



**LAU**

Gilbert and Rose-Marie Chagoury  
School of Medicine

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# MEDICAL PRACTICE PLAN RULES AND REGULATIONS

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FOR THE LEBANESE AMERICAN UNIVERSITY GILBERT AND ROSE-MARIE  
CHAGOURY SCHOOL OF MEDICINE PHYSICIANS  
PRACTICING AT THE LEBANESE AMERICAN UNIVERSITY OWNED AND OPERATED  
HEALTHCARE FACILITIES

## Table of Contents

<b>I. PREAMBLE.....</b>	<b>3</b>
<b>II. DEFINITIONS .....</b>	<b>4</b>
<b>III. PURPOSE OF THE PLAN .....</b>	<b>6</b>
<b>IV. ADMINISTRATION OF THE PLAN .....</b>	<b>7</b>
<b>A. Participants.....</b>	<b>7</b>
<b>B. Remuneration and Fringe Benefits of the Participants.....</b>	<b>7</b>
<b>C. Duties of the Participants .....</b>	<b>8</b>
<b>D. Capturing Plan Contributions.....</b>	<b>9</b>
<b>V. GOVERNANCE OF THE MPP .....</b>	<b>11</b>
<b>VI. MPP COMMITTEE .....</b>	<b>12</b>
<b>VII. GRIEVANCES AND APPEALS .....</b>	<b>14</b>
<b>VIII. PARTICIPANTS’ CONTRIBUTIONS TO THE PLAN .....</b>	<b>15</b>
<b>IX. DISTRIBUTION OF THE MPP FUND .....</b>	<b>17</b>
<b>X. AMENDMENT TO THE MPP .....</b>	<b>18</b>
<b>XI. EFFECTIVE DATE.....</b>	<b>18</b>
<b>APPENDIX A.....</b>	<b>19</b>

## I. PREAMBLE

This Medical Practice Plan is the Lebanese American University Gilbert and Rose-Marie Chagoury School of Medicine (“**LAUSOM**”) document that regulates and governs the income generated from the practice of the LAUSOM faculty having clinical privileges to practice at LAU owned and operated healthcare facilities: i) the Lebanese American University Medical Center-Rizk Hospital (“**LAUMC-RH**”) and/or in ii) any other health facilities operated by LAU, such as LAUMC-SJH, (the “**Operated Health Facilities**”) and/or in iii) the facilities affiliated with LAU (the “**Affiliated Health Facilities**”) which the MPP is made an integral part of the related affiliation agreements.

## II. 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 LAUSOM allowing the LAUSOM faculty to provide clinical services at said facility that result in revenue generation and where LAUSOM students/trainees are placed to learn and be trained as part of their LAUSOM program requirements for graduating or post-graduation training.
2. **Applicable Rules and Regulations** - means (i) the Bylaws of the LAUSOM, (ii) the Medical Staff Bylaws of LAUMC-RH and the Operated Health Facilities, (iii) all other policies and procedures of LAUMC-RH and the Operated Health Facilities and the University, (iv) the decisions of the MPP Committee, (v) the applicable Lebanese laws; 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 - CEO of LAUMC-RH** - shall refer to the Chief Executive Officer of LAUMC-RH.
5. **Director** - shall refer to the director(s) of each of the Operated Health Facilities.
6. **Chief Medical Officer - CMO of LAUMC-RH** - shall refer to the Chief Medical Officer of LAUMC-RH.
7. **Medical Director** - shall refer to the medical director(s) of each of the Operated Health Facilities.
8. **Dean** - shall refer to the Dean of the LAUSOM.
9. **Department/Service** - shall refer to those Departments/Services of the LAUSOM that have an account established within the Plan and as recommended by the MPP Committee. LAUSOM full time faculty and part time faculty of these Departments or Services shall be qualified as Participants.
10. **Department Chair** - shall refer to the Academic Chairman of a Department at LAUSOM.
11. **Full Time Physicians** - shall refer to full time faculty at the LAUSOM as per the Bylaws of the LAUSOM and having privileges to practice on a full time basis at LAUMC-RH and/or the LAU Operated Facilities pursuant to their respective Medical Staff Bylaws.
12. **Gilbert and Rose-Marie Chagoury School of Medicine and/or LAUSOM** - shall refer to the Gilbert and Rose-Marie Chagoury School of Medicine at the Lebanese American University.
13. **Group** - shall refer to Participants within a Department and/or Service or division who pool together their collected professional fees.
14. **LAUMC-RH and/or Medical Center** - shall refer to the "Lebanese American University Medical Center-Rizk Hospital SAL" the primary Medical Center affiliated with LAUSOM.

15. **LAUMC-SJH** - shall refer to the “Lebanese American University Medical Center-Saint John Hospital”, the Medical Center operated by Medical Care Management SAL, an affiliate of LAU.
16. **MPP Rules and Regulations** - shall refer to these Medical Practice Plan Rules and Regulations.
17. **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/or LAU Operated Facilities and Affiliated Health Facilities and the use of the Plan Contributions.
18. **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.
19. **MPP Committee** - shall refer to the committee referred to in Section VI of the MPP.
20. **MPP Fund** - shall refer to the fund that includes the Participants’ Plan Contributions.
21. **Part Time Physicians** - shall refer to part time faculty at the LAUSOM as per the Bylaws of the LAUSOM and having privileges to practice on a part time basis at LAUMC-RH and/or the LAU Operated Facilities pursuant to their respective Medical Staff Bylaws.
22. **Participant(s)** - shall mean a) the Full Time Faculty at LAUSOM having privileges to practice at LAUMC-RH and/or the LAU Operated Facilities in their respective specialties and other Affiliated Health Facilities as the case may be and b) the Part Time Faculty at LAUSOM having privileges to practice at LAUMC-RH and/or the LAU Operated Facilities all of whom are subject to the MPP Rules and Regulations and contribute to the Plan.
23. **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 the LAU Operated Facilities 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 and/or the LAU Operated Facilities, be it, for inpatient and/or outpatient activities and clinics consultation fees.
24. **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.”

### III. 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 LAUSOM faculty to fulfill their commitment to the highest quality of patient care and active medical practice.
2. Support programs which benefit the academic mission of LAUSOM and the clinical mission of LAUMC-RH and LAU Operated Facilities.
3. Support the recruitment, promotion and fostering the retention of qualified faculty at LAUSOM.
4. Establish mechanisms of compensation that will enable the LAUSOM faculty to attain the goals of the LAUSOM in delivering excellent patient care, fostering research and providing excellent education of the LAUSOM graduate and post graduate students.
5. Be competitive with practice plans of other academic medical centers in Lebanon.
6. To support the expenditures in furtherance of the advancement of the academic mission of the University and to promote clinical services at LAUMC-RH and LAU Operated Facilities.

The MPP Fund is self-funded from deducting the Plan Contributions from the Participants revenues collected respectively by LAUMC-RH and LAU Operated Facilities (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.

## IV. ADMINISTRATION OF THE PLAN

### A. Participants

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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 respectively at LAUMC-RH and/or LAU Operated Facilities 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

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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.

Full Time Physician-Participants can also receive from LAU, on a case by case basis and subject to the sole discretion of LAU Administration an earned clinical income and an extra incentive pay, for a set period of time as determined in their respective Letter of Appointment at LAU or any Addendum thereto. Both the earned clinical income and the extra incentive pay will also be deducted from the concerned Participant Collections.

Both the earned clinical income and the extra incentive pay are not accounted for in the computation of the “income-related benefits” that the Full Time Physician is entitled to, namely: Life and LTD insurance, pension plan contribution, *ex-gracia* in lieu of indemnity.

Part Time Physicians:

Part Time Physician Participants, receive from LAU a remuneration for their academic duties, if any, pursuant to the terms of the LAUSOM 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 LAUSOM are not entitled to University fringe benefits or *ex-gracia* 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 and/or LAU Operated Facilities clinics will be paid by Full Time Physicians and Part Time Physicians according to the rules, regulations and rates as approved and communicated respectively by LAUMC-RH and/or LAU Operated Facilities Administration(s). Access to the use of clinics at LAUMC-RH and/or LAU Operated Facilities may be granted to Part Time Physicians depending on availability.

## C. Duties of the Participants

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1. The advantages and privileges of the Participants whether a Full Time Physician or Part Time Physician are described respectively in the LAUMC-RH and/or LAU Operated Facilities Medical Staff Bylaws and applicable regulations.
2. All Participants must strictly abide by LAUMC-RH and/or LAU Operated Facilities respective billing regulations, and must agree that the professional fees set by said billing guidelines are applicable while always safeguarding their own professional integrity and highest ethical standards.
3. Patient billing for all services rendered respectively at LAUMC-RH and/or LAU Operated Facilities (including at private clinics) must be processed through the latter billing system(s); 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 and/or LAU Operated Facilities 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 LAUSOM and suspension of privileges at LAUMC-RH and/or LAU Operated Facilities.
4. The Participants must strictly abide by, and render medical and/or surgical services at LAUMC-RH and/or LAU Operated Facilities 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 LAUSOM and LAUMC-RH and/or LAU Operated Facilities.
6. All Full Time Physician- Participants must restrict their professional practice to LAUMC-RH and/or LAU Operated Facilities. They can however 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, and as long as the affiliation agreement between LAUSOM and the concerned Affiliated Health Facility is valid and in effect.

In those facilities that do not have a current affiliation agreement with LAUSOM, at a minimum an agreement should be in place between said institutions and LAUSOM, specifically said institutions must agree to provide financial reports to LAUSOM on a monthly basis and to forward amounts collected on behalf of the concerned physicians to the officers of LAU Medicare. For that purpose, the Physician will sign a “Physician Declaration, Consent & Release Form”.

7. All Participants must recognize the importance of their unique role at the LAUSOM 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 LAUSOM to:
  - Provide for administration of its academic, clinical or service departments.
  - Encourage and support research.
  - Provide teaching, administrative, and where applicable, clinical supervision services to all LAUSOM 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 and/or LAU Operated Facilities 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 LAUSOM and the privileges of admitting patients at LAUMC- RH and/or LAU Operated Facilities may be terminated immediately, or at any time, in accordance with the provisions of the respective Medical Staff Bylaws.
12. Admitting privileges at LAUMC-RH and/or LAU Operated Facilities will automatically terminate upon termination of (a) a Participant’s academic appointment at the LAUSOM or (b) the revocation of a Participant’s professional licensure all in accordance with the respective LAUMC-RH and/or LAU Operated Facilities Medical Staff Bylaws.

## D. Capturing Plan Contributions

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1. The percentage of contributions to the plan by each participant is calculated and determined based on the amount of collected professional clinical income generated by said participant

and as per the brackets defined in the MPP Rules and Regulations (see below table: participants' contributions to the plan).

2. MPP Physicians contributions shall be applied on all gross collections including those paid directly to the physicians' account by the Ministry of Health or other public or private payers.
3. For providing services at hospitals based departments at LAUMC-RH and/or LAU Operated Facilities (such as ED and ICU), and whenever needed, the concerned Physician will enter into a separate service agreement.
4. The Finance Department 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.

A monthly report will be provided to the Dean of LAUSOM who will present it at the quarterly MPP Committee meetings.

5. Previously billed but uncollected fees related to professional services rendered by the Participants prior to becoming subject to MPP contributions (such as newly recruited physicians) are not subject to MPP Rules and Regulations.
6. Physicians changing their status from part time to full time shall become subject to the MPP contribution rates of full timers starting the date of their status change (normally the signature date of their Letter of Appointment as Full Time Physician).
7. Previously billed but uncollected fees on 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.
8. LAUMC-RH and/or LAU Operated Facilities shall, respectively, bill for and collect through the billing system of said facilities all payments for professional fees relating to services rendered by the Participants. The Participants have agreed that all professional fees collected respectively, in LAUMC-RH and/or LAU Operated Facilities premises, whether in the out-patient clinics/facilities or in Affiliated Health Facilities, shall be made through the adopted billing system and shall be considered as MPP Collections, paid into an account opened and maintained in the name of the University.

## V. 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.

## VI. MPP COMMITTEE

The MPP Committee term, composition and functions are as follows:

**a) Term of members:** One 2-year term.

**b) Composition of the MPP Committee:**

- Chair: Dean of LAUSOM.
- The Chair of the Medical Committee of each of LAUMC-RH and/or Operated Health Facilities.
- Chair of the Internal Medicine.
- Chair of Surgery Department.
- One Chair and One Full time Faculty member of any of the following service departments (Anesthesiology, Diagnostic Imaging, Pathology and Laboratory Medicine, Radiation Oncology, and Emergency Medicine).  
The chair and the member representing these services will be elected respectively among the chairs and the members of said departments.
- One full time faculty member from the non-surgical clinical department elected by the faculty at large.
- One full time faculty member from the surgical clinical department elected by the faculty at large.
- Chair of Ob-Gyn or Pediatrics on a rotating basis.
- The CMO and the Medical Director.
- The CEO of LAUMC-RH and the Director of LAUMC-SJH (non-voting members).
- VP for Finance at LAU or his/her representative (non-voting member).
- The General Counsel for LAU or his/her representative (non-voting member).
- Supervisor of LAU Medicare (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.

The Committee shall meet once quarterly at the minimum.

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

If any of the elected members of the MPP Committee is removed, resigns, or becomes ineligible to serve on the Committee, she/he will be replaced by another member fulfilling the same role (within a period of one month) for the remaining term 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 Chair of the Committee.

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

**c) Functions:**

The functions of the MPP Committee include:

1. Ensure that the Plan is consistent with the academic mission of the LAUSOM.
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 Finance Department.
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.

## VII. 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 MPP Committee will convene and conduct a hearing on the filed complaint. A report of the hearing along with the recommendations will be processed through the LAUSOM and LAUMC-RH and/or Operated Health Facilities, pursuant to their respective regular channels of reporting.

## VIII. PARTICIPANTS' CONTRIBUTIONS TO THE PLAN

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.

### 1. Percentage of MPP Contributions of Full Time Physicians – Participants:

#### 1.1. For the Medical and Surgical Departments:

<b><u>Yearly Participant Collections</u></b>	<b><u>MPP Contribution*</u></b>
<i>Up to \$ 149,999</i>	<i>15%</i>
<i>From \$ 150,000 to \$ 249,999</i>	<i>12%</i>
<i>Above \$ 250,000</i>	<i>9%</i>

\* For those Participants practicing outside Greater Beirut area within the allowable 20% of their time, the rate of their MPP Contribution will be reduced by 5.55%, representing their administrative, billing and collections fees.

#### **Example illustrating the above:**

MPP contributions of a full-time physician (not in hospital-based service) earning 300,000\$ in collections:

	<b>Physician's collections</b>	<b>MPP contribution rate</b>	<b>Physician's MPP Contributions</b>
<b>1st bracket</b>	\$ 150,000	15%	\$ 22,500
<b>2nd bracket</b>	\$ 100,000	12%	\$ 12,000
<b>3rd bracket</b>	\$ 50,000	9%	\$ 4,500
<b>Total MPP cont.</b>			<b>\$ 39,000</b>

#### 1.2. For the Hospital-Based Service Departments:

For those Participants working in the hospital-based service departments, their respective contributions' percentage is as follows:

##### **a. Department of Anesthesia:**

The income of the anesthesiologists is subject to an 18% MPP contribution. Each anesthesiologist's income is allocated by the department Chair with the approval of the CMO and the Dean.

**b. Departments of Surgical Pathology, Laboratory Medicine, Medical Imaging, and Radiation Oncology:**

All physicians in this group of services are subject to a 25% MPP contribution.

The respective physicians' allocation of income within each department will be determined by the concerned Department Chair with the approval of the CMO and the Dean.

The above financial scheme does not apply to Full Time Physician - Participants practicing both at LAUMC-RH and/or LAU Operated Facilities and Affiliated Health Facilities. Whereas the MPP Collections generated at said facilities 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.

**2. 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.



## IX. DISTRIBUTION OF THE MPP FUND

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

- 5.55% shall be transferred to each of LAUMC-RH and LAU Operated Facilities to cover the Participants collections fees and related services at said facilities.

This administrative fee shall not be applied to the collections generated from clinical services rendered outside LAU owned and/or operated facilities as long as it complies with the 20% rule and outside Greater Beirut area.

- The remaining revenues shall be allocated to a University special Fund generally designated to serve the mission of the LAUSOM and its projects, to support the teaching and administration expenses, sponsor approved faculty research, fund approved faculty development and travel, subsidize faculty 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 LAUSOM Departments and faculty.

There shall be a separate quarterly and annual financial reports on the operation of the Plan, including a status report of available reserves. The annual report shall be made available to the Chair of the MPP Committee, the President and the Board of Trustees. An independent external audit of the MPP annual financial report shall be performed on an annual basis.

## X. 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.

## XI. EFFECTIVE DATE

The foregoing Medical Practice Plan was amended by the Board of Trustees on March 21 & 22, 2019 and is effective as of March 22, 2019. This Medical Practice Plan was originally adopted and 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