

# **Seattle Emergency Physician Services Physicians Partner-Track Employment Handbook**

Last updated July 2019

## Chapter 1: A Brief SEPS history

Seattle Emergency Physicians Services, Inc., P.S. (SEPS) was incorporated on April 1, 1982 and has held the contract at Swedish First Hill since that time.

The original 5 owners/shareholders of SEPS were: Mason Smith, MD, Ron Dobson, MD, Nancy Auer, MD, Bo Gloster, MD and Peggy Goldman, MD. These physicians all had long, accomplished careers as leaders within Swedish as well as within Emergency Medicine and that tradition continues today. Dr. Auer has held administrative positions including Chief of Staff, Chief Medical Officer, Director of Emergency Services and Vice President of Medical Affairs at Swedish and is currently on the Swedish Board of Trustees. She additionally served as the first woman president of WA-ACEP in 1986 and first woman president of national ACEP in 1998.

In 2002 SEPS became a democratic group and offered a partnership track to all physicians who are board certified and successfully complete the partnership track, a practice that continues today and is detailed in subsequent chapter. SEPS adheres to non-discrimination policy and believes in transparency regarding partnership track.

In 2014 SEPS incorporated the group of Swedish Medical Group employed physicians at Swedish Cherry Hill campus to form a larger group that currently holds the contracts at both downtown Swedish campuses. Today, SEPS employs 32 full time physicians and 3 full time APCs. All Full time physicians are on a partnership track. Currently 24 physicians are Full partner/shareholders.

## Chapter 2: Group structure

SEPS is a democratic, independent group of emergency medicine providers. SEPS currently employs 32 full time physicians and 3 full time PA-Cs to staff both the Swedish First Hill and Swedish Cherry Hill Emergency Departments. There is a Medical Director and 1 Assistant Medical Director who serve both campuses, each serving 2 year terms. SEPS Corporation has a President as well as an elected 3-person Board of Directors who oversee business of SEPS. Board members are elected to overlapping 2 year terms. 2018 leadership group:

|                                       |                            |
|---------------------------------------|----------------------------|
| Medical Director: David Selander, MD  | david.selander@swedish.org |
| Asst Medical Director: Mike Pirri, MD | michael.pirri@swedish.org  |
| President: Ann Rodgers MD, MPH        | ann.rodgers@swedish.org    |

|                                    |                             |
|------------------------------------|-----------------------------|
| Vice President: Denise Lagesse, MD | denise.lagesse@swedish.org  |
| Secretary: Gregory Lewis, MD       | gregory.lewis@swedish.org   |
| Treasurer: Michael Beins, MD       | Michael.beins@swedish.org   |
| Board of Directors:                | SEPSBoard@gmail.com         |
| Practice Manager: Dinnette Jeffery | dinnette@panachepracman.com |
| PNEP risk committee: Liz Borock MD | eborock@hotmail.com         |

Website: <http://www.seattleemergencyphysicians.com>

The Swedish Cherry Hill campus averages **22K ED visits** per year and is a specialty center with focus on Cardiovascular and Neurologic emergencies. Swedish Cherry Hill is a Level 1 stroke center with Neurologic Interventional Radiology capabilities for advanced stroke management. Additionally, the Swedish Neurosciences Institute is housed at Swedish Cherry Hill, and includes the Stroke Program, Comprehensive Spine program, Seattle Pituitary Center, Adult Hydrocephalus Center, the Ivy Center for Advance Brain Tumor Treatment and Cerebrovascular Center amongst others. Swedish Neurosciences Institute is the regional referral center in the Providence Pacific Northwest region. Swedish Cherry Hill is also currently the home of the Swedish Heart and Vascular Institute, the regional leader in cardiovascular care. Door-to-balloon times are top in the state and among the top 10% of times in the country. Swedish Cardiac Surgery is one of 23 hospitals nationwide to achieve 3-star status by the Society of Thoracic Surgeons in CABG and AVR quality.

Swedish First Hill campus averages **45K ED visits** per year and is the flagship hospital within the Swedish system. The prestigious Orthopedic Institute, Cancer Institute, Organ Transplant Program as well as many other programs are housed at the Swedish First Hill campus. Labor and delivery, NICU services are available at this location. The First Hill campus used to have inpatient pediatrics, PICU as well as dedicated Pediatric Emergency Medicine Physicians. These services moved to the Issaquah campus in Fall of 2019.

### **SEPS Directors, Officers Positions and Elections**

There is a Board of Directors, elected by the Shareholders to 2-year term. The Board provides oversight and manages daily operations of the corporation.

- **SEPS Board** is comprised of four offices: President, VP, Secretary, and Treasurer. Responsibilities are outlined in SEPS Bylaws. Officers are elected to 2 year terms. Former President may remain as a fifth Ex-Officio BOD member for a transition period to provide guidance and ensure smooth transition. SEPS compensates our President for 300 annual stipend hours. Other board positions submit hours worked for reimbursement. Mid term vacancies on the board may be filled at the discretion of the remaining board members.

- **SEPS Medical Directorship** is comprised of a Medical Director and one Assistant Director, who lead operations for our First Hill and Cherry Hill campuses. Directors are elected to 2 year terms. Swedish partially contributes to Director compensation as per Swedish Health Services Provisional Contract Agreement, which is renewed every 3 years. SEPS contributes remainder of compensation. Medical Director is compensated for 800 annual stipend hours. Assistant Director is compensated for 300 stipend hours. Mid-term vacancies for both Director positions may be filled by qualified MDs at the discretion of the Board of directors.

### **Election Procedure**

SEPS Officers elections follow the Borda method. Candidates for BOD are nominated by Shareholders (SH), ranked as per Borda procedure on ballot. Election for office of President is separate from election for the other 3 positions. Highest ranked candidates on latter ballot are voted in as VP, Secretary and Treasurer, in that order. BOD as per bylaws may decide on specific positions. For example, office elected as President may defer this role, and another elected officer may assume this role.

A non SH may serve as a member of the BOD as long as at least three offices are held by SH. A non SH cannot serve as president.

SEPS Director elections follow the Borda method. Candidates for Director positions can be nominated by SH and non SH. SH and non SH can vote in this election. Election for Medical Director and Assistants are separate (separate ballots).

## **Chapter3: Physician expectations**

- **Number of shifts per month and Length of shift**

Full time employment with SEPS is considered to be 1344 hours per year, or roughly 14 8-hour shifts per month. Full benefits are maintained at greater than 1000 hours per year. We currently employ 6 full time Nocturnists. All other physicians work a variety of morning, afternoon, evening and night shifts. Weekend shifts and holidays are divided equally amongst all physicians, regardless of partner status or seniority. Most shifts are 8 hours in duration with built in 1 hour overlap, exceptions are 9 hour night shifts.

Current shift times are:

CHERRY HILL

7a-3p

9a-5p

2p-10p

FIRST HILL

6a-2p

8a-4p

9a-7p (PAs)/10a-6p For MD\*

4p-12a (flex to 1a)  
10p-7a

12p-8p\*\*  
1p-9p  
3p-11p  
4p-1a (PAs)/5p-1a for MD) \*  
8p-5a (flex to 6a)  
10p-7a

\* fast track/rapid medical assessment shift. If physician is covering 10am fast track shift, he/she will be responsible for culture call-backs (check inbox for results)

\* \* We anticipate that this shift will be adjusted on 11/1/2019 and two new shifts will be added to the First Hill schedule: 7a-3p and 2p-10p

Overtime hours may be submitted if you pick up new cases after the end of the assigned shift time (after 8 hours or 9hours for the night shifts). Overtime may also be submitted for EPIC downtime shifts. Under certain circumstances, overtime may be submitted if a very complex case is picked up towards the end of the 8 hour shift that adds significantly to time on duty. Overtime hours are subject to approval by the board.

- **Expectations for Charting hour**

With built in hour overlap for most shifts it is expected that physicians will see patients up until the next provider arrives. (ie see patients until 3p when you are the 8a-4p doctor). It is reasonable to place orders on complex patients who arrive 15 minutes before new doctor arrives and defer full evaluation to the on-coming doctor. It is expected that all patients will have work up started within 15 minutes of being roomed. Length of stay, door to doc time (arrival until you sign up for patient), and door to disposition time are metrics tracked by Swedish and reported to our group.

Note, on several shifts there is no overlap. Examples are the 2-10pm, the 4-12mid and the 10p shift at Cherry hill. Examples at First Hill are the 11a-7p, the 5p-1a and the 8p shift do not have a provider arriving to relieve you at 7 hours. On the 2p and 4p Cherry hill shifts, you should have a discussion with the other provider on duty to determine if you can stop seeing patients at 7 hours and clean up. If it is very busy, you should “cherry pick” the easy cases in that 8<sup>th</sup> hour to avoid overloading the department for the arriving 10p night provider. This would not count as OT ( see OT policy). The same general rule should apply to the 11a, 5p and 8p shifts at First hill.

- **Sign out expectations**

Physicians are expected to continue to manage their patients during the overlapping hour. Sign outs should not be given until the end of the off-going physicians shift, with rare

exception that all patients have appropriate dispositions before the end of shift. As the on-coming physician, you should make yourself available to receive sign out. Sign outs must be reasonable with planned work up and disposition. Ideally, there should be sign out at patient bedside to introduce the new physician and clarify both patient and physician expectations of what will occur after sign out. Notes must be completed on all signed out and admitted patients prior to leaving the department.

- **Overtime and Meeting Time**

Overtime hours should be reported to the practice manager, currently Dinnette. She will request this each month. Providers can submit overtime hours monthly, paid at \$170/hr, for hours in which we sign up for additional patients beyond our shift. For example, If you pick up a patient at 11pm on the 4-12MN CH shift, this is not overtime. If you pick up a patient at 12:01 on the 4 -12MN CH shift, you can bill for OT. Official caveat: if you pick up a complicated patient in the last hour of your shift, who requires active management into the following hour, you can submit OT for this hour.

Special Case: EPIC downtime. Can bill up to 2 hours for charting.

Again, all overtime hours are subject to approval by the board.

- **Flex Hours**

There are several shifts which can ‘flex’ into a longer shift, if the ED is deemed busy, or if departure at end of shift would be considered unsafe. Providers working the evening RMA shift as well as the CH 2p and 4p shifts are expected to check in with fellow docs prior to departure.

- **Call in Compensation**

In the case of an emergency, providers who are called in or volunteer to cover a shift within 24 hrs receive \$500, and within 48 hrs notice will receive \$250.

- **Scribe service**

Scribe America scribe service is available to interested physicians. Individual physicians are responsible for scheduling their scribes as well as complete payment. Scribe payment can be deducted as a business expense.

- **Chart completion expectations**

Swedish Medical Center utilizes EPIC electronic medical record. All physicians will receive EPIC training when they are hired. There are ongoing opportunities for EPIC training available through Swedish.

All verbal orders should be signed prior to leaving shift and absolutely signed within 24 hours. Triage RNs will often place triage orders under any one of the physicians on duty, regardless of who sees the patient. Sign reasonable triage verbal orders on patients you see, even if they were assigned to one of your other partners.

All chart notes must be completed within 24 hours of patient encounter. Chart notes for all admitted patients and patients who you are signing out to the oncoming provider must be completed prior to leaving your shift.

SEPS offers annual coding/billing seminars and works closely with our billing company, R1, to identify opportunities for improved billing and documentation. SEPS physicians are members of the PNEP Risk Management consortium (see below) that provides updates and an annual educational summit addressing risk management and documentation issues. It is expected that all physicians will incorporate these documentation strategies in notes.

- **Committee service**

SEPS physicians are very engaged in both Emergency Department management and hospital committees. Both Cherry Hill and First Hill have Shared Leadership/Operations committees that meet monthly. These meetings are open to all providers are encouraged to participate. In addition to this, we have physicians serving as liaisons with Cardiology, Neurology, Hospital Medicine, Family Medicine, Pharmaceuticals/Therapeutics, Sepsis Committee, and Blood Management committees. Historically, SEPS physicians and APPs have served on Swedish Medical Quality Review Committee as well. We have both MD and APP representatives on the MEC, and a SEPS MD is currently Chief of EDSL.

Providers serving on committees submit hours to the practice management for reimbursement. SEPS currently reimburses \$150/hr for qualifying projects. This includes time spent in meetings at the hospital. It is not customary to submit hours for work done from home. However, a limited amount of time may be submitted if you spend a significant amount of time preparing for a meeting.

- **Advanced Practice Providers**

SEPS currently employs two PAs and one ARNP. They primarily run the fast track/RMA section but also occasionally pick up additional shifts in the main ED. Once the APP has been with the group for greater than 6 months, the vast majority of patient interactions do not need to be staffed with a physician and the patient charts do not require additional co-signature. However, per Swedish and SEPS policies, there is a strict list of patient for which the APP is required to staff with a physician. This includes any patients with an acuity level 3. Any patient with an acuity level 1 or 2 must be the primary patient of a physician. APPs will approach any available physician if staffing is needed or there are

general questions. Please remember that you when staffing a patient, you will be co-signing the chart and need to ensure you feel comfortable with the plan. If you do an evaluation of the patient in addition to the APP's evaluation, please be certain to document at least 2 aspects of the history, 2 physical exam findings, and a brief MDM in addition to the APP's note for billing purposes.

- **Teaching responsibilities**

Swedish has two Family Medicine residency programs, one based at Cherry Hill campus (Red Team) and the other at First Hill campus (Green Team). These residents rotate through the ED. Currently, first year residents rotate at First Hill and second/third year residents rotate at Cherry Hill. At First Hill, residents are assigned to one physician for a shift. At Cherry Hill, residents are particularly focused on seeing cardiac and neurologic cases and see patients throughout the department. Residents are expected to see patients primarily, present the case and develop comprehensive differential diagnosis, follow up studies, call consults and document in the EPIC chart. The pace and volume of workload is determined by the attending. Only one resident is allowed in the department at any given time. All patients must be examined and evaluated by an attending.

Additionally, SEPS has agreed to serve as community emergency department site for 4<sup>th</sup> year UW medical students. We average between 4-6 total students, each rotating for one month. These are typically students who are not going into EM but are interested in a community rotation. Students are primarily in the department to learn and do not chart in EPIC. They are encouraged to see patients, perform exams, present the case and develop comprehensive differential diagnosis and communicate care plan with patients. They can only perform procedures under your direct and uninterrupted supervision. As a rule, there will never be both a medical student and resident in department at the same time. All patients must be examined and evaluated by an attending. As a teaching attending, you can also apply to be an adjunct professor at UW (and thus receive perks such as free gym, discounted UW tickets, etc).

If you do not want to be involved in resident or student teaching, you may opt out.

- **Maintenance of licensing and credentials**

All physicians are required to maintain ABEM board certification, WA state medical license and DEA license at all times. This includes annual CME requirements, ABEM MOC requirements, and LLSA requirements. All physicians must comply with Swedish policies at all times. As providers in Level 1 Stroke Center all providers are required to meet NIHSS certification every 2 years and obtain minimum 2 hours of AMA level 1 CME on stroke topics annually. All physicians are required to maintain active hospital privileges at both Swedish First Hill and Swedish Cherry Hill. Any physician who is unable to maintain licensing, credentialing or hospital privileges must notify SEPS



immediately. SEPS will periodically require providers to attend education simulations as requested by Swedish administration to maintain best practices.

SEPS covers costs of WA state license, DEA license, ABEM board exams, and ACEP dues for all providers.

- **Pacific Northwest Emergency Physicians (PNEP)**

SEPS is a member of Pacific Northwest Emergency Physicians (PNEP), a risk retention consortium, composed of multiple Seattle area EM practices, and is a subsidiary of EMPAC RRG. Malpractice costs are shared proportionately among member groups. The SEPS president is a member of the PNEP Board. There are monthly Claims and Risk Management meetings that two SEPS representatives attend. Chart reviews are performed and recommendations for best practice discussed at committee meetings. There are quarterly online Risk Modules required by all providers-you will receive information on how to register and complete these. We are owners of EMPAC and receive annual dividends, and these are often tied to our completion of the EMPAC modules. Attorneys representing SEPS in malpractice cases are also representing and answer to EMPAC. Current CEO: Art Diskin. Any notice of liability or suspected liability cases should be submitted to SEPS as soon as you become aware of the case. Contact the PNEP risk committee member, who is currently Liz Borock MD at [eborock@hotmail.com](mailto:eborock@hotmail.com)

- **Meeting attendance**

Each month there is a SEPS Emergency Department meeting. All providers, not just partners, are expected to come to the meeting if they are not on shift or out of town. Typically, the last hour of the meeting is dedicated to SEPS business for Shareholders only. Non shareholders are asked to leave prior to this portion of the meeting. Meetings are held the second Tuesday of each month. Providers who attend are monetarily compensated for meetings.

- **Professionalism statement**

Each employee will be expected to adhere to professional behavioral expectations as outlined by SEPS and Medical Director.

## Chapter 4: Schedule

- **Distribution of weekends, holidays**

SEPS believes in fair and equal physician scheduling practices. All providers eligible for and receiving SEPS benefits (>1000 hours/year) work an equal distribution of weekend and holiday shifts. There is a pay differential for nights, weekends, holidays, and

premium holidays (see below). Per diem providers are not required to work weekends or nights, although receive pay differential if they choose to work these shifts.

- **Night shifts**

Currently SEPS employs 5 dedicated Nocturnists who choose to work an all-nights schedule. The remaining night shifts are equally distributed to all other practicing physicians regardless of partner status or seniority. There is an optional age-out of nights for partners who reach a certain age in accordance to ACEP night scheduling recommendations to protect patient and provider safety. Currently, physicians may opt to be exempted from nights when physician age ( $>$  or  $= 55$ ) + years of SEPS service = 70. There is additional compensation for night shifts-see compensation section below. We have a nocturnist seniority schedule based on number of sequential years working full time ( $>10$  night shifts/m) with SEPS. Seniority will allow priority access to preferred number of 10pm shifts.

- **Schedule requests**

SEPS currently employs one of our APPs as scheduler (Jason Ziemer PA-C) who schedules shifts in 4-month blocks. Schedule is made using ShiftAdmin and then edited by hand. All changes to the schedule after publication must be made through Shift Admin. The SEPS practice manager generates payroll based on shifts posted in ShiftAdmin. Schedule requests are taken approximately 2 months before each schedule block. SEPS cannot honor requests submitted after the posted deadline but will make an effort to accommodate any unexpected scheduling needs to assist providers in obtaining needed time off.

Currently 32 requests per block are allowed- 8 high priority; 11 medium; 13 low. The maximum days in a row allowed to be request off is 14. Longer time off can be obtained through trading shifts or by taking a sabbatical. The number of requests are subject to change.

- **Holidays**

The holiday schedule is currently broken into the 3 summer holidays (Labor Day, 4th of July, and Labor Day) and 3 winter holidays (Thanksgiving, Christmas, and New Years). Holidays are distributed equally among providers and averaged over the years. Approximately 4 months prior, each provider is asked to rank the holidays based on willingness to work. Each holiday block consists of 2 guaranteed days off for each holiday. Additional days needed off must be requested through ShiftAdmin or traded.

- **Sabbaticals**

Sabbaticals are available when scheduling/staffing permits. The current sabbatical policy allows 1 month, unpaid sabbatical to be taken no more than once every 24 months.

Each partner will be offered the opportunity to take one month off in a two year period. Only one partner per month may be off, staffing permitting. The months available for sabbatical exclude the summer months of June, July, and August, as well as December. Requests for Sabbatical will be confirmed and granted by the Board of Directors prior to the requested month to ensure staffing is adequate to support a partner out on sabbatical. Sabbatical months will be open on a rolling basis. The Board of Directors will make every effort to open months for sabbatical requests 6 months in advance. If staffing is deemed adequate and no partner has requested a given month off at the 5 month mark, the opportunity for sabbatical will be open to all regardless of partner status or if they have had a sabbatical in the last 2 years. There is also the possibility of splitting a month in 2 week blocks at that time. If conflicts arise over a given month, preference will be given to an individual who has not yet taken a sabbatical. If both parties are at equivalent number of sabbatical opportunities, a lottery will be used to resolve the conflict.

## Chapter 5: Base Reimbursement (Per Diem rates separate)

SEPS payroll is calculated the last week of each month to include that calendar month. **Pay day is the last day of the month unless the last day of the month is on a weekend, then pay day is the Friday before the last day of the month.**

Reimbursement and partnership track policy was updated May 2019. These policies are subject to change per Board and Shareholder vote.

|                                     |       |
|-------------------------------------|-------|
| Base Salary (weekdays)              | \$150 |
| Weekend Pay (add'l \$20/hr)         | \$20  |
| Overnight Pay (add'l \$500/shift)   | \$500 |
| Holiday Pay (add'l \$20/hr)         | \$20  |
| Premium Holiday Pay (add'l \$40/hr) | \$190 |
| Meeting pay \$150/hr                | \$150 |
| Overtime pay \$170/hr               | \$170 |

### **Holidays**

|                    |                     |          |
|--------------------|---------------------|----------|
| New Year's Eve/Day | 6 pm New Year's Eve | Midnight |
|--------------------|---------------------|----------|

|                               |          |          |
|-------------------------------|----------|----------|
| President's Day               | 12:01 am | Midnight |
| Memorial Day                  | 12:01 am | Midnight |
| Independence Day              | 12:01 am | Midnight |
| Labor Day                     | 12:01 am | Midnight |
| Thanksgiving Day              | 12:01 am | Midnight |
| Friday following Thanksgiving | 12:01 am | Midnight |
| Christmas Eve                 | Noon     | Midnight |
| Christmas Day                 | 12:01 am | Midnight |
| December 26 - 31              | 12:01 am | Midnight |

### **Premium Holidays**

|                               |          |                        |
|-------------------------------|----------|------------------------|
| New Year's Eve/Day            | Noon     | New Year's EveMidnight |
| Thanksgiving Day              | 12:01 am | Midnight               |
| Friday following Thanksgiving | 12:01 am | 6:00 am                |
| Christmas Eve                 | Noon     | Midnight               |
| Christmas Day                 | 12:01 am | Midnight               |
| December 26                   | 12:01am  | 6:00 am                |

## **Chapter 6: Benefits**

Benefits policy as of 2018. These policies are subject to change per Board and Shareholder vote. SEPS Employees are eligible for full benefits at >1000 hours/year

- **Retirement**

SEPS sponsors a 401K plan through UBS Consultants. SEPS Board investment committee meets regularly to ensure best rates and investment options for employees as

part of our fiduciary responsibility. UBS encourages investment models. SEPS contributes a safe harbor pension 3% of max compensation and 10.5% of max compensation (13.5%) for each. The actual amount changes by year. Annual deduction limits change annually. (note: our SEPS contribution + individual limit may exceed annual tax limits. See Pension limit spread sheet. UBS provides personalized investment advising as well.

UBS Contact: Ruth Maroun: [ruth.maroun@ubs.com](mailto:ruth.maroun@ubs.com)

- **Medical/Dental insurance**

Regence Blue Cross Blue Shield Gold PPO available to all SEPS employees and their dependents. Delta Dental Program coverage is provided to employees and their dependents. Kibble and Prentice provides our insurance brokerage services.

Current policy: spousal waiver required if spouse/partner insured elsewhere. SEPS pays for employee/partner + 25% dependents (unless spousal waiver).

- **Health Savings Account**

Health Equity HSA is available to all employees. Providers can opt to put pre-tax money into their HSA. Annual maximum contributions change annually.

- **Disability, life insurance**

Short term disability, AD&D and Term Life insurance are provided through UNUM Life Insurance Company of America and are paid for by SEPS. Short term disability insurance is available and can be used for maternity leave and other FMLA leave. Detailed information about these policies is available at time of enrollment.

- **Malpractice**

Claims-made malpractice insurance is covered by SEPS through EMPAC RRG.

No additional tail coverage premium is necessary.

Our insurance brokers: James Gable Insurance Brokers. Any notice of liability or suspected liability cases should be submitted to SEPS as soon as you become aware of the case. Contact the PNEP risk committee member, Liz Borock MD. [eborock@hotmail.com](mailto:eborock@hotmail.com)

- **CME and business expenses**

CME is paid at \$2000 per year for each full time employed SEPS physician per calendar year. No roll-over of remainder to next year. No cash pay-out if unused. New hires starting mid-year will receive a prorated amount of CME that year.

Receipts for all expenses are required. All receipts for CME or Business expenses must be sent to Dinnette Jeffrey by Dec 15<sup>th</sup> of the calendar year in for which reimbursement is being requested. No payments will be processed after the Dec 15<sup>th</sup> deadline.

**After CME allotment is exhausted expenses are rolled to Business Expenses**

Each partner's Expense reimbursement comes out of his/her share of profits. Each partner submits a list of expenses with appropriate documentation to SEPS Practice manager who will issue a check. This payment is not taxable income, your share of profits will be reduced by the amount of that check. Your remaining profits would be taxable income. In the unlikely event that your business expenses exceed your profits, the unpaid balance of your business expenses would be carried forward to the next profit distribution. Only partners are eligible for this form of expense reimbursement. Meals and entertainment expenses are not reimbursed under this policy other than those associated with official Board activities such as candidate interviews.

**CME and Business Expenses reimbursed at 100%:**

- professional meetings, continuing education, travel and any other professional activities approved by the Corporation.
- Cell Phone, Computer and other office supplies used for professional activities

**Business Expenses reimbursed at 50%:**

- Partner cell phone service (family members do not qualify for reimbursement)
- Home Internet service

- **Licensing/Other**

SEPS pays for WA state medical license, DEA certificate, and ACEP membership dues. It is the responsibility of each provider to apply for renewal of state license and DEA certificate.

SEPS also pays for parking at both campuses, white coats (2 per provider), and provides scrubs at both campuses.

## **Chapter 7: Partnership and Shareholder information**

- **Partnership**

SEPS is a democratic group of emergency physicians. All full-time physicians are considered provisional partners on date of hire and are considered equal starting on date of hire with regards to scheduling, clinical work and expectations around Emergency Department responsibilities. All partners are encouraged to attend monthly meetings and allowed vote on department related issues. Full partners are eligible for profit sharing. For all physicians hired by SEPS, a work in or period of reduced compensation, will be

followed by an AR buy in. If voted in as Partner, by Shareholders, 100% profit sharing begins, concurrent with AR buy in over 24months. Partnership track physicians should have meetings or written reviews with the Medical Director and President during this period prior to partnership meeting to review performance.

**SEPS currently has three separate partnership tracts based on experience.**

Reimbursement and partnership track policy was updated April 2019. These policies are subject to change per Board and Shareholder vote.

**Inexperienced Physician:** defined as less than 12 months since graduation from residency (and assuming full time clinical ED employment during this period:

<12 months of full time emergency medicine experience prior to SEPS hire:

- Zero profit sharing for first 12 months.
- 50% profit sharing at 12 months employment or 1344 hours (whichever is longer) with SEPS.
- partnership vote is after 24 months of full time employment or 2688 hours (whichever is longer) with SEPS. Total duration of time until Partnership vote is not to exceed 24m or 2688 hrs, whichever is longer.

**Less Experienced Physician:** defined as at least 12 months out of residency but less than three years (assuming full time clinical employment):

12-36 months of FT Emergency medicine experience prior to SEPS hire:

- no profit sharing for 6 months, 50% profit sharing starting at 6 months or 672 hours (whichever is longer)
- partnership vote after 18 months (or 2016 hours whichever is longer) of full time employment with SEPS.

**Experienced Physician:** defined as 3y out of residency (assuming full time clinical employment):

>3 years of FT Emergency medicine experience prior to SEPS hire:

- 50% profit sharing at start
- partnership vote after 12 months (or 1344 hours whichever is longer) of full time employment with SEPS.

\*\*\*Alternatively: In a case where a new hire is several months short of “experienced” but deemed experienced based on other criteria, whether to designate as experienced and thereby begin 50% profit sharing compensation, is left to the Discretion of the Board.

- **Shareholder Status**

Once voted as full partner the physician will become a Shareholder of SEPS corporation and will buy into a portion of Accounts Receivable (AR). These calculations and payment schedule are outlined in the SEPS Shareholder Agreement. Shareholders receive

a full share of profits currently based on work RVUs produced by the physician. All Shareholders are expected to attend majority of Shareholder meetings, including the annual SEPS Shareholder meeting each year. Each Shareholder has an equal vote on all corporate matters. Once voted in as partner, one receives 100% RVU based share of profits and begins a Buy In process over 24m. The AR Buy In amount is calculated at the end of the month prior to start date. Calculation is estimated AR/#SEPS partners. Estimated AR is provided to us upon request by EPBS. Buy In payments may be deducted from monthly earnings or quarterly profits as per Shareholder Vote June 2017. In 2018 buy in amounts have ranged from \$65,000-75,000. AR will be determined at the end of the month prior to the month in which a new partner becomes a shareholder. When a shareholder terminates employment with SEPS, or becomes a part-time employee (moonlighter), the Physician is no longer a shareholder and is not eligible for profit sharing. At that point they will begin the buy-out process. Buy-out calculations for departing shareholder follows a very similar process and as buy-In. Buy Out calculation: Estimated SEPS AR at end of month in which a partner leaves SEPS, minus work in progress/#SEPS partners at that time. AR Buy Out is paid over 24m. Further details and caveats discussed in SH contract.

- **Profit sharing**

Profit sharing occurs on a quarterly basis. After business expenses are paid the quarterly profit pool is determined. Profits are based on total RVUs earned by the physician during the *preceding* quarter. The profit pool is divided proportionally among Shareholders. Full Shareholders receive 100% of RVU calculated profit sharing. Some Non-shareholders are eligible for partial profits (see below for rates). Profit sharing disbursements lag by one quarter for new partners.

**Inexperienced Physician:** 0% profits for 12 months or 1344 hours whichever takes longer. 50% profits until voted in as full partner at 18 months or 2016 hours, whichever takes longer

**Experienced Physician:** 50% profit sharing for 12m or 1344 hours, whichever takes longer. When voted in as Partner by Shareholders, 100% profit sharing begins.

### **Emeritus Physician Compensation and peri-retirement policy: September 2018**

#### **Peri Retirement Policy:**

Partners nearing retirement, defined as age 62 AND with a minimum of 15 years full-time equivalent service to Swedish/SEPS, can maintain Shareholder status at minimum 8 shifts/m. Benefits including CME, and parking would be extended. In order to maintain full benefits with SEPS (health, dental insurance, etc) providers must work a minimum of 1000H/y as per employment contract. This policy is currently offered for a maximum of



five years.

In order to maintain Shareholder status with SEPS, a partner provider must work minimum 1000H/y, or during years leading to retirement, as per established Peri retirement policy, minimum 8 shifts/month.

Per recommendation of PNEP RRG, providers should work no less than 8 shifts/month in order to maintain skills and not pose liability to group.

For **two** year maximum, a provider nearing retirement, defined as age 62 AND with a minimum of 15 years full-time equivalent service to Swedish/SEPS, working less than 8 shifts who wishes to transition from Shareholder to Emeritus per diem status will be paid an hourly wage higher than per diem providers. This hourly rate approximates profit sharing less costs per hour per provider, and will be adjusted annually. See Compensation Schedule detail below. Malpractice insurance will be covered. Retirement contribution will continue (see below). As a departing shareholder, you will be paid your portion of AR (accounts receivable) over 2 years as per Shareholders Agreement.

In order to maintain full benefits with SEPS (health, dental insurance, etc) providers must work a minimum of 1000H/y as per employment contract.

Scheduling of full time providers will be prioritized over scheduling of Emeritus and Per diem providers.

Compensation Schedule based on 2015 and Q1 2016 data:

Hourly: \$150

Current average Profit sharing/H: \$81.26

Less Cost/provider/hour: \$48.38

Total: \$182.88

Plus 13.5 retirement contribution: \$24.70

Total hourly compensation: \$207.57 (not counting any weekend, night, or holiday compensation)

Policy and compensation subject to change per shareholder vote.