Fee-for-Service on Industry-sponsored Clinical Trials

Purpose
This process provides payment to School of Medicine faculty for clinical services performed on industry-sponsored clinical trials.

Background
Previously, faculty were compensated through Percentage of Effort for clinical services provided to industry-sponsored clinical trials.

Percentage of Effort
This is an estimation of the time that faculty will be spend on a study. This method is problematic for industry-sponsored studies because:

A. It is an estimate (calculated by dividing the amount of dollars provided in the budget by the faculty’s salary) and therefore may not be an accurate representation of actual percent effort.
B. This estimate is based on the assumption that the total number of projected subjects will complete all study visits.
C. Faculty may not realize any compensation for their time on clinical research studies until after the study has ended.

Fee-for-Service
This process covers clinical services provided by School of Medicine faculty on industry-sponsored studies. The fees are negotiated and listed on the MCGRI budget. The fees are paid as contracted care income to faculty members through the Physicians Practice Group (PPG).

Procedure
A. The Principal Investigator or their designee negotiates the fee for all clinical services on a study. The fees must be at or above the current Medicare rate.
B. The person responsible for financially managing the study faxes PPG a copy of the approved MCGRI budget showing the fees and a copy of the Notice of Extramural Funding (also called the “pink” sheet).
C. The person responsible for financially managing the study generates a Check Request payable to PPG using the standard MCG form. An invoice is attached with the following information:
   1. Name of the faculty member providing the service
   3. Name of the procedure
   4. Dates the procedures were performed
   5. Agreed upon rate
   6. Total amount due
D. The Check Request and invoice are faxed to PPG.
E. The Check Request is signed by the principal investigator and sent to MCG Accounts Payable.
F. A check is cut and sent to PPG.
G. PPG posts the payment.

Advantages of Fee-for-Service
A. Avoids inconsistent effort reporting.
B. Avoids premature payment of effort before actual study revenue is generated.
C. Allows for payment of services as the services are provided.
D. Provides a consistent method of payment for faculty who provide clinical research services.

Additional Information
A. MCGHI facility fees would still apply if the research subject is seen in an MCGHI clinical facility.
B. This process would apply to all professional services that are specific to the study and are not considered standard care. With a number of treatment studies, the physician services may occur as part of the patient’s standard care. In such cases, a regular clinic bill would be generated by the patient Encounter Form.
C. Principal investigators that work on study activities that are not covered by the fee-for-service may do a percentage of effort to reflect this time. Examples of these type of activities may include attending investigator meetings, reviewing data, preparing HAC submissions, screening patients, etc.
D. Fees for service would be reported in Section III of the Effort Report under the “Fee for Service or Other Patient Care” category.