The original Dental Faculty Practice Plan was approved by the Board in 1983 and was roughly based on the University Physicians Faculty Practice Plan. Revisions are being requested to the Dental Faculty Practice Plan for the following reasons:

1. To simplify the Plan to be consistent with the Dental Practice; the model based on the University Physicians Faculty Practice Plan was much more complex and required more administrative efforts by Plan participants.

2. To be more understandable and more easily operationalized. The proposed Plan requires the creation and maintenance of an Operations and Procedure Manual which will provide specific guidance on day to day matters, and which can be more easily modified to reflect changes in practitioners and practice without going before the Board of Curators.

3. Other major revisions include placing more administrative duties in the hands of the Director of the DFP, with elimination of the DFP Committee and DFPP Board, which met only infrequently. A Director of Business Affairs and an Administrator are added to the DFP.

4. The revised Plan requires annual review by the Chancellor, and places more control for the DFP in the hands of the Dean.

5. In the original Plan, a portion net plan income was used to add to the participant’s base salary; this amount had to be separately negotiated on an annual basis when the faculty member’s contract was negotiated; the portion of the participant’s net plan income over the amount allocated to the base salary was considered incentive income. The base salary portion of the net plan income was included in calculations of retirement and other benefits, while the incentive income was not included in the calculation of retirement and other benefits. Under the revised Plan, all net plan income which is paid to the individual participants is considered supplemental compensation, and is not included in the calculation of retirement or other benefits.

6. Under the original Plan, an assignment agreement was to be signed annually by all participants, assigning all fees earned under the DFPP to the University; in reality, this annual assignment was not being signed by the participants. Under the new Plan, the Director is responsible for ensuring that a Participation and Assignment Agreement...
Agreement is signed annually by each individual participant, as well as a non-solicitation agreement, to prevent those individuals leaving the DFPP from soliciting patients seen in the DFP by such individuals in the prior 12 month period of time.

7. Under the original Plan, all faculty were considered participants in the Plan; in reality, many faculty did not participate at all. Further, the School of Dentistry Faculty Handbook stated that individuals were required to apply to participate in the DFP. Under the new Plan, all faculty are eligible to become participants in the Plan, but they must apply to the Director for leave to participate; the Director makes recommendations to the Dean as to such applications. Further, under the new Plan, retired faculty may be permitted to continue to participate in the DFPP, subject to applicable University regulations and policies, and only with the Dean’s approval.

Specific Changes to the DFPP

SECTION 460.010 DEFINITIONS
A number of definitions have been removed, as these definitions are no longer material to the Plan, such as “Base Salary” and “Dental Care Program”; Practice groups are eliminated from the DFPP; participants will receive supplemental compensation based on their individual efforts.

SECTION 460.020 PURPOSES OF THE PLAN
This section is generally the same of the original Plan section. However, the revised section clarifies that Plan Income is supplemental income which is not used to calculate retirement or other University benefits. The revised language also brings the Plan into compliance with the Faculty Handbook.

SECTION 460.030 PARTICIPANTS
Faculty wishing to participate in the DFPP must apply to the Director for leave to participate; ability to participate is dependent on a number of factors and requires the approval of the Dean. Clarifies that retired faculty may be permitted to continue to participate in the DFPP at the Dean’s discretion, and subject to all applicable University regulations and policies. The revised Plan also clarifies that participation in the Plan is a privilege, and that participants may be terminated from the DFP for violations of University policies or applicable laws.

SECTION 460.040 INCOME
This section clarifies that plan income is derived from faculty patient care in the Dental Faculty Practice; the revised language further clarifies that governmental payers will not be billed for services in the Plan, with the limited exception of oral pathologists, and that
fees collected for services by dental hygienists in the DFP do not become part of plan income, but are used to reduce plan overhead; these clarifications were made in order to reduce possible legal compliance issues, such as illegal kickbacks.

SECTION 460.050 PLAN OVERHEAD
This section has been revised to permit the Dean to determine the Plan overhead rate, as opposed to plan participants. This section also includes language requiring regular reviews by the Dean, the Director of Business Affairs, the Director of the DFP, and an annual review with the Chancellor.

SECTION 460.060 SALARY CONTRACT-BASE SALARY
This section has been eliminated.

SECTION 460.070 ALLOCATION OF PLAN INCOME
Under the original Plan, base salary contracts included some amount of plan income which was to reflect the extent of the faculty member’s efforts in patient care; this amount was to be negotiated as with other faculty contracts. The original Plan also provided for payment of incentive income, which was the amount of net plan income attributable to a participant less the amount of plan income considered base salary. The amount of plan income used in the base salary was included in the calculation of retirement and other benefits.

Under the revised Plan language, net plan income is available for distribution to participants, but is considered supplemental compensation and is not to be included in the calculation of retirement or other benefits. The Plan is able to institute a minimum monthly collection amount, which is decided by a simple majority of participants. A Miscellaneous Expense Account is established, which is an account to which participants may designate a certain amount, up to 8% of the participant’s monthly plan income to a maximum of $5,000.00, to be held on a pre-tax basis, and used solely for certain qualifying expenses. Upon separation from the Plan, all amounts in the miscellaneous fund are forfeited to the University.

This revised section also provides that upon separation from the Plan, a participant (or his/her estate) will receive his/her net collections for the 6 months following the effective date of the separation; all amounts collected thereafter are placed in the Plan’s general operating fund.

SECTION 460.080 ADMINISTRATION OF THE PLAN
Under the original Plan, the DFPP Committee, which consisted of 3 members elected from the participants, the Dean and the practice group administrators, would meet quarterly, and review the functioning of the Plan, and make recommendations for changes in operation to the Dean. The DFPP Committee was to recommend the budget and fee schedules, and

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approve all new participants. Finally, the DFPP Committee was to act as a peer review committee. The participant body was to meet on at least an annual basis. A DFPP Board of Directors, consisting of the Chancellor, Dean, UMKC Vice-Chancellors for Academic Affairs and Administrative Affairs, the Chairman of the DFPP Committee and two elected representatives of the participant body, were to meet semi-annually to review and approve all decisions and recommendations of the DFPP Committee.

Under the revised Plan, the Director of the DFP is a full time faculty member who reports to the Dean; he/she is appointed by and serves at the discretion of the Dean, but his/her selection is to include consultation with Plan participants. The Director is responsible for assuring compliance with University policies, rules and regulations, overseeing management of the Plan, including fiscal management (the Plan is expected to operate as a self-sufficient operation), develop long-term strategic plans for the DFP, assure that appropriate staff is available for the requisite patient population, recommend changes to the Plan and the Operations Manual, with the consensus of the participants, and ensure that the annual Participation and Assignment Agreement is signed. Finally, the Director is to assure that appropriate quality reviews and improvement measures are undertaken, including appropriate peer review activities.

Monitoring under the new Plan requires an annual report by the Dean to the Chancellor on all aspects of the Plan operation, including fiscal and quality concerns; modifications to the Plan may be made at the discretion of the Dean, but require approval of the Chancellor and the Board of Curators. The Director of Business Affairs is to meet monthly with the Director of the DFP and the Administrator, while the Director meets monthly with the Dean. The Administrator’s responsibilities include collecting and analyzing monthly indicators, managing data describing operations health and overseeing and managing the supervisors. The supervisors monitor and manage staff personnel.

Participant meetings are to occur on a periodic basis as needed, but no less than annually.

These changes were passed by a majority vote of the current participants of the plan in November 2014. These recommendations are endorsed by Dean of the School of Dentistry, Marsha Pyle and Chancellor Leo Morton. These revisions have also been reviewed and approved by General Counsel.
No. 1

Recommended Action – Amendments to Collected Rules and Regulations
Chapter 460 UMKC, Dental Faculty Practice Plan including 460.010 Definitions; 460.020 Purposes of the Plan; 460.030 Participants; 460.040 Income; 460.050 Costs of Operation of the Plan; 460.070 Allocation of Net Plan Income and Incentive Income Definitions and 460.080 Administration of the Plan and Rescind Collected Rules and Regulations 460.060 Salary Contract-Base Salary

It was recommended by Chancellor Leo Morton, endorsed by Executive Vice President Henry C. Foley and President Timothy M. Wolfe, recommended by the Academic, Student and External Affairs Committee, moved by Curator ______________, seconded by Curator ______________, that the following action by approved:

that the Chapter 460 of the Collected Rules and Regulations including Sections 460.010 Definitions; 460.020 Purposes of the Plan; 460.030 Participants; 460.040 Income; 460.050 Costs of Operation of the Plan; 460.070 Allocation of Net Plan Income and Incentive Income Definitions and 460.080 Administration of the Plan and Rescind Collected Rules and Regulations 460.060 Salary Contract-Base Salary be revised as follows.

Roll call vote of AS&EA Committee: YES NO

Curator Covington
Curator Snowden
Curator Steward

The motion _____________________.

Roll call vote of the Board: YES NO

Curator Covington
Curator Cupps
Curator Graham
Curator Henrickson
Curator Phillips
Curator Snowden
Curator Steelman
Curator Steward

The motion ________ by a vote of __________.

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Medical and Dental Schools and Services
Chapter 460: UMKC Dental Faculty Practice Plan

460.010 Definitions

Bd. Min. 2-11-83.

A. Administrator -- The word "administrator" shall refer to the administrative manager (or the then current title that individual has been assigned) of the overall DFP clinic who performs administrative, financial, customer service and management duties in the DFP. He reports to the Director.

A. Dental Faculty Practice Plan (or “Plan”) -- These rules and regulations shall be known and referred to as the "Dental Faculty Practice Plan." The words "dental faculty practice plan," or simply the "plan" shall refer to the rules and regulations approved by the Board of Curators which will govern and regulate the DFP and its practices. This Plan will operate in accordance with all governing rules, regulations and policies of the University of Missouri, to include Equal Opportunity.

B. Plan -- The word "plan" as used in these regulations shall be construed to mean the plan herein created for the rendering of professional services to patients, consultation of any other services related to their professional skills rendered to others than the University by members of the faculty of the School of Dentistry of the University of Missouri-Kansas City, providing for the use of any fees or compensation received for such services and providing for additional compensation for those faculty members who become participants in the plan.

C. Plan Income -- The words "plan income" shall be construed to mean all fees for services received by the University by assignment which are derived from patient care directly delivered by faculty within facilities

Note: All definitions will be listed in Alpha Order in the final version.
operated by the School of Dentistry Faculty Practice Plan. Dental Faculty Practice.

D.F. Dental Clinic — The words "dental clinic" as used herein shall refer to the University Clinic—Dental Faculty Practice Clinic at the School of Dentistry, University of Missouri-Kansas City.

E.G. Participant — The word "participant" as used in these regulations shall be construed to mean any member of the faculty of the School of Dentistry who is a member of the plan.

F.H. Practice Group — The words "practice group" or "practice groups" shall refer to those practice groups of the School of Dentistry for whom practice group accounts have been recommended by the DFPP Committee and approved by the dean and in which one or more faculty members shall have qualified as participants in the plan.

G.I. Practice Group Account — The words "practice group account" or "practice group accounts" shall refer to those practice groups accountability records maintained in the School of Dentistry Business Office in support of the percentage portion of the plan income credited to the practice group as determined by the plan.

H.J. Dental Care Program — The Dental Care Program, as a formal institutional program, will be treated as an entity with the program director functioning, for the purposes of the plan, as a practice group administrator. There will be separate income account for the program. DFPP agreements between the program director, the appropriate distribution will be subject to the provisions of Section 480.070 in the same manner as other sections or practice groups. The program director will be represented on the DFPP Committee but without vote.

Note: All definitions will be listed in Alpha Order in the final version.
**I. D. Dean** -- The word "Dean" shall refer to the Dean of the School of Dentistry, University of Missouri-Kansas City.

**J. B. Chancellor** -- The word "Chancellor" shall refer to the Chancellor of the University of Missouri-Kansas City.

**K. C. President** -- The word "President" shall refer to the President of the University of Missouri.

**L. D. School of Dentistry (SOD)** -- The words "School of Dentistry" shall refer to the School of Dentistry, University of Missouri-Kansas City.

**M. E. University** -- The word "University" shall refer to The Curators of the University of Missouri.

**N. F. Practice Group Administrator** -- The words "practice group administrator" shall refer to the head of a practice group which the dean has designated to participate in the plan.

**O. G. DFPP Committee** -- The words "DFPP Committee" shall refer to the committee established by the plan. As an exception to the general regulation providing for the appointment of University committees, there is hereby created a committee to be known as the Dental Faculty Practice Plan Committee.

**P. H. Board of Directors** -- The words "Board of Directors" shall refer to the group described and defined in Section 460.080 E.

**Q. I. Board** -- The word "Board" shall refer to the same group as Section 460.010 P (above).

**R. J. Base Salary Contract** -- The words "base salary contract" shall refer to the regular employment contract approved by the University of Missouri.

*Note: All definitions will be listed in Alpha Order in the final version.*
S.K. ______ Participant Body -- The words "participant body" shall refer to the total collective participants in the plan.

T.L. Deduction Rate(s) -- The word "group" shall refer to participants within a practice group who pool their plan income.

U.M. ______ Group -- The word "group" shall refer to participants within a practice group who pool their plan income.

N. Gender -- Where the masculine pronoun is used it shall be interpreted as feminine when applicable.

C. Curators -- The word “Curators” shall refer to the Board of Curators of the University of Missouri.

E. Dean’s Administration Allocation – The words “Dean’s Administration Allocation” shall refer to a percentage of gross collections to cover certain overhead costs incurred by the UMKC SOD in the operation of the Dental Faculty Practice. The overhead costs include, but are not limited to, administrative support, facilities maintenance, facility usage charge, general liability insurance and other necessary indirect costs. The allocation percentage shall be determined by the Dean.

F. Dental Faculty Practice (DFP) – The words “dental faculty practice or DFP” shall refer to the actual dental clinic within the SOD in which the Participants practice and participate in the Plan.

G. Dental Hygienists (RDH) - The words “dental hygienists” shall refer to registered dental hygienists working in the DFP and seeing patients of the Participants. They report administratively to the Administrator and clinically to the Participant doctors with whom they work.

H. Director - The word “director” refers to the Director of the Dental Faculty Practice as defined in section 460.080. He reports to the Dean.

I. Director of Business Affairs - The words “Director of Business Affairs” shall refer to the SOD’s Business Officer who monitors and advises the DFP.

J. Income Sharing- The words “income sharing” shall be that amount distributed monthly to each doctor Participant in accordance with the formula for determining each doctor’s proportional share of the net profit.

K. Miscellaneous Expense Account- The words “miscellaneous expense account” shall refer to the account maintained by the administrator for managing expenses that are generally considered overhead in the
operation of a dental practice or for necessary teaching expenses incurred by an individual participant and approved by the director. All expenditures will be administered in accordance with University and SOD policies. These expenses would include but are not limited to items such as: personal continuing education costs, association dues, dental licenses, loupes, and similar items.

L. Operations and Procedures Manual - The words “operations and procedures manual” shall refer to the collection of guidelines, systems, and policies that are contained in the manual outlining the day-to-day workings of the DFP. These various protocols are created with collaboration of faculty, staff, and administrators to maximize the effective and efficient running of the dental clinic and to fulfill its mission and vision.

M. Participation Agreement - The words “participation agreement” shall refer to the document that is signed annually by all doctor participants outlining their understanding and agreement to abide by the rules and regulations of the DFP and the Plan, and assigning all income from services rendered under the DFP to the University.

N. Plan Overhead - The words “plan overhead” shall refer to all the costs of operating the plan which may include laboratory fees, billing and collection costs, support personnel compensation & benefits, supplies, marketing, administrative services, reserve fund contributions, debt/deficit reduction, UMKC full costing charges, the Dean’s Administrative Allocation, and other expenses.

O. Staff - The word “Staff” refers to the non-faculty personnel who carry out the administrative, clerical and clinical duties for the clinic. They report to the supervisors.

P. Supervisors - The word “Supervisor” shall refer to individuals who manage either the administrative or clinical staff of the DFP. They report to the Administrator.

Q. UMKC Full Costing - The words “UMKC full costing” shall refer to the charge levied by the University that is allocated proportionally among non-educational entities on campus for central administrative service costs provided by the university. These would include, but are not limited to, the following: campus accounting services, banking functions, credit card services, central payroll office and HR, financial systems, and administrative software.

V-R. _____

Note: All definitions will be listed in Alpha Order in the final version.
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460.020 Purposes of the Plan

Bd. Min. 2-11-83.

A. Faculty members of the UMKC School of Dentistry of the University of Missouri-Kansas City may be engaged in one or more of the following employment duties: teaching, research and patient care. Patient care is an integral part of the educational mission of the school for it provides to the instructor and the dental student the clinical laboratory experience essential to dental education. In the course of rendering patient care services faculty members may generate fee income described in this plan as plan income.

This plan has been created to provide a means for additional compensation beyond their base salary, establishing salary compensation for employment services rendered by plan participants to their employer, the University of Missouri, an educational organization. All payments to plan participants made pursuant to the provisions of this plan are salary payments by the employer to the participants as employees and constitute supplemental compensation paid by the employer to the plan participants and is subject to all of the rules and regulations of the University of Missouri governing the approval and payment of salaries.

All plan income referred to in this section Section 460.020 D below shall be irrevocably assigned to the University employer by the plan participants as agents (employees) of the employer; No plan participants shall have any right, title or interest in any such plan income; and the University employer shall have the unrestricted right to such income and complete control over its disposition. Provisions in this plan for accounting for plan income 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 plan income, any right to
control the disposition of plan income and expenses, or any right to
determine salaries.

In addition to a Participation Agreement, each participant will sign a
Non-Solicitation Agreement as a requirement of their participation in the
Plan. These documents are a part of the Operations & Procedures
Manual.

A. The plan is created to achieve implement the following purposes:

B. A. To provide a system by which eligible the faculty is enabled are
provided an opportunity to achieve fulfillment of their commitment to high
quality patient care.

C. B. To recognize that high quality patient care is not only related to
faculty participation in teaching and research, but and also that high
quality clinical teaching is dependent upon the faculty being engaged in
active dental practice, as well.

D. C. To establish a financial incentive mechanisms for faculty
compensation which enhances the attainment of the School of Dentistry
goals of patient care, teaching and research.

E. To assure a Dental Faculty Practice Plan which will be competitive with
income plans of other academic dental schools in the United States.

F. D. To inhibit the loss of highly qualified faculty to other academic
health institutions and private practice because of differences in
compensation, and to attract qualified faculty for the same reason.

G. To establish and maintain a set of policies for the management of
professional fee income which is sufficiently flexible to respond to the needs
of all participating individuals, sections and practice group differences.

H. To provide a mechanism to support programs of general benefit to the
School of Dentistry.
To establish an agreed upon methodology of professional fee generation, distribution and utilization to accomplish the above purposes.

I.E. _____ To establish a venue for professional fee generation, compensation, and utilization to accomplish the above purposes.
460.030 Participants
Bd. Min. 2-11-83.

A. All faculty of the School of Dentistry who are members of the School of Dentistry staff who as part of their faculty contract may be required to agreed to generate income from professional fees for patient care related services shall be participants in the plan.

B. For each participant, a written agreement shall be executed annually and filed in the Office of the Dean. Each agreement shall contain a statement that the participant will abide by all provisions of the plan.

A. Eligibility

Faculty members are eligible to become participants in the DFP in accordance with the policy set forth in Section VII of the SOD Faculty Handbook. This policy states the following:

Intramural or extramural faculty practice options may be available for practitioners holding a current license (Missouri license required to practice intramurally). These options are available to non-tenure track as well as tenure track and tenured faculty. The opportunity to work in the SOD Faculty Practice is dependent upon a number of factors and requires the approval of Dean. Faculty or faculty applicants who are interested in faculty practice should work with their department chair, the Dean of the school as well as the Faculty Practice Director. For each faculty participant in the Faculty Practice, a written participation agreement will be executed annually and filed in the Office of the Dean.

Plan participants will abide by all provisions of the Plan, the DFP Operations & Procedures Manual, the UMKC policies and the University of Missouri Collected Rules and Regulations. In addition, each Participant will also practice in accordance and must comply with the following:

1. The Code of Ethics of the American Dental Association;
2. The laws governing the practice of dentistry in the State of Missouri as defined by the Missouri Dental Board; and
3. The general rules, by-laws and policies of the SOD.
The Dean of the School of Dentistry is not eligible to be a participant in the Plan.

B. Membership

All Members of the DFP must be members of the faculty of the UMKC School of Dentistry. To become a Participant in the DFP, an application provided by the DFP must be submitted to the Director. The Director will make an initial determination of the available resources and review the faculty member’s credentials. A recommendation will then be made and forwarded to the Dean for final approval.

Subject to University regulations, retired faculty participants who are eligible to work for the University and have practiced for at least three years in the DFP may be allowed to continue to practice following their retirement from the SOD with the approval of the Dean. Such approval will be reviewed and approved by the Dean annually.

C. Termination from the DFP

Participants may be terminated from the DFP for violating any of the above-mentioned governing rules and regulations. Maintaining the privilege to practice as a participant in the DFP is dependent upon fulfilling the obligations of eligibility as outlined in section 460.030(A) and in the DFP Operations and Procedures Manual.
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460.040 Income

Bd. Min. 2-11-83.

A. Within the framework of the plan, plan income shall be derived from the following sources:

1. All professional fee for service income derived from faculty patient care in the Dental Faculty Practice shall be plan income.

2. All other income derived from faculty patient care related services in the Dental Faculty Practice shall be plan income.

3. Income of participants not related to patient care shall not be plan income.

4. Fees for services rendered to patients by Dental Hygienists shall not be plan income, but can be used to pay general overhead or other general expenses of the Plan.

3. Governmental payers will not be billed for services under the Plan, with the exception of services provided by oral pathologists participating in the Plan.
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460.050 Costs of Operation of the Plan (Plan Overhead)

Bd. Min. 2-11-83.

A. The costs of operation of the plan will be funded by applying an approved deduction rate (percent) to gross collections of plan income.

1. The deduction rate for the costs of operation of the plan will be deducted from gross collections prior to any monies being available for other purposes.

2. The costs of operation of the plan may include expenditures for the following items and activities:
   a. Billing and collections cost
   b. Professional liability insurance
   c. Support personnel, services, and facilities and supplies
   d. Administrative costs
   e. Professional leave
   f. Laboratory fees
   g. Retirement

3. Annually on the date established by the Dean, the School of Dentistry Assistant Dean for Business Affairs will report to the administration and the DFPP Committee the expenditures to date for the costs of operation of the plan. A final accounting report will be issued after the close of the accounting period.

4. An annual budget will be submitted for the cost of operation of the plan. Based on the budget that is submitted, the DFPP Committee
shall recommend a deduction rate to be proposed for the period covered by the budget. The proposed deduction rate and budget for the next fiscal year must be approved by the University.

5. In exceptional circumstances, it may be necessary to alter the deduction rate during the fiscal year. Such an alteration will be approved by the DFPP Committee and the Board of Directors.

6. Separate accounts will be established for each category of expenditures authorized in this Section 460.050 A. Expenditures from these accounts will be in accordance with standard University regulations.

7. From time to time good accounting practice and effective fiscal management may well indicate a need to revise, expand, contract or otherwise modify the accounting system relative to the plan. Nothing in this plan shall be interpreted as preventing such accounting revision, expansion, modification or contraction so long as they adhere to commonly accepted accounting practices and University policy.

B. **Cost of Operation Funds** — The Costs of Operation Funds shall include that portion of the deduction rate to cover billing and collection, support personnel, service, facilities and supplies, laboratory fees (other than those paid by the plan participants) and administrative personnel.

C. **Professional Liability Insurance Funds** — The Professional Liability Insurance Funds shall include that portion of the deduction rate to cover the expenditure for professional liability insurance.

D. **Professional Leave Funds** — The Professional Leave Funds shall include that portion of the deduction rate to cover expenditures for professional leave.

E. **Retirement Funds** — The Retirement Funds shall include that portion of the deduction rate to cover expenditures for funding the retirement plan to that part of the base salary that is allocated to DFPP base.
1. The DFP is expected to operate, to the extent possible, as a self-sufficient operation within the physical confines of the SOD. Plan overhead shall be paid from Plan Income and shall be paid first before any participant compensation is allocated. The rate of Plan overhead charged will be at the discretion of the Dean of the SOD with the approval of the Chancellor. Plan overhead expenses include, but are not limited to:

1. Billing and collections

2. Administrative costs, supplies and operating expenses

3. Support personnel compensation and benefits

4. Marketing and promotional expenses

5. UMKC full costing

6. Dean’s Administrative Allocation

7. Facility charges

8. Dental supplies

9. Reserve /capital improvements fund

2. Other individual overhead expenses such as laboratory costs and the Miscellaneous Expense Fund shall be deducted from the individual Participant’s net collections.

3. The Director of Business Affairs shall review and audit periodic reports provided by the Administrator of the DFP concerning accounting and financial practices of the DFP.

4. The Director of the DFP shall periodically communicate with the Participants regarding the business affairs of the practice at least monthly. The Director shall solicit input from the plan Participants in an effort to minimize practice overhead and maximize profits.

5. The Director and the Administrator of the DFP are responsible for reviewing the DFP financials with the Dean on an ongoing basis at least quarterly.

6. The Dean shall report to the Chancellor as needed, but no less than annually, regarding all aspects of Plan operations, including fiscal and quality concerns.

4-7. From time to time, good accounting practice and effective fiscal management may well indicate a need to revise, expand, contract or otherwise modify the accounting system relative to the plan. Nothing in this plan shall be interpreted as preventing such accounting revision.
expansion, modification or contraction so long as they adhere to commonly accepted accounting practices and University policy.
460.060 Salary Contract—Base Salary

Bd. Min. 2-11-83.

A. A participant's base salary shall be measured in part by plan income and in part by funds derived outside the plan. Recommendation of the individual faculty member's base salary contract from all sources including plan income shall be made by the Dean and the appropriate practice group administrator to the appointing authority with this determination becoming a part of the recommended School of Dentistry budget. That portion of the faculty member's base salary measured by the plan income shall preferably reflect the extent of his efforts in patient care. The salary contract will be negotiated in the same manner as other School of Dentistry faculty contracts.

B. The portion of base salary measured by plan income is payable only to the extent of plan income and any deficiency in plan income shall cause a proportionate reduction in that portion of base salary except as provided for in Section 460.040 D.4.

C. The faculty contract year for the purposes of the plan will be the faculty contract year of the University of Missouri-Kansas City. Faculty members who commence employment subsequent to the beginning of the faculty contract year may be a participant for the remainder of the year.
460.070 Allocation of **Net-Plan Income and Incentive Income Definitions**

Bd. Min. 2-11-83.

A. For purposes of this section, the following definitions apply:

1. Net plan income attributable to a participant shall be the difference between the plan income (Section 460.040) assigned to the University by the participant and the costs of operation of the plan (Section 460.050).

2. Incentive income attributable to a participant shall be the net plan income attributable to a participant reduced by the portion of the participant’s DFPP base salary measured by plan income (Section 460.060).

3. Net plan income attributable to a practice group shall be the aggregate of the net plan income attributable to participants in that practice group.

4. Incentive income attributable to a practice group shall be the net plan income of the practice group reduced by the portion of the base salary measured by plan income for the participants in that practice group.

B. **Individual Participant** — In addition to base salary (Section 480.060) a participant may receive incentive salary in an amount not to exceed seventy-five (75) percent of incentive income (45% of gross income) attributable to a participant. The percentage rate for incentive salary shall be determined prior to the commencement of the salary contract year by the Dean. The balance of incentive income shall be allocated in the following manner: sixty (60) percent thereof to the practice group account.
(9 percent of gross income) Section 460.070 D.2) and forty (40) percent thereof to the Dean's Office Accounts (6 percent of gross income) (Section 460.070 D.3).

C. **Group Participants**

1. All participants within a practice group may wish to practice as a group and pool their income for the purpose of generating the portion of their base salary contract measured by plan income or for allocating incentive income attributable to the participants or both. The percentage rate shall be determined in the same manner as specified in Section 460.040 A.1 above, and the balance of incentive income attributable to the practice group or section shall be allocated in the manner specified in Section 460.070 B above. Such arrangements and the allocation of such incentive salary among the participants in the practice group shall be determined prior to the commencement of the salary contract year and agreed to in writing by each participant and approved by the practice group administrator and the Dean.

2. Annually on the date established by the Dean, the practice groups will submit proposals to practice as practice groups to pool their plan income under Section 460.040 C.1.

D. **Dental Faculty Practice Plan Account** — An account shall be established in which plan income shall be deposited and from which plan expenses shall be paid. Within this account the following subaccounts shall be established:

1. **Participant's Account** — An account shall be established for each participant which shall be credited with the participant's portion of the plan income as determined by the DFPP base salary contract and the incentive income distribution schedule. All expenditures or transfers from this account will conform with the participant's plan contract provisions relating to the participant's share of any incentive income.
2. **Practice Group Accounts** — A practice group account shall be maintained for each practice group. These accounts shall be credited with the appropriate portion of the plan income as determined by the plan.

   a. Expenditures from these accounts shall be in accordance with standard University policy.

   b. Voluntary contributions to the Dean’s Office Account may be made annually from each practice group account. The Business Office shall supply the Dean and the DFPR Committee with a periodic statement of account for each practice group account. A periodic statement of account shall be furnished to each practice group head for his own practice group account.

3. **Dean’s Office Account** — A Dean’s Office Account shall be maintained. The account shall be credited with its percentage portion of the plan income as determined by the plan. Any expenditures or transfers from this account must conform to standard University budgeting policy.

   a. The Dean’s Office Account is established to support research and development costs, capital improvements, new members of the faculty, renovation, programs in the basic sciences, School of Dentistry library and for such other purposes that are of general benefit to the School of Dentistry.

4. **Practice Group Faculty Salary Accounts** — There shall be a practice group faculty account for each practice group. The purpose of these accounts is to provide budgeted funds to attempt to guarantee in full the portion of the participant’s base salary contract measured by plan income. Any participant in the plan who shall temporarily cease to have in his participant's account income adequate to support the portion of his base salary contract measured by plan income, unless otherwise provided for in the plan, shall be entitled to receive from the practice group account the deficient portion of the base salary contract measured by plan income.
income for the remainder of his contract year. The administrator of the practice group administers the account but may expend the funds only as outlined above to assist in meeting a participant's base salary.

Plan Income

Plan income shall be all monies collected for services rendered or products sold (collections) by the participants in the DFP during a given period of time. This would be the total production for that same period less any deductions, discounts, write-offs and/or accounts receivable.

Deductions from Plan Income

From the total plan income, all plan overhead attributed to the DFP shall be paid first from the revenues (collections) of the practice leaving a difference called net plan income.

Net Plan Income

The balance remaining after deducting all Plan Overhead from the DFP Plan Income is the amount available for Participant compensation or net plan income. All or part of this amount may be distributed to the participants as supplemental compensation for participating in the DFP. The Administrator and the Director will review and make a recommendation to the Dean on the amount of net plan income that is available for distribution.

Minimum monthly collection amounts

It is understood that all Participants should be responsible for covering the direct overhead costs incurred on their behalf while participating in the DFP.

To ensure that each Participant in the Plan is covering a reasonable share of the general ongoing overhead of the DFP, the plan may institute a minimum monthly collection, which would be decided by a simple majority of the Participant members. Specifics regarding covering direct overhead costs and minimum monthly collection shall be addressed in the Operations & Procedures Manual.
Miscellaneous expense account (8% account)

A separate account is available to each participant on a voluntary basis that would be managed by the DFP administrator. Known as the miscellaneous expense account, this account is specifically for managing expenses that are generally considered to be overhead in the operation of a dental practice or, as approved by the Director of the DFP. Guidelines for the expense account are outlined in the DFP Operations & Procedures Manual.

All expenditures from the miscellaneous expense account will be administered in accordance with University, SOD, and DFP Plan policies. In general, a portion of a participant’s monthly income sharing (subject to a percentage limit of 8% up to a maximum of $5000.00) can be voluntarily transferred to this account which will be held separately on behalf of the individual participating doctor. The participant can then direct the administrator of the DFP to pay for certain qualifying expenses out of this account.

The monies transferred into the miscellaneous expense account are before tax dollars. Similar to a flexible spending account, monies transferred into this account can only be used to pay for qualifying expense items as outlined in the DFP Operations Manual.

Separation from the Practice Plan

When a participant is no longer a member of the Plan, the following will occur:

1) A Plan participant (or his/her estate if the participant dies) shall be entitled to receive his or her net collections (as determined by the standard income sharing formula) from accounts receivable for six (6) months after the effective date of the separation. After six (6) months, any additional accounts receivable that are collected on behalf of the separated participant will not be distributed to the participant but shall remain with the DFP and be placed in the general operating fund of the DFP.

2) If any monies remain in the participant’s miscellaneous expense account at the time of the separation from the DFP Plan, that
remaining balance is forfeited to the University and will no longer be available to the participant.
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460.080 Administration of the Plan
Bd. Min. 2-11-83.

A. DFPP Committee

1. The membership of the DFPP Committee will include all practice group administrators or approved alternates, three members from the participants at large or their elected alternate, and the Dean of the School of Dentistry. The practice group administrators will recommend to the Committee for its approval the individuals to serve as their alternate. The members at large and their alternates will be elected by the participant body for three-year terms but may not serve for more than two consecutive terms. In the first year of the plan, the three members at large and their alternates will be elected for staggered terms: one member and one alternate for three years, one member and one alternate for two years, and one member and one alternate for one year. Thereafter an annual election will be held for the purpose of electing one member at large and his alternate to serve a three-year term.

2. The Committee shall organize by electing a chairman and a secretary, who need not be members of the Committee. If the chairman or secretary is not a member of the committee, they become members by the election. The term of office for the chairman and the secretary will be two years. In the first year of the plan the chairman will be elected for a two-year term and the secretary for a one-year term. Thereafter at the annual election the Committee will elect either a chairman or a secretary to serve a two-year term.
3. In the event the chairman or secretary is unable to complete the term of office and more than six months of the term remains, a special election will be held to elect a replacement to complete the term of office.

4. The Committee shall meet at least quarterly. Additional Committee meetings may be called by the chairman of the Committee or at the request of a majority of the members of the Committee.

B. Functions of the DFPP Committee

1. Review the functioning of the plan to assure it is meeting the objectives of the plan.

2. Annually review the operating costs of the plan and the appropriateness of individual expenditures. IT shall make any appropriate recommendations for changes in the operation of the plan to the Dean.

3. Develop and recommend such detailed policies and procedures as necessary to assure the effective implementation and operation of the plan.

4. Make recommendations for revision of the plan to the participants.

5. Recommend the budget for the costs of operation of the plan including the amount of the deduction rate or rates.

6. Review and recommend fee schedules of the participants.

7. Review and recommend changes in the incentive income distributing schedule.

8. Approve all new participants in the plan and publish a list of plan participants annually.

9. Act as a Peer Review Committee under rules and guidelines established by the American Dental Association.

10. Discharge such other duties necessary to the efficient operation of the plan and Committee.

C. Participant Body
1. To consist of all plan participants, each with one vote. The participant body will meet for the following reasons:
   a. To elect the DFPP Committee members at large and their alternates.
   b. To elect two representatives to the DFPP Board of Directors.
   c. To vote on recommended revisions of the plan.
   d. To vote on recommendations for changes in the incentive income distribution schedule.
   e. For business as called by the chairman of the DFPP Committee.
   f. As petitioned by 20% of the voting body to consider issues and develop recommendations for the DFPP Committee.
   g. To consider business referred by two-thirds vote of the DFPP Committee.

2. The participant body shall meet annually, as provided below, and at such other times as appropriate.

3. Written notice giving the date, hour and place of all meetings shall be given to all participants in the plan by the DFPP Committee chairman at least 15 days prior to the meeting date. The DFPP Committee chairman shall preside and in his absence the vice chairman. Fifty percent (50 percent) of the plan participants shall constitute a quorum and a majority vote of those present and voting shall be required to conduct business, except that a two-thirds affirmative vote of those present and voting shall be required to approve recommendations for revisions of the plan. Decisions voted by the participant body are binding subject to approval by the DFPP Board of Directors.

D. Annual Meeting—Between the first and the 15th day of May, each year, the chairman of the Committee shall call a meeting of all participants in the plan for the purpose of electing one committee representative from the membership at large and other business as appropriate. Nominations shall
be made from the floor. Voting for the Committee representative shall be by secret ballot. In the event a quorum is not present the chairman shall reschedule the meeting to a definite date and hour, but not more than ten days hence, and written notice of such meeting shall be given to all participants in the plan, or the Chairman may, at his discretion, direct that the election be held by mail ballot, in which event a ballot shall be sent to each participant of the plan and the participant receiving the highest number of votes cast shall be elected the representative of the Committee.

E. DFPP Board of Directors

1. All of the decisions and recommendations of the DFPP Committee as listed in 480.080 B will be subject to review by, and must be approved by, a DFPP Board of Directors. All items recommended by the participant body must be composed of the Chancellor of the University of Missouri-Kansas City, the Vice Chancellor for Academic Affairs and the Vice Chancellor for Administrative Affairs, both of the University of Missouri-Kansas City, the Dean of the School of Dentistry, the Chairman of the DFPP Committee and two representatives elected by the participant body. The Board will meet semi-annually in August and March and as requested by the Committee chairman or any member of the Board.

2. Written notice giving the date, hour and place of all board meetings shall be given to each board member by the DFPP Committee chairman at least 10 days prior to the meeting date. The DFPP Committee chairman shall preside. Fifty percent (50%) of the board shall constitute a quorum and a majority vote of those present shall be required to conduct business.

F. Revision of the Plan -- The DFPP Committee shall take all recommendations for revision of the plan to the plan participants. The chairman of the Committee shall call a meeting of all participants of the plan for the purpose of voting on the proposed revisions of the plan. In the event a quorum is not present the Chairman shall reschedule the meeting to a definite date and hour, but not more than ten days hence, and written
notices of such meeting shall be given to all participants in the plan; or the Chairman may at his discretion direct that the revision be voted on by mail ballot, in which event a ballot shall be sent to each participant in the plan. Voting for the revisions shall be by secret ballot. If approved the proposed revisions shall be forwarded through the Board of Directors and President to the Board of Curators, University of Missouri, for their approval.

G. Appeal Process for the Individual — Any participant(s) perceiving unfair treatment under the provisions of the plan may proceed as outlined in the faculty grievance procedure of the University of Missouri.

H. Professional Charges

1. Annually each participant will review the schedule of fees and recommend any changes to the practice group administrator and the Committee.

2. It shall be the responsibility of the Committee to recommend general operating policies under which professional fees will not be billed to the patient or third party.

3. All professional charges will be initiated and signed by the provider of the service and submitted to the School of Dentistry Business Office for processing.

I. Billing and Collection of Professional Fees

1. All professional charge shall be imitated and signed by the provider of the service and submitted to the School of Dentistry Business Office for processing. Billing for professional charges will be distinct from other services and will indicate the name of a participant or group of participants of the plan. Fees collected shall be credited to the account of the participant or participants rendering the services for which the fee is collected as otherwise provided for in the plan.

2. In the instance of contractual agreements, special billing arrangements may be accomplished through other mechanisms as provided for in the contractual agreement.
J. **Professional Leave** -- A plan participant who is on professional leave shall be subject to University policies and procedures pertaining to professional leaves. The salary of a plan participant on professional leave shall be the base salary as provided in Section 460.060 of this plan and the portion of the base salary measured by plan income shall be paid from the Professional Leave Funds provided in this plan.

K. **Retirement and Other Staff Benefits**

1. For the purposes of determining average regular annual salary of a plan participant under the University of Missouri Retirement, Disability and Death Benefit Plan and for purposes of determining regular salary of a plan participant for other staff benefits such as life insurance and disability insurance, the base salary as provided in Section 460.060 of this plan shall be used and incentive salary under Section 460.070 of this plan shall be excluded.

2. The first period for which base salary shall be used in determining retirement and other staff benefits shall commence with the date of adoption of this plan by the Board of Curators. For all periods prior to the date of adoption of this plan by the Board of Curators, salary for purpose of determining retirement and other staff benefits shall be determined in accordance with policies and procedures then in effect.

L. **Special Situations** -- All fees for professional services rendered by a plan participant are assigned to The Curators of the University of Missouri, and a plan participant shall at no time have any ownership interest in uncollected fees. For situations described below the disposition of uncollected fees and payments to a plan participant shall be made in accordance with this section.

1. **Termination of Employment: Voluntary or Involuntary** -- Upon termination of employment a plan participant shall be entitled to receive salary payments in accordance with his current salary contract for services rendered to the time of termination. Incentive salary, if any, will be based upon fees earned and collected at the
date of termination. Uncollected fees at the date of termination, after deductions for the cost of operation of the plan, shall be allocated to the practice group account and the Dean's Office Account on a ration of 2 to 1.

2. **Death or Disability of a Plan Participant** — Upon the death or disability of a plan participant there shall be paid to the participant or the participant's estate all salary payments then due in accordance with his current salary contract for services rendered to the date of death or disability. In addition there shall be paid to the participant or the deceased participant's estate an amount equal to the participant's incentive salary based on uncollected fees at the time of his death or disability, reduced by the amount of such fees that are not in fact collected within six months after his death or disability, and further reduced by the deduction rate for costs of operation of the plan. Reasonable efforts shall be taken to collect all such accounts within the six-month period. This additional payment shall be made to the participant or the estate of the deceased participant as soon after the end of the six-month period as is practicable. Income from any fees uncollected at the end of the six-month period, after deductions for the costs of operation of the plan, shall be allocated to the practice group account and the Dean's Office Account on a ration of 2 to 1.

3. **Termination of Plan Participation** — If a plan participant ceases to generate income from professional fees he will no longer be a participant in the plan. The effective date of the termination of his participation shall be recommended by the practice group administrator subject to review by the DFPP Committee, and determined by the Dean. On termination of his participation, income from any uncollected fees of the individual, after deductions for the cost of operation of the plan, shall be allocated to the practice group account and the Dean's Office Account on a ration of 2 to 1.

**M. Fiscal Year and Transition** — The fiscal year of the plan shall be the fiscal year of the University of Missouri-Kansas City. Unencumbered
balances in all accounts shall be carried forward to the succeeding year.

N. Assignment of Fee—Each participant shall execute the following assignment annually:

Assignment

In consideration of my employment by The Curators of the University of Missouri and the salary payments described in the Dental Faculty Practice Plan, I hereby assign to The Curators of the University of Missouri all fees charged by me for professional services, as defined in the Dental Faculty Practice Plan. This assignment shall be an absolute assignment, subject only to the conditions that the fees charged by me shall not be altered, except as provided in the rules and regulations establishing said Plan.

I further agree that all monies received by me for such services shall be promptly turned over to the Business Office of the School of Dentistry and all checks made payable to me for such fees shall be promptly endorsed and delivered to said Business Office. It is distinctly understood that this assignment applies only to the income specifically identified in the Dental Faculty Practice Plan.

In consideration of my being permitted to participate in the Dental Faculty Practice Plan, I agree to fully cooperate therein and comply with all the rules and regulations relating thereto.

Participant's signature

Date

Agreement for Participation in Dental Faculty Practice Plan

Date
This agreement is for the period through ______________.

________________, participant in the Dental Faculty Practice Plan of the University of Missouri Kansas City School of Dentistry, agrees to receive as a base portion of salary $ * from the Dental Faculty Practice Plan and $ from funds from other sources beginning and ending . I understand that my employment at the School of Dentistry is dependent upon my participation in the Faculty Practice** and that I will actively provide patient care day(s) per week. I have read, and will abide by, the rules and regulations of the plan.

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If income is generated over and above the amount necessary to meet DFPP Base portion of the salary, it will be distributed as provided under the rules of the Dental Faculty Practice Plan. I also understand that the overhead percentage figure is for this year and that all dental laboratory bills will be deducted from gross income before distribution of funds begins.

Member

Dean, School of Dentistry Practice Group Administrator

* This figure to be pro-rated on the beginning date of the practice.

** This statement applies only to faculty hired on or after September 1, 1982.

The DFP Plan

The DFP Plan is the document approved by the Board of Curators that outlines the broad operational goals and structure of the DFP. The specific, day to day tactical procedures and policy guidelines are set forth in the DFP Operations & Procedures Manual. This manual shall include all aspects of the DFP and defines the individual desired outcomes; provides measurements to assure the effectiveness of each outcome; and outlines specific steps to
accomplish every outcome; this manual also contains relevant policies and procedures of the DFP.

**Director of the Dental Faculty Practice**

The Director shall be a full time faculty member, and will report directly to the Dean of the SOD. This position is appointed by and serves at the discretion of the Dean. Selection of a Director shall involve consultation with the DFP participants but the final decision shall be determined by the Dean. The responsibilities of the director shall include:

1. Assuring that the overall operation of the DFP is compliant with the UM Collected Rules and Regulations and the DFP Plan; and all applicable laws, rules and regulations.
2. Overseeing the management of the DFP, delegating responsibilities to the appropriate staff & practitioners;
3. The fiscal management of the DFP, bringing best practice efficiencies into place such that the practice maintains an appropriate mix of practitioners, volume of patients (marketing) and fiscal feasibility and responsibility;
4. Reviewing the general operating budget on a quarterly basis with the chief fiscal officer of the Plan;
5. To the extent possible, assuring that the DFP is self-sufficient as a business entity and operates fiscally independent of the SOD operations;
6. Developing relevant benchmarking tools to track progress (trending) of the practice in: a) patient growth, b) expenditures, c) revenues and productivity, and/or d) other appropriate indices;
7. Developing and maintaining a current long-term strategic plan for the DFP;
8. Assuring that appropriately trained staff is available for quality, efficient operation of the DFP;
9. The development and periodic upgrading of the DFP Plan that is approved by the University of Missouri Board Curators;
10. The development and periodic upgrading of the DFP Operations & Procedures Manual with consensus of the DFP staff and participants, where appropriate;
11. Implementing and having Participants sign annual Participation Agreement to practice in the DFP; and
12. Assuring that appropriate quality improvement measures are in place, and that quality reviews are undertaken as necessary.
Additional Monitoring of the Plan

1. Chancellor: The Dean shall meet at least annually with the Chancellor to report on all Plan operations.

2. Dean: All modifications to the Plan shall be at the discretion of the Dean, who will forward those recommendations to the Chancellor and Board of Curators for final approval.

3. Director of Business Affairs: On a periodic basis, but no less than monthly, he will meet with the Director and Administrator to review the business and financial health of the DFP.

4. Director: On a monthly basis, the Director will meet with or inform the Dean of the most recent operating and financial information from the DFP.

5. Administrator: The chief responsibility of the Administrator is to collect and analyze monthly indicators, manage data that describe the operational health of the DFP, oversee and manage clinic supervisors, and to make recommendations on changes or additions to the Director.

6. Supervisors: The administrative and clinical supervisors monitor and manage the staff personnel that operate within the DFP and report to the Administrator on an ongoing basis.

DFP Participant Meetings

On a periodic basis but no less than annually, a meeting will be held to discuss the operations and finances of the DFP. Appropriate financial and operational information will be shared with the parties present. All DFP Plan participants, the administrator, the director, the Director of Business Affairs, and the Dean, SOD will be invited to attend. The purpose of such meetings is to improve communications between faculty and administration, improve the overall work environment, and to update all parties with the then current status of the DFP.
460.010 Definitions

Bd. Min. 2-11-83.

A. **Administrator** – The word “administrator” shall refer to the administrative manager (or the then current title that individual has been assigned) of the overall DFP clinic who performs administrative, financial, customer service and management duties in the DFP. He reports to the Director.

B. **Dental Faculty Practice Plan (or “Plan”)** – The words “dental faculty practice plan,” or simply the “plan” shall refer to the rules and regulations approved by the Board of Curators which will govern and regulate the DFP and its practices. This Plan will operate in accordance with all governing rules, regulations and policies of the University of Missouri, to include Equal Opportunity.

F. **Plan Income** -- The words "plan income" shall be construed to mean all fees for services received by the University by assignment which are derived from patient care directly delivered by faculty within facilities operated by the Dental Faculty Practice.

G. **Dental Clinic** -- The words "dental clinic" as used herein shall refer to the Dental Faculty Practice Clinic at the School of Dentistry, University of Missouri-Kansas City.

H. **Participant** -- The word "participant" as used in these regulations shall refer to a member of the faculty of the School of Dentistry who is a member of the plan.

I. **Dean** -- The word "Dean" shall refer to the Dean of the School of Dentistry, University of Missouri-Kansas City.
J. **Chancellor** -- The word "Chancellor" shall refer to the Chancellor of the University of Missouri-Kansas City.

K. **School of Dentistry (SOD)** -- The words "School of Dentistry" shall refer to the School of Dentistry, University of Missouri-Kansas City.

L. **University** -- The word "University" shall refer to The Curators of the University of Missouri.

M. **Participant Body** – The words "participant body" shall refer to the total collective participants in the plan.

N. **Gender** – Where the masculine pronoun is used it shall be interpreted as feminine when applicable.

O. **Curators** – The word “Curators” shall refer to the Board of Curators of the University of Missouri.

P. **Dean’s Administration Allocation** – The words “Dean’s Administration Allocation” shall refer to a percentage of gross collections to cover certain overhead costs incurred by the UMKC SOD in the operation of the Dental Faculty Practice. The overhead costs include, but are not limited to, administrative support, facilities maintenance, facility usage charge, general liability insurance and other necessary indirect costs. The allocation percentage shall be determined by the Dean.

Q. **Dental Faculty Practice (DFP)** – The words “dental faculty practice or DFP” shall refer to the actual dental clinic within the SOD in which the Participants practice and participate in the Plan.

R. **Dental Hygienists (RDH)** – The words “dental hygienists” shall refer to registered dental hygienists working in the DFP and seeing patients of the Participants. They report administratively to the Administrator and clinically to the Participant doctors with whom they work.

S. **Director** – The word “director” refers to the Director of the Dental Faculty Practice as defined in section 460.080. He reports to the Dean.
T. **Director of Business Affairs** – The words “Director of Business Affairs” shall refer to the SOD’s Business Officer who monitors and advises the DFP.

U. **Income Sharing** – The words “income sharing” shall be that amount distributed monthly to each doctor Participant in accordance with the formula for determining each doctor’s proportional share of the net profit.

V. **Miscellaneous Expense Account** – The words “miscellaneous expense account” shall refer to the account maintained by the administrator for managing expenses that are generally considered overhead in the operation of a dental practice or for necessary teaching expenses incurred by an individual participant and approved by the director. All expenditures will be administered in accordance with University and SOD policies. These expenses would include but are not limited to items such as: personal continuing education costs, association dues, dental licenses, loupes, and similar items.

W. **Operations and Procedures Manual** – The words “operations and procedures manual” shall refer to the collection of guidelines, systems, and policies that are contained in the manual outlining the day-to-day workings of the DFP. These various protocols are created with collaboration of faculty, staff, and administrators to maximize the effective and efficient running of the dental clinic and to fulfill its mission and vision.

X. **Participation Agreement** – The words “participation agreement” shall refer to the document that is signed annually by all doctor participants outlining their understanding and agreement to abide by the rules and regulations of the DFP and the Plan, and assigning all income from services rendered under the DFP to the University.

Y. **Plan Overhead** – The words “plan overhead” shall refer to all the costs of operating the plan which may include laboratory fees, billing and collection costs, support personnel compensation & benefits, supplies, marketing, administrative services, reserve fund contributions, debt/deficit reduction, UMKC full costing charges, the Dean’s Administrative Allocation, and other expenses.

Z. **Staff** – The word “Staff” refers to the non-faculty personnel who carry out the administrative, clerical and clinical duties for the clinic. They report to the supervisors.
AA. Supervisors – The word “Supervisor” shall refer to individuals who manage either the administrative or clinical staff of the DFP. They report to the Administrator.

BB. UMKC Full Costing – The words “UMKC full costing” shall refer to the charge levied by the University that is allocated proportionally among non-educational entities on campus for central administrative service costs provided by the university. These would include, but are not limited to, the following: campus accounting services, banking functions, credit card services, central payroll office and HR, financial systems, and administrative software.
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460.020 Purposes of the Plan

Bd. Min. 2-11-83.

A. Faculty members of the UMKC School of Dentistry may be engaged in one or more of the following employment duties: teaching, research and patient care. Patient care is an integral part of the educational mission of the school for it provides to the instructor and the dental student the clinical laboratory experience essential to dental education.

This plan has been created to provide a means for additional compensation beyond their base salary. All payments to plan participants made pursuant to the provisions of this plan constitute supplemental compensation paid by the employer to the plan participants and is subject to all of the rules and regulations of the University of Missouri. All plan income referred to in this section shall be irrevocably assigned to the University by the plan participants. No plan participants shall have any right, title or interest in any such plan income; and the University shall have the unrestricted right to such income and complete control over its disposition. Provisions in this plan for accounting for plan income 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 plan income, any right to control the disposition of plan income and expenses, or any right to determine salaries.

In addition to a Participation Agreement, each participant will sign a Non-Solicitation Agreement as a requirement of their participation in the Plan. These documents are a part of the Operations & Procedures Manual.

The plan is created to achieve the following purposes:
A. To provide a system by which eligible faculty are provided an opportunity to achieve fulfillment of their commitment to high quality patient care;

B. To recognize that high quality patient care is not only related to faculty participation in teaching and research, but also that high quality clinical teaching is dependent upon the faculty being engaged in active dental practice, as well;

C. To establish a financial incentive mechanism for faculty compensation which enhances the attainment of the School of Dentistry goals of patient care, teaching and research;

D. To inhibit the loss of highly qualified faculty to other academic health institutions and private practice because of differences in compensation, and to attract qualified faculty for the same reason;

E. To establish a venue for professional fee generation, compensation, and utilization to accomplish the above purposes.
A. Eligibility
Faculty members are eligible to become participants in the DFP in accordance with the policy set forth in Section VII of the SOD Faculty Handbook. This policy states the following:

Intramural or extramural faculty practice options may be available for practitioners holding a current license (Missouri license required to practice intramurally). These options are available to non-tenure track as well as tenure track and tenured faculty. The opportunity to work in the SOD Faculty Practice is dependent upon a number of factors and requires the approval of Dean. Faculty or faculty applicants who are interested in faculty practice should work with their department chair, the Dean of the school as well as the Faculty Practice Director. For each faculty participant in the Faculty Practice, a written participation agreement will be executed annually and filed in the Office of the Dean.

Plan participants will abide by all provisions of the Plan, the DFP Operations & Procedures Manual, the UMKC policies and the University of Missouri Collected Rules and Regulations. In addition, each Participant will also practice in accordance and must comply with the following:

1. The Code of Ethics of the American Dental Association;
2. The laws governing the practice of dentistry in the State of Missouri as defined by the Missouri Dental Board; and
3. The general rules, by-laws and policies of the SOD.

The Dean of the School of Dentistry is not eligible to be a participant in the Plan.

B. Membership
All Members of the DFP must be members of the faculty of the UMKC School of Dentistry. To become a Participant in the DFP, an application provided by the DFP must be submitted to the Director. The Director will make an initial determination of the available resources and review the faculty member's credentials. A recommendation will then be made and forwarded to the Dean for final approval.
Subject to University regulations, retired faculty participants who are eligible to work for the University and have practiced for at least three years in the DFP may be allowed to continue to practice following their retirement from the SOD with the approval of the Dean. Such approval will be reviewed and approved by the Dean annually.

C. Termination from the DFP
Participants may be terminated from the DFP for violating any of the above-mentioned governing rules and regulations. Maintaining the privilege to practice as a participant in the DFP is dependent upon fulfilling the obligations of eligibility as outlined in section 460.030(A) and in the DFP Operations and Procedures Manual.
Within the framework of the plan, plan income shall be derived from the following sources:

1. All professional fee for service income derived from faculty patient care in the Dental Faculty Practice shall be plan income.

2. All other income derived from faculty patient care related services in the Dental Faculty Practice shall be plan income.

3. Income of participants not related to patient care shall not be plan income.

4. Fees for services rendered to patients by Dental Hygienists shall not be plan income, but can be used to pay general overhead or other general expenses of the Plan.

Governmental payers will not be billed for services under the Plan, with the exception of services provided by oral pathologists participating in the Plan.
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460.050 Costs of Operation of the Plan (Plan Overhead)

Bd. Min. 2-11-83.

1. The DFP is expected to operate, to the extent possible, as a self-sufficient operation within the physical confines of the SOD. Plan overhead shall be paid from Plan Income and shall be paid first before any participant compensation is allocated. The rate of Plan overhead charged will be at the discretion of the Dean of the SOD with the approval of the Chancellor. Plan overhead expenses include, but are not limited to:

   1. Billing and collections
   2. Administrative costs, supplies and operating expenses
   3. Support personnel compensation and benefits
   4. Marketing and promotional expenses
   5. UMKC full costing
   6. Dean’s Administrative Allocation
   7. Facility charges
   8. Dental supplies
   9. Reserve /capital improvements fund

2. Other individual overhead expenses such as laboratory costs and the Miscellaneous Expense Fund shall be deducted from the individual Participant’s net collections.

3. The Director of Business Affairs shall review and audit periodic reports provided by the Administrator of the DFP concerning accounting and financial practices of the DFP.
4. The Director of the DFP shall periodically communicate with the Participants regarding the business affairs of the practice at least monthly. The Director shall solicit input from the plan Participants in an effort to minimize practice overhead and maximize profits.

5. The Director and the Administrator of the DFP are responsible for reviewing the DFP financials with the Dean on an ongoing basis at least quarterly.

6. The Dean shall report to the Chancellor as needed, but no less than annually, regarding all aspects of Plan operations, including fiscal and quality concerns.

7. From time to time, good accounting practice and effective fiscal management may well indicate a need to revise, expand, contract or otherwise modify the accounting system relative to the plan. Nothing in this plan shall be interpreted as preventing such accounting revision, expansion, modification or contraction so long as they adhere to commonly accepted accounting practices and University policy.
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460.070 Allocation of Plan Income

Bd. Min. 2-11-83.

Plan Income

Plan income shall be all monies collected for services rendered or products sold (collections) by the participants in the DFP during a given period of time. This would be the total production for that same period less any deductions, discounts, write-offs and/or accounts receivable.

Deductions from Plan Income

From the total plan income, all plan overhead attributed to the DFP shall be paid first from the revenues (collections) of the practice leaving a difference called net plan income.

Net Plan Income

The balance remaining after deducting all Plan Overhead from the DFP Plan Income is the amount available for Participant compensation or net plan income. All or part of this amount may be distributed to the participants as supplemental compensation for participating in the DFP. The Administrator and the Director will review and make a recommendation to the Dean on the amount of net plan income that is available for distribution.

Minimum monthly collection amounts

It is understood that all Participants should be responsible for covering the direct overhead costs incurred on their behalf while participating in the DFP.

To ensure that each Participant in the Plan is covering a reasonable share of the general ongoing overhead of the DFP, the
plan may institute a minimum monthly collection, which would be decided by a simple majority of the Participant members. Specifics regarding covering direct overhead costs and minimum monthly collection shall be addressed in the Operations & Procedures Manual.

**Miscellaneous expense account (8% account)**

A separate account is available to each participant on a voluntary basis that would be managed by the DFP administrator. Known as the miscellaneous expense account, this account is specifically for managing expenses that are generally considered to be overhead in the operation of a dental practice or, as approved by the Director of the DFP. Guidelines for the expense account are outlined in the DFP Operations & Procedures Manual.

All expenditures from the miscellaneous expense account will be administered in accordance with University, SOD, and DFP Plan policies. In general, a portion of a participant’s monthly income sharing (subject to a percentage limit of 8% up to a maximum of $5000.00) can be voluntarily transferred to this account which will be held separately on behalf of the individual participating doctor. The participant can then direct the administrator of the DFP to pay for certain qualifying expenses out of this account.

The monies transferred into the miscellaneous expense account are before tax dollars. Similar to a flexible spending account, monies transferred into this account can only be used to pay for qualifying expense items as outlined in the DFP Operations Manual.

**Separation from the Practice Plan**

When a participant is no longer a member of the Plan, the following will occur:

1) A Plan participant (or his/her estate if the participant dies) shall be entitled to receive his or her net collections (as determined by the standard income sharing formula) from accounts receivable for six (6) months after the effective date of the separation. After six (6) months, any additional accounts receivable that are collected on behalf of the separated participant will not be distributed to the participant but shall
remain with the DFP and be placed in the general operating fund of the DFP.

2) If any monies remain in the participant’s miscellaneous expense account at the time of the separation from the DFP Plan, that remaining balance is forfeited to the University and will no longer be available to the participant.
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460.080 Administration of the Plan

Bd. Min. 2-11-83.

The DFP Plan

The DFP Plan is the document approved by the Board of Curators that outlines the broad operational goals and structure of the DFP. The specific, day to day tactical procedures and policy guidelines are set forth in the DFP Operations & Procedures Manual. This manual shall include all aspects of the DFP and defines the individual desired outcomes; provides measurements to assure the effectiveness of each outcome; and outlines specific steps to accomplish every outcome; this manual also contains relevant policies and procedures of the DFP.

Director of the Dental Faculty Practice

The Director shall be a full time faculty member, and will report directly to the Dean of the SOD. This position is appointed by and serves at the discretion of the Dean. Selection of a Director shall involve consultation with the DFP participants but the final decision shall be determined by the Dean. The responsibilities of the director shall include:

1. Assuring that the overall operation of the DFP is compliant with the UM Collected Rules and Regulations and the DFP Plan; and all applicable laws, rules and regulations.
2. Overseeing the management of the DFP, delegating responsibilities to the appropriate staff & practitioners;
3. The fiscal management of the DFP, bringing best practice efficiencies into place such that the practice maintains an appropriate mix of practitioners, volume of patients (marketing) and fiscal feasibility and responsibility;
4. Reviewing the general operating budget on a quarterly basis with the chief fiscal officer of the Plan;
5. To the extent possible, assuring that the DFP is self-sufficient as a business entity and operates fiscally independent of the SOD operations;
6. Developing relevant benchmarking tools to track progress (trending) of the practice in: a) patient growth, b) expenditures, c) revenues and productivity, and/or d) other appropriate indices;
7. Developing and maintaining a current long-term strategic plan for the DFP;
8. Assuring that appropriately trained staff is available for quality, efficient operation of the DFP;
9. The development and periodic upgrading of the DFP Plan that is approved by the University of Missouri Board Curators;
10. The development and periodic upgrading of the DFP Operations & Procedures Manual with consensus of the DFP staff and participants, where appropriate;
11. Implementing and having Participants sign annual Participation Agreement to practice in the DFP; and
12. Assuring that appropriate quality improvement measures are in place, and that quality reviews are undertaken as necessary.

Additional Monitoring of the Plan

1. Chancellor: The Dean shall meet at least annually with the Chancellor to report on all Plan operations.
2. Dean- All modifications to the Plan shall be at the discretion of the Dean, who will forward those recommendations to the Chancellor and Board of Curators for final approval.
3. Director of Business Affairs- On a periodic basis, but no less than monthly, he will meet with the Director and Administrator to review the business and financial health of the DFP.
4. Director- On a monthly basis, the Director will meet with or inform the Dean of the most recent operating and financial information from the DFP.
5. Administrator- The chief responsibility of the Administrator is to collect and analyze monthly indicators, manage data that describe the operational health of the DFP, oversee and manage clinic supervisors, and to make recommendations on changes or additions to the Director.
6. **Supervisors**- The administrative and clinical supervisors monitor and manage the staff personnel that operate within the DFP and report to the Administrator on an ongoing basis.

**DFP Participant Meetings**

On a periodic basis but no less than annually, a meeting will be held to discuss the operations and finances of the DFP. Appropriate financial and operational information will be shared with the parties present. All DFP Plan participants, the administrator, the director, the Director of Business Affairs, and the Dean, SOD will be invited to attend. The purpose of such meetings is to improve communications between faculty and administration, improve the overall work environment, and to update all parties with the then current status of the DFP.