**

The MPP Committee composition and functions are as follows:

### **a) Composition:**

1. The Dean of the GRCSOM (or his/her representative) as Chair.
2. The Chair of the Medical Committee referred to under the LAUMC-RH Medical Staff Bylaws.
3. Six Full Time Physicians elected for one, 2 year term by the Full Time Physicians as follows:
  - a. Two (2) Full-Time Faculty members from the Non-Surgical Clinical Departments; one of them being a Chairperson.
  - b. Two (2) Full-Time Faculty members from the Surgical Clinical Departments; one of them being a Chairperson.
  - c. Two (2) Full-Time Faculty members from any of the service departments of anesthesiology, pathology and laboratory medicine, diagnostic radiology or radiation oncology.
4. The CMO of LAUMC-RH
5. The CEO of LAUMC-RH (non-voting member).
6. The VP for Finance at LAU or his/her representative (non-voting member).
7. The General Counsel for LAU or his/her representative (non-voting member).

The MPP Committee shall apply the Robert's rules of order in administering the meetings of the Committee and decisions taken by the majority of the votes.

The MPP Committee shall report to the President of LAU on all matters relating to the University and the GRCSOM and LAUMC-RH.

The Committee shall meet once every two months at the minimum.

Either the Chairperson or a minimum of three Committee members Committee may call for a special meeting if the need arises.

If an elected member of the MPP Committee is removed, resigns, or becomes ineligible to serve on the Committee, she/he will be replaced by another member elected within a period of one month to the remaining period of the replaced member's mandate.

If any of the appointed members are removed, resign, or become ineligible, the replacement(s) or designee(s) shall be appointed by the President.

Any member subject to disciplinary action(s), either at the GRCSOM or LAUMC-RH or any elected member, who is no longer Full Time Faculty for any reason whatsoever, will be automatically removed from membership of the MPP Committee.

**b) Functions:**

The functions of the MPP Committee include:

1. Assure that the Plan is consistent with the academic mission of the GRCSOM.
2. Review the Plan annually and make the appropriate amendments/recommendations for improvement in accordance with the terms of the MPP Rules and Regulations.
3. Receive quarterly plan statements of revenue and expenditure from LAU Comptroller.
4. Receive, review and adjudicate grievances and appeals related to the Plan, submitted by any of the Participants.
5. Assess the merit of proposals seeking financial support from the MPP Fund.
6. Set the Annual Operating budget of the Plan.

**7. GRIEVANCES AND APPEALS**

Any Participant(s) perceiving unfair treatment under the provisions of the Plan may request a hearing before the MPP Committee. The request must be in writing to the Chair of the Committee. The Chair will call for a special meeting of the Committee in no less than five days and not more than fifteen days following receipt of the request.



The Committee will convene and conduct a hearing on the filed complaint. A report of the hearing along with the unanimously approved recommendations will be processed through the GRCSOM and LAUMC-RH, pursuant to the regular channels of reporting in each institution.

**8. MPP FINANCIAL SCHEME:**

The below table reflects the percentage of Plan Contributions by each Participant to be deducted from his/her respective Participant Collections to be transferred to the MPP Fund.

a) Percentage of MPP Contributions of Full Time Physicians- Participants:

**1- For the Medical and Surgical Departments:**

<u>Yearly Participant Collections</u>	<u>MPP Contribution</u>
<i>Up to \$ 150,000</i>	<i>15%</i>
<i>From \$ 150,000 to \$ 250,000</i>	<i>12%</i>
<i>Above \$ 250,000</i>	<i>9%</i>

For clarification of the above table, if a Full Time Physician- Participant generates \$140,000 as Collections, he/she shall contribute 15% of the Participant Collections to the MPP Fund, as MPP Contribution, .

A Full Time Faculty- Participant who generates \$300,000 as Participant Collections, shall contribute to the MPP Fund as MPP Contributions as following:

- 15% for the first Collections bracket of \$150,000;
- an additional 12% for the Collections bracket above \$150,000; and
- an additional 9% for the Collections bracket above \$250,000 .

**2- For the Service Departments:**

a) Participants' Contributions percentage out of the total Department revenues:

Allocation of the Anesthesia service income among the department's physicians will be determined by the Department Chair with the approval of the CMO and the Dean. The Anesthesia physicians' income is subject to an 18% MPP Contribution.

For the following Service Departments, i)) Pathology and Laboratory, ii) Radiology, and iii) Radiation Therapy, the respective physicians' allocation of income among each department will be determined by the concerned Department Chair with the approval of the CMO and the Dean. Thereafter, an MPP Contribution of 25% is applied to each physician's revenues.

The above financial scheme does not apply to Full Time Physician- Participants practicing both at LAUMC-RH and Affiliated Health Facilities. Whereas the MPP Collections generated at LAUMC-RH are subject to the above financial scheme, the proceeds generated from their practice at Affiliated Health Facilities and collected on their behalf at Affiliated Health Facilities will be subject to a different practice plan.

- b) **Percentage of MPP Contributions of Part Time Physician- Participants-:**  
Participant- Part Time Physicians in each of the Medical, Surgical and Service departments will make a Plan Contribution of 5% of their corresponding Participant Collection to the MPP Fund.

**9. DISTRIBUTION OF THE MPP FUND**

The MPP Fund shall be distributed/used according to the following:

- 5% shall be transferred to LAUMC-RH, to cover the Participants collections fees and related services at LAUMC-RH.
- The remaining income shall be allocated to a University special Fund generally designated to serve the mission of the GRCSOM and its projects, to subsidize the physicians' clinical guaranteed incomes, support the teaching and administration expenses, sponsor approved faculty research, fund approved faculty development and travel, subsidize new recruits and related benefits as per the directives of the MPP Committee.
- The MPP shall have the necessary safeguards for the maintenance of reasonable equity in the distribution of resources among the GRCSOM Departments and faculty, LAUMC-RH and the University as per the directives of the MPP Committee.  
There shall be a separate annual financial report on the operation of the Plan, including a status report of available reserves. This annual report shall be made available to the Chair of the MPP Committee, the President and the Board of Trustees and to the medical staff annual meeting through the Chair of the MPP Committee. An independent external audit of the MPP annual financial report shall be performed on an annual basis.

**10. AMENDMENT TO THE MPP**

The MPP shall be reviewed annually by the MPP Committee. Proposals for amendments to the MPP may be initiated by the MPP Committee, the Dean, the President, and the Board of Trustees. Proposed revisions and modifications to the MPP Rules and Regulations shall be approved by the Board of Trustees.

**11. EFFECTIVE DATE**

The foregoing MPP Rules and Regulations are effective as of March 31, 2017.

**APPENDIX A**

**FULL TIME PHYSICIANS- PARTICIPANTS-FRINGE BENEFITS**

Full Time Physician- Participants will be entitled to the following University's fringe benefits in accordance with LAU applicable policies and procedures as amended from time to time:

- Eligibility to allowance for Professional Development
- Eligibility to sponsored research
- Health Insurance
- Life insurance and LTD
- Pension Plan
- Education of dependents