

# **BY-LAWS OF THE UCLA FACULTY PRACTICE GROUP**

## **ARTICLE 1 GENERAL PROVISIONS**

- 1.1 Organizing Principles. These By-Laws describe the organizing principles establishing the UCLA Health System Faculty Practice Group (“FPG”), a provider organization of the UCLA Health System comprised of eligible clinical faculty members of the David Geffen School of Medicine at UCLA (“DGSOM”), and non-faculty physicians employed by DGSOM or the UCLA Health System. Faculty and non-faculty physicians employed by UCLA are referred to collectively herein as “UCLA Physicians.” The mission of the FPG is to provide a structure, including policies and processes, to support the clinical enterprise for the DGSOM and the UCLA Health System in furtherance of the UCLA mission.

The FPG is an operating division of the UCLA Health System, which is a part of the Regents of the University of California (“The Regents”). The FPG reports to the President, UCLA Health & CEO, UCLA Hospitals & Clinics. The UCLA Hospitals include the Ronald Reagan UCLA Medical Center, the Santa Monica UCLA Medical Center and Orthopedic Hospital, the Mattel Children’s Hospital at UCLA, and the Resnick Neuropsychiatric Hospital (the “UCLA Hospitals”).

UCLA Physicians shall be (i) employees (at least 50%) of the Regents of the University of California; (ii) members of the UCLA Medical Group (“UCLAMG”); and must not (iii) provide clinical services outside of their employment with UCLA, without written approval from the President of the FPG (for non-faculty physicians), or the Department Chair (for faculty physicians).

- 1.2 Delegation of Authority. Through a delegation from The Regents of the University of California (“The Regents”), to the Chancellor of the University of California Los Angeles and the Vice Chancellor, Health Sciences, the FPG is granted the authority to: formulate strategy; enter into contracts for clinical services on behalf of UCLA Physicians (including managed care contracting); promote and provide for accepted accounting procedures for the management of clinical services and budgeting; formulate, disseminate and enforce standards for business practices; assume billings and collections activity for clinical service and engage in other shared clinical practice activities that meet the overall goals of the UCLA Health strategic plan. By delegation of such authority through the Vice Chancellor, Health Sciences, it is understood that the FPG President and the FPG Board of Directors (“Board”), in all its purposes and activities shall bind the clinical departments of the DGSOM, subject to the ultimate authority of the bylaws, standing orders, policies and procedures of The Regents. The Vice Chancellor may, in turn, delegate this direct oversight role to the President of the Health System to whom the FPG President reports.

1.3 Mission and Purposes. The FPG's primary mission is to provide a unified and integrated structure that will benefit UCLA Physicians and their patients. This mission can be accomplished by utilizing the FPG's size, strategic presence and expertise as a means by which to: decrease practice (including overhead) expenses; increase revenue; achieve greater quality of clinical service across all disciplines; improve efficiency; and develop clearer practice strategies. The FPG also encourages innovation, ensures valid and auditable data for decision-making at all levels of the institution. Its specific purposes will be to:

- a) Promote a clinical setting conducive to the furtherance of all missions of the DGSOM: the proper education of all trainees, the conduct of research, and the delivery of quality healthcare.
- b) Provide and support the highest level of applicable practice management services as needed, to include, but not be limited to, billing, collections, information services, management education and reporting, contracting, , and relationships with payers and hospitals in accordance with the overall UCLA Health strategic plan;
- c) Participate in the evaluation of alternative health care financing, and delivery systems as well as new clinical services and to determine the appropriateness of faculty participation in such programs;
- d) Assist the Departments in ensuring faculty recruitment and retention by helping them maintain compensation and benefit structures as nearly as possible competitive with salary and benefit levels of similar faculty at comparable academic medical centers;
- e) Assist the Departments in strategic planning in the DGSOM and the UCLA Health System;
- f) Negotiate and enter into clinical service and managed care service contracts in the best interests of UCLA Health System;
- g) Provide for open, comprehensible and accessible communications and reporting to faculty and leadership regarding administrative and practice performance (both internally and with outside entities); and
- h) In collaboration with other partners within the UCLA Health System, strive to adhere to the highest standards of conduct to include compliance with all applicable regulations, policies and procedures, including those of the University of California.

1.4 Financial Management.

- a) Goals. The FPG will implement and refine a billing and collections system whose goal will be to optimize the collection of clinical service revenue at the lowest operating expense consistent with best-practice performance, and in compliance with applicable regulations. This system will be designed to work with other UCLA Health System revenue cycle processes, and will include financial data systems allowing for the extraction of management data at all levels of the institution with provider-level reporting capabilities. The FPG shall provide for reporting that allows for the examination of financial data, billing and collections expenses and performance, benchmark comparisons, and analysis consistent with oversight by its Board and Health System reporting needs.

- b) Activities. To accomplish these financial goals, the FPG shall: provide for adequate financial systems, management and other personnel; ensure the availability of accountable, comprehensible and relevant data appropriate for decision-making; in accordance with the overall UCLA Health Strategic Plan. Specifically, the President of the FPG will monitor clinical departments' financial status and budgets and may bring to Board attention trends or other issues in clinical departments, which, in the opinion of the President of the FPG, materially affect the health of the clinical enterprise. Overhead and expenses associated with central FPG activities will be subject to costs discipline consistent with reasonable business standards, including regular reporting and variance analyses. The Board of Directors and its relevant subcommittees will approve group practice expenses through an annual budgeting process.
- 1) Billings and Collections. In order to promote efficiency, and ensure compliance with all applicable legal requirements and University policies, the FPG shall be solely responsible for all clinical faculty billing and collections services. All billing and collections must be performed by the FPG, except as may be otherwise permitted as set forth herein. Any exception to the use of FPG billing services must be justified and approved in advance by the Board and will not preclude the future use of the FPG in such a service. Notwithstanding, documentable inferior performance by FPG billing on initial implementation compared to an outside vendor, after a reasonable trial period may constitute reason for exception. Approval of any exceptions will be contingent on satisfaction of stipulated and reasonable criteria for performance and financial data, documentable satisfaction of compliance regulations, the execution of a UCLA Health System-approved billing agreement, and will be subject to reasonable monitoring by the FPG staff and Board to ensure adherence to standards of compliance and quality. The FPG's approval of the use of a non-FPG billing and/or collections vendor must be endorsed by the Board and may be withdrawn at any time upon the reasonable discretion of the FPG, subject to any restrictions contained in the UCLA Health System-approved billing agreement.
- 2) Revenue Cycle Improvements. It is the responsibility of the FPG and its President to actively seek out and implement revenue cycle improvements, including information system modifications and replacements subject to budget guidelines. The FPG will be guided in those decisions by a mid and long term strategic IT plan provided by management with Board collaboration, consistent, as appropriate, with an institutional IT plan.
- 3) Audits, Transactions and Accounting Procedures.
- i. Charging and Budgeting Group Expenses, Reporting and Accountability. The FPG shall provide various administrative services as described in these bylaws. Standard FPG charges for services as well as a budget for FPG expenses will be submitted to the Board for prior approval. FPG administration will provide regular management reports to the Practices through the Board, detailing specific allocated expenses, budgetary performance and analyses of variance. When appropriate and possible, these reports will detail the value of services on a

financial, trended or strategic basis. The FPG will also partner with appropriate financial officers and staff of UCLA Health System to ensure the ability to audit the accuracy of the reports both internally and externally, and allow for integration with UCLA Health System management data and budgeting. The reporting of financial and other clinical performance measures will be made on a regular basis and accomplished consistent with the goals of the FPG and its interest in service, transparent data and fiscal stability.

- ii. Deposits to Departmental Accounts. Professional services income attributable to department faculty will be deposited directly and transparently to that UCLA DGSOM's departmental revenue accounts. The FPG will make sure that that revenue flow is transparent, and auditable. Board-approved FPG expenses and any other appropriate expenses imposed by other UCLA offices and/or pursuant to other University requirements will be charged and recovered as per Board-approved methodologies to the Departments and include scrutiny by the Board and Departments of the appropriate deduction of FPG expenses. No expenses shall be deducted from revenues by administration and no funds transferred between Departmental accounts without full prior disclosure to Department administration, explicit approval of relevant mechanisms by the Board and as approved by the Vice Chancellor, Health Sciences or as otherwise required by University policy. The Vice Chancellor, Health Sciences may delegate this approval authority to the President of the Health System. Notwithstanding the imposition of practice-wide assessments levied for services, for payment of penalties, or for any other reason by the Board, there will be no direct transfer of funds between departments imposed by the FPG.
- iii. Audits. The FPG will assist in the performance of all authorized or required internal and external audits of its operations.

#### 1.5 Clinical Service Strategy, Program Development and Coordination.

- a) Introduction. Clinical department needs are highly dynamic given the competitive and complex nature of clinical service and the need to excel at the academic mission within the UCLA catchment area. Technological changes, financial pressures, finite resources, and competing priorities necessitate a high degree of communication and collaborating with all aspects of the healthcare system. Adequate data and analysis for decision-making that improves system health overall is crucial to that effort.
- b) Goals. In collaboration with the clinical Departments, the FPG CFO will develop metrics, principles, processes and standards allowing for standard business planning. The FPG and its leadership will help clarify and support the documentation of departmental needs for use in strategic and operational planning. Conversely, UCLA Health System leadership and other stakeholders in the healthcare system will communicate planning needs and priorities. Although much of the specific support for planning will occur at the chairperson or department administrative level, the FPG should provide a rational



base for large-scale strategic thinking referable to the clinical departments and useful for discussion with the Health System in the formulation of system-wide strategy, planning and monitoring.

c) Activities.

- 1) Joint Planning with UCLA Health System Finances. The FPG shall:
  - i) Work in conjunction with UCLA Health System Leadership to develop joint planning processes for clinical departments and clinical programs, including the determination of appropriate and equitable allocation of direct and indirect expenses related to the provision of clinical services for the clinical enterprise;
  - ii) Establish a process at the system level for marketing that addresses prioritization interests, to include effective campaigns; establish a marketing report structure that addresses marketing efficacy over the previous fiscal year
- 2) Strategic Planning. The FPG leadership will actively participate in the UCLA Health System and DGSOM strategic planning process.

1.6 Population Health Management and Accountable Care.

- a) Introduction. The highly dynamic and evolving approaches to create greater health care value for patients and society, while maintaining UCLA Health financial viability, require deliberate planning and management.
- b) Goals. The FPG will lead UCLA Health in successfully adapting to changing alternative payment models. Care will be optimized to maximize value to patients, and organized in a manner that promotes the patient experience and workforce sustainability. The focus will include full spectrum of population health management, including specific population, procedural, and episode-based/bundle concepts & contracts.
- c) Activities.
  - 1) Coordinate and integrate population health programs and efforts across UCLA Health.
  - 2) Provide guidance to stakeholders on the potential opportunities and risks associated with population health, capitation, and ACO contracts with commercial, governmental, and/or employer entities in collaboration with UCLA Contracting.
  - 3) Monitor and analyze external regulatory and market environment for population health.
  - 4) Ensure appropriate network configuration and clinical programs in collaboration with Clinical Departments, Clinical Operations and Strategy.
  - 5) Develop goals, strategy and tactics to achieve necessary population health performance thresholds for utilization, clinical outcomes, patient experience, and cost of care.

- 6) Contribute to the support of an environment of innovation for the integration of internal and external data, clinical operations, patient experience, research and education to support the continued evolution of UCLA Health.
- 7) Collaborate with UCLA Health IT to promote effective use of resources for population health goals.
- 8) Maintain necessary analytic, program management, and other resource capabilities to understand performance, derive insights from data, provide feedback to stakeholders, and support improvement work to drive change.

1.7 Quality, Innovation and Standards of Group Practice. The FPG has a stated responsibility for reviewing reports on service excellence, innovation, and improvement applied to clinical service, administration and leadership.

a) Goals. The FPG, in collaboration with UCLA Health System, will focus on measuring patient, provider, and referring physician satisfaction as a major aspect of improvement and business efficacy. The FPG will recommend reasonable standards, programs and measures over time, specifically referable to this focus.

b) Activities.

- 1) Management Education. The FPG shall establish a mechanism and funding to educate physician leaders in basic skills of business analysis, compliance finances and other skills that will help the ambulatory clinics succeed within the UCLA Health System.
- 2) Satisfaction Measures. In collaboration with the UCLA Health System, the FPG shall establish satisfaction measures that are recurrently used and reported to the Board and the system leadership.

1.8 Efficient Decision-making. The development of the FPG will require active participation in streamlining decision making for the healthcare system.

a) Activities.

1. Committees. The FPG and its Board will regularly monitor both its own committees and those in which it participates to ensure efficient use of time and timely reporting of conclusions. Management as well as all Board and ad-hoc committee chairs will be asked to report yearly to the Board on the value of continued committee meetings.
2. Decision-making Processes. While the broad stakeholder base of the academic medical center often necessitates a wide base of decision-making, progress in the marketplace often demands speedy analysis and decisions. The FPG will regularly monitor and suggest improvements in its own and other decision-making bodies to increase efficiency while retaining appropriate accountability.

3. Dispute Resolution. Consistent with University policies and procedures, the FPG shall recommend to the Vice Chancellor, Health Sciences, a mechanism to speed dispute resolution at various levels of the Health System (e.g., the FPG, the UCLA Hospitals, UCLA Finance, and other UCLA Health System officers and offices). In the absence of resolution, final submission of unreconciled issues will be to the Vice Chancellor, Health Sciences. In this latter case, the process for resolution should aspire to open disclosure of all data and principles of discussion. The Vice Chancellor, Health Sciences will be considered the point of final authority for resolution of issues arising from the FPG, consistent with University policies and procedures. The Vice Chancellor, Health Sciences may delegate this authority to the President of the Health System.

#### 1.9 Faculty Benefits.

- a) Goals. As the opportunity arises, and consistent with applicable laws and regulations and University policies, the FPG will strive to help augment the attractiveness to faculty of their positions at UCLA Health System to aid in retention.
- b) Activities. The FPG shall use its presence, demographics and size to increase faculty opportunities and benefits consistent with applicable laws and regulations and University policies.

#### 1.10 Relationships and Limitations on Authority.

- a) DGSOM Faculty Arrangements. Participation in FPG contracting arrangements does not affect the terms and conditions of a DGSOM faculty member's employment. As stipulated elsewhere, distribution of clinical revenues by FPG to Departmental accounts will be fully auditable yet transparent to faculty and shall be accomplished by Board-directed procedures. All subsequent distributions from the Departments to individual faculty members will be through University-approved DGSOM faculty practice and compensation arrangements, which are subject to the University of California Compensation Plan and other applicable University policies, as they may be amended from time to time.
- b) Relationship to the UCLA Medical Group. The UCLA Medical Group ("Medical Group") is a distinct administrative unit within UCLA Health System with exclusive authority to enter into health care services contracts on behalf of UCLA Health System and third-party payers. The FPG shall be responsible for implementation and oversight of all Medical Group requirements.
  - 1) Membership. The FPG constitutes the core membership of the Medical Group and has as its primary function the provision of clinical care in support of the teaching, research and community service missions of the Departments within the DGSOM. The Bylaws of the UCLA Medical Group identify the various categories of medical

group membership, minimum criteria for eligibility and certain concomitant rights and responsibilities.

- 2) Director. The President of the FPG shall serve as the Director of the UCLA Medical Group. The executive staff of the FPG shall also serve as the executive staff of the Medical Group.
- 3) Reporting. The Medical Group shall report directly to the FPG President in his/her capacity as Director, UCLA Medical Group. The Medical Group shall also report on its activities to the FPG through the Managed Care and Contracting Committee as further described in section 4.1 (a)(3) below and in the Bylaws of the UCLA Medical Group.
- 4) Policies and Procedures. All Medical Group members, including Full Members as described in the Bylaws of the UCLA Medical Group, shall abide by and be bound by all Medical Group policies and procedures and membership agreement requirements. All Medical Group policies and procedures and membership agreements must be submitted to the FPG for approval.
- 5) Limitations on Authority. Nothing in these Bylaws shall in any way conflict with any Delegation of Authority, Regental, Presidential, University of California or UCLA policy. The activities of UCLA Health System, including the FPG, are subject to the Bylaws, Standing Orders, Policies, rules, and regulations of The Regents of the University of California, as well as Federal and State law. The FPG recognizes the self-government by the individual UCLA Hospitals medical staffs with respect to the clinical work performed in the hospital as well as the importance of regulatory requirements set forth by the Joint Commission on the Accreditation of Healthcare Organizations.

## **ARTICLE 2**

### **GOVERNANCE**

- 2.1 Board of Directors (“Board”). The FPG Board shall oversee all FPG activity and direction with fiduciary obligations to the clinical faculty, subject to the ultimate authority of the Vice Chancellor, Health Sciences, the Chancellor, and the Regents. The ultimate authority to establish operating strategies, policies, rules and procedures governing FPG’s operations is subject to the approval of the Vice Chancellor, Health Sciences. The Vice Chancellor, Health Sciences may delegate this approval authority to the President of the Health System.
- 2.2 Composition. The Board shall be comprised of the following individuals:
  - a) Voting Members.
    - 1) FPG President, who shall be automatically appointed ex-officio and act as chair of the Board
    - 2) The Chairs of all clinical departments.
    - 3) Members of the faculty whose appointment or election shall be as follows:

- i. Nine (9) elected at-large members whose duties will be to represent and bring issues to the Board from the membership at large. These Board members will be elected in the following manner:
- ii. Three (3) members elected by the combined membership of the Departments of Head and Neck Surgery, Neurosurgery, Obstetrics and Gynecology, Ophthalmology, Orthopedics, Urology and Surgery.
- iii. Three (3) members elected by the combined membership of the Departments of Emergency Medicine, Family Medicine, Medicine, Neurology, Pediatrics, and Psychiatry.
- iv. Three (3) members elected by the combined membership of the Departments of Anesthesiology, Pathology, Radiology and Radiation Oncology.
- v. These elected members shall serve terms of three (3) years and may be re-elected but can serve no more than two (2) terms consecutively. Not more than one member of any department shall be elected to serve on the Board at any one time.
- vi. The Board may modify the service length of the first at-large member group in order to stagger terms and maintain continuity of experience. Such a modification will need to have the concurrence of two-thirds (2/3) of the Board membership.

b) Non-voting Members

- 1) The President of the UCLA Health System.
- 2) The CFO of UCLA Health System
- 3) A DGSOM Representative, who shall be appointed by the Dean of the DGSOM.
- 4) Leaders of clinical units within UCLA Health invited by the FPG President
- 5) The Chairs of all Board-established subcommittees, if they are not already voting members as stipulated above, shall be non-voting members

2.3 Duties and Responsibilities. The authority for the conduct of the FPG rests with its Board, subject to the ultimate authority of the Vice Chancellor, Health Sciences, the Chancellor, and The Regents. The Vice Chancellor, Health Sciences may delegate this authority to the President of the Health System. The overall role of the Board in meeting its obligations shall be to guide FPG management, provide oversight and determine policy for the FPG. The Board shall have the following duties and responsibilities:

- a) Oversee and formulate policy for FPG business operations.
- b) Oversee the FPG's planning activities.
- c) Approve the establishment and maintenance of management support systems, including, but not limited to, contracting, billing, collection, distribution of FPG funds, development of administrative budgets and management information reporting systems.
- d) Approve guidelines for the execution of provider contracts for clinical services.
- e) Approve the methodology for charging for FPG services and recovering overhead.
- f) In collaboration with the FPG President, establish and select members for Board subcommittees.
- g) Review and approve all Medical Group activities, including membership and participation in the Medical Group.
- h) Review and endorse recommendations regarding policies that affect the FPG.

- i) Approve and formulate strategic recommendations as the need arises in collaboration with UCLA Health System strategic processes, applicable committees, the President of the Health System and the Vice Chancellor, Health Sciences.

2.4 Term of Office for Elected Members. All elected Board members shall serve terms of three (3) years. Elected members may serve no more than 2 consecutive terms. The term of office for all elected Board members shall begin immediately after their election. Each Board member, including a member elected to fill a vacancy, shall hold office until expiration of his or her term and until a successor has been elected and qualified.

2.5 Meetings, Voting Rights and Quorum Requirements.

- a) Meetings. The Board shall meet regularly but at least six (6) times during the calendar year at such times and places as its Chair shall determine. Written notice of all regular meetings shall be given no less than ten (10) days prior to the date of the meeting, except that notice can be waived upon the consent of a majority of members of the Board at or subsequent to a meeting for which no written notice was given. The Chair may also convene special meetings of the Board or its committees as necessary. Such meetings may be noticed by oral or written notice given to each Board member. The notice shall state the specific purpose(s) of the meeting and the date, time, and place of the meeting.
- b) Voting Rights. Each voting Board member shall be entitled to one vote on each matter before the Board. Decisions of the Board must conform to UCLA policies and the policies and procedures of the University of California. Mechanisms allowing for proxies, delegation of votes, and representation of Board members by other designated individuals will be established and must be ratified by the Board. At-large members, however, must be present for Board votes.
- c) Quorum. A majority of the voting members of the Board shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the voting Board members at a meeting duly held at which a quorum is present is the act of the Board.
- d) Action without a Meeting. Any action required or permitted to be taken by the FPG may be taken without a meeting, if all voting members of the Board consent individually or collectively in writing to such action. Such written consent shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Board members.
- e) Subject Matter of Board Meetings. The following acts shall each require the affirmative vote of two-thirds (2/3) of the Board members then in office:
  - 1) approval of FPG operating budgets;
  - 2) amendment of the FPG bylaws;
  - 3) any new practice-wide assessment levied for services, for payment of penalties, or for any other reason by the Board;
  - 4) granting exceptions to any individual physician from group contracts.

### **ARTICLE 3**

#### **MANAGEMENT POSITIONS**

- 3.1 **President.** The Vice Chancellor, Health Sciences and President of UCLA Health System, shall appoint a President, Faculty Practice Group to be responsible for the business and operational affairs of the FPG including its support infrastructure and who will act ex-officio as the President of the FPG.
- a) **Responsibilities.** The FPG President shall be responsible for directing and overseeing FPG strategic operations, professional fee billing, financial management, managed care contracting, communication and organizational development. The President will provide leadership and administrative support on behalf of the Medical Group and its governance; and will serve as a member of the Vice Chancellor's Executive Management Team. The FPG President will represent the FPG in forums within the Health Sciences and UCLA Health System, including discussions regarding any financial, business or administrative arrangements with the various entities that comprise the Health Sciences. Additional duties of the FPG President are set forth in Appendix A, attached hereto and incorporated by this reference.
  - b) **Reporting.** The President shall report to the President of UCLA Health System, and be accountable to the FPG Board for the administration and fiscal management of FPG. The FPG President serves at the discretion of the President of UCLA Health System. To assist the Board of Directors and the President of UCLA Health System, a formal review process will be established to recur at 5-year intervals to review the FPG President's performance.
- 3.2 **Chief Medical Officer.** The President of UCLA Health System shall appoint a Faculty Practice Group Chief Medical Officer (CMO) to be responsible for quality management and performance measurement and reporting, credentialing and peer review, and physician network management for the UCLA Medical Group.
- a) **Responsibilities.** The CMO will establish collaborative partnerships with the Chief Medical and Quality Officer, UCLA Health System, provide leadership and administrative support on behalf of the Medical Group and FPG and its governance, and will represent the Medical Group and FPG in forums within the Health Sciences and UCLA Health System.
  - b) **Reporting.** The CMO shall report to the FPG President and have a matrix reporting to the Chief Medical & Quality Officer for UCLA Health
- 3.3 **Chief Financial Officer.** The FPG President shall appoint a Faculty Practice Group Chief Financial Officer to be responsible for billing and financial affairs of the FPG.
- a) **Responsibilities.** The FPG CFO oversees the Physicians' Billing Office, Managed Care Operations, and other support function of the FPG. The CFO shall be responsible for providing financial management services, reporting, and budget support for the FPG, and

the effective management of these services and related business functions. The CFO participates in strategic and business planning, policy formulation, programmatic development and operations management for the Medical Group, and the FPG. The CFO will establish collaborative partnerships with the Chief Financial Officer, UCLA Hospitals, provide leadership and administrative support on behalf of the FPG and its governance, and will represent the FPG in forums within the Health Sciences and UCLA Health System.

- b) Reporting. The CFO shall report to the FPG President.

#### **ARTICLE 4** **COMMITTEES**

- 4.1 Committees. The Board and administration with consent of the Board may appoint such ad hoc or standing committees as they deem necessary and appropriate. Each such committee shall be given a charge and shall provide a report of their activities to the Board on a regular basis.

- a) Standing Committees. The following FPG Board committees are hereby created:

1) Budget and Finance Committee.

- i. Duties. The FPG Budget and Finance Committee is responsible for reviewing the financial management of the coordinated physician practice plan activities within UCLA Health System, including but not limited to budgets, billing and compliance, collections, and other financial matters.
- ii. Composition. The FPG Budget and Finance Committee shall consist of physicians and administrators as needed for accomplishment of its duties.
- iii. Term. FPG Budget and Finance Committee members shall serve for three (3) year terms, and may be appointed for successive terms at the discretion of the FPG President in consultation with the Board.
- iv. Meetings. The FPG Budget and Finance Committee meet on a regular basis, at least monthly.
- v. Reports. The FPG Budget and Finance Committee reports to the Board. Minutes of its meetings will be provided in a timely manner to the Board.

2) Managed Care and Contracting Committee.



- i. Duties. The Managed Care and Contracting Committee (MCC) shall be responsible for providing advice to the FPG President and Board on the achievement of optimal benefit to the FPG in contracting for medical care services with third party payers. Specifically, the MCC will be responsible for assuring adequate departmental input into contracting as well as for aiding in the development of data models to assess contract value both in negotiations and in contract management. The President FPG will also consult with the MCC, as appropriate, concerning collaborative negotiations regarding contracts with UCLA Health System leadership. As needed, the Managed Care and Contracting Committee shall be responsible for reviewing appropriate activities of FPG administration with regards to the UCLA Medical Group.
  - ii. Composition. The Managed Care and Contracting Committee primarily shall consist of physicians, the senior staff responsible for contracting both for the FPG and UCLA Hospitals, financial and other appropriate FPG staff as needed.
  - iii. Term. Managed Care and Contracting Committee members shall serve for three (3) year terms, and may be appointed for successive terms at the discretion of the FPG President in consultation with the Board.
  - iv. Meetings. The Managed Care and Contracting Committee shall meet on a regular basis, at least quarterly.
  - v. Reports. The Managed Care and Contracting Committee reports directly to the Board. Minutes of its meetings are provided in a timely manner to the Board.
- 3) Other Committees. The FPG Board may appoint additional ad hoc committees as required. All committees shall report their activities to the Board.

## **ARTICLE 5**

### **CONTRACTING ACTIVITIES**

#### **5.1 Contracting Authority.**

- a) The FPG President, acting in his/her capacity as the Director of the Medical Group, shall be delegated sufficient authority by the Vice Chancellor, Health Sciences to be the legal contracting agent with the authority to sign professional services contracts on behalf of the Medical Group in accordance with policies formulated by the FPG and approved by the Vice Chancellor, Health Sciences and President of UCLA Health, consistent with University policy. These contracts will bind all services stipulated by the contract. The Board may, by 2/3 vote and in rare circumstances, allow exceptions to the participation of individual providers as requested by the Department Chair of the providers requesting exception.
- b) The FPG shall communicate patient care services requirements of contracts to the DGSOM's clinical department chairs in a timely manner and shall facilitate communication between administration and the department chairs regarding these

requirements. The FPG shall also help determine whether adequate patient care services capacity exists to service contracts and will facilitate efficient resource utilization, in accordance with guidelines formulated by the Medical Group, FPG committees and UCLA Health System.

- c) The UCLA Hospitals and the FPG may jointly negotiate medical care services contracts for hospital patient care services in conjunction with physician medical care services.
- d) The Board shall, by resolution, approve financial and/or service criteria for contracting with third party payers. In developing such criteria, the FPG shall use its best efforts to obtain input from members. The FPG shall communicate proposed criteria for their approval to the President of UCLA Health System, to department chairs, and to members with reasonable advance notice, who in turn shall be responsible to inform FPG members in their respective departments.
- e) Consistent with his/her delegation of authority, the FPG President may enter into medical care services agreements meeting established criteria such as professional services agreements for individual faculty members for providing professional services to a non-UCLA entity without first submitting such contracts to the President of UCLA Health System, the FPG Board, any department chairs or FPG members.

## **ARTICLE 6**

### **FINANCIAL AFFAIRS**

- 6.1 Accounting and Reporting. FPG financial affairs and management reporting shall be conducted within existing policy guidelines in conformance with policies of the University of California. The FPG shall maintain appropriate accounting functions and records in accordance with University of California policies and procedures and the budget established by the FPG.
- a) Key financial and operational data of the DGSOM Clinical Departments shall be made available to the FPG Board, the Executive Committee and FPG Budget and Finance Committee as it is gathered and verified.
  - b) Full-time clinical faculty shall be compensated for services rendered pursuant to Medical Group contracts through their respective department. The FPG shall distribute funds to the clinical departments received on a prepaid or comprehensive fee basis from medical care service contracts in accordance with distribution formulas approved by the FPG Board. The clinical departments shall retain responsibilities for developing allocation formulae for their own departments, consistent with applicable laws and regulations and University policies.
- 6.2 Assets and Liabilities. All assets and liabilities shall be held in the name of The Regents of the University of California, which shall have ultimate control and authority over the activities and revenue of the FPG.
- 6.3 Capital Expenditures. Capital expenditures above a Board-set threshold shall be made by the FPG in accordance with financial plans prepared by the FPG President and approved by the Board and in accordance with University purchasing policies and delegations of authority. Reserve funds may be maintained by the FPG for replacement of equipment or

other assets purchased by, or donated to, the University or for other purposes, as approved by the Board.

6.4 Revenues and Expenses of the FPG.

- a) Revenues to meet operational expenses and other fund requirements of the FPG shall be derived from allocation of collected revenue after provision for the Dean's tax and approved by the FPG Board to meet the FPG Board-authorized FPG budget. The FPG Board shall approve the assessments charged to the departmental practices.
- b) Expenses and other funds requirements of the FPG, including but not limited to the following, shall be paid from revenues of the FPG:
  - 1) Employee salaries;
  - 2) Supplies;
  - 3) Space/occupancy costs;
  - 4) Purchased services;
  - 5) Utilities;
  - 6) Reserve/contingency funds; and
  - 7) Malpractice insurance.

6.5 Services and Facilities.

- a) The FPG shall be a prudent buyer of required services and facilities in accordance with University of California policy guidelines.
- b) Agreements with suppliers of services or facilities to the FPG shall be executed in accordance with University of California policy guidelines.

**ARTICLE 7**  
**DISSOLUTION**

- 7.1 Dissolution. The FPG may be liquidated and dissolved by the Chancellor. No individual department may withdraw from the FPG unless FPG is dissolved pursuant to this section.
- 7.2 Assets. Assets, including accounts receivable, of the FPG shall be first applied to pay liquidating expenses and FPG debts and obligations.
- 7.3 Remaining Funds and Property. Upon dissolution of the FPG, any funds and property remaining after payment of expenses, debts, and obligations of the FPG shall be distributed to the DGSOM departmental clinical compensation plans, relative to their respective cumulative contributions of capital to the FPG.
- 7.4 No Member Liability. FPG members shall not be personally liable for the debts of the FPG.

**ARTICLE 8**  
**MISCELLANEOUS**

- 8.1 Amendments. These Bylaws may be amended by vote of two-thirds of the voting members of the Board and voting at a meeting at which a quorum is present. Proposed amendments to these Bylaws must be presented to the Board for first reading and shall then be


acted upon at the next meeting of the Board. Once approved by the Board, any amendment(s) must be approved by the Vice Chancellor, Health Sciences and the President of UCLA Health.

- 8.2 Records and Reports. The FPG shall maintain correct and complete books and records of account, of its meeting minutes, including its committees. FPG financial records shall be on file with the President of the FPG and shall be available to the Board and Board Committee chairs for inspection upon request. Members of the FPG requesting inspection of records may do so through their chairperson representatives on the Board.
- 8.3 Conflict of Interest. In the event any Board member of the FPG is or may become an officer, director, member, or employee of, or have a financial interest in, a corporation, limited liability company, partnership or other entity with which the University of California shall enter into a contract or other transaction, or shall directly or indirectly be a party to or have an interest in any contract or transaction of the University of California, he or she shall fully disclose such interest to the Board. After receiving such interest, such board member, officer, or employee shall abstain from voting on any question pertaining to such contract or transaction.
- 8.4 Rules of Order. The most recent edition of Robert's Rules of Order shall govern the conduct of all meetings unless such rule contained therein conflicts with any provision in these Bylaws, in which case these Bylaws shall control.

**APPROVED AS STATED:**

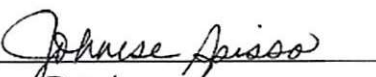
I hereby certify that the foregoing were adopted in their entirety as the Bylaws of the UCLA Health System Faculty Practice Group.

**UCLA FACULTY PRACTICE GROUP**

By:   
Dated: 6/9/2020


**Eve Glazier, MD, MBA, President**

**UCLA HEALTH & HOSPITAL SYSTEM**

By:   
Dated: 6/8/2020

**Johnese Spisso, MPA, President & CEO**

**UCLA HEALTH & HEALTH SCIENCES**

By:   
Dated: 6/5/2020

**John Mazziotta, MD, MBA, Vice-Chancellor & CEO**

## **APPENDIX A**

### **DUTIES AND RESPONSIBILITIES OF FPG President**

#### **1. Planning and Organizational Effectiveness.**

- 1.1 Serves in a key leadership role in collaboration with the UCLA Faculty Practice Group governance and the UCLA Health System executive team in shaping the strategic direction and operational imperatives of the Practice Plan in coordination with the overall strategic plan and goals of the Health Sciences.
- 1.2 Develops strategy and business plans, and the infrastructure necessary to assure operations that are service responsive, effective and efficient.
- 1.3 Participates in negotiations with entities external to UCLA relative to arrangements that would impact the Faculty Practice Group.
- 1.4 Establishes principles for outreach activities in conjunction with clinical departments, program directors and the Health System administration.
- 1.5 Participates in the planning and coordination of off-campus programs across clinical services, providing leadership in the setup of off-site clinical programs for billing and collections and other business activities and the necessary operational systems to support them.

#### **2. Operations Management.**

- 2.1 Establishes and maintains an effective organization in support of the Faculty Practice Group in business operations.
- 2.2 Analyzes and reviews key issues to the Faculty Practice Group, including the Board and its various subcommittees, the department chairs, UCLA Health Sciences and campus leadership.
- 2.3 Oversees the Faculty Practice Group's needs for computerized information systems and services for the different applications such as billing, accounts receivable, and managed care systems, and also recommends new systems and participates in selection of such systems as needed.
- 2.4 Works with UCLA Hospitals CFO and UCLA Health System Corporate Compliance Office, develops and maintains effective professional fees billing policies, standards and systems. Monitors performance of internal and external billing vendors. Develops and maintains appropriate information systems to monitor and enhance billing agent performance.

- 2.5 Coordinates all billing activities between clinical departments and Health System. Develops pricing strategy for internal billing services. Identifies alternative billing and professional fee management structures to most effectively support clinical departments.
- 2.6 Develops implements and maintains a “customer service” focus pervasive throughout the Faculty Practice Group operations with a monitoring component to provide feedback for faculty and staff. Measures patient satisfaction with services received from the Faculty Practice Group. Responds to patient complaints and resolves problems leading to the complaints.
- 2.7 Develops both statistical and financial reporting systems that will accurately reflect current practices and outcomes on a timely basis.
- 2.8 Develops and maintains an effective benchmarking system for the Faculty Practice Group based on the best practices of academic faculty practice centers and other professional organizations (e.g., MGMA).
- 2.9 Develops and recommends models for compensation plans for clinical faculty that are competitive, effective and address the needs of the Faculty Practice Group physicians and the goals of UCLA Health Sciences as a whole.
- 2.10 Researches, develops, recommends and oversees the implementation of tools to measure physicians’ productivity. Coordinates, analyzes, evaluates and monitors all contracts as they relate to professional fees. Represents departments in professional services contract negotiations.
- 2.11 Working with appropriate personnel, develops contracting guidelines for all clinical departments. Assists in the development of managed care strategies, implementation of those strategies, and the marketing of the Faculty Practice Group and its practice sites. Provides ongoing communication with clinical chairs, faculty and administrative staff regarding professional contractive activities.

### 3 Financial Management.

- 3.1 Creates and manages systems for the flow of funds to and from the Health System and the School of Medicine clinical departments. Negotiates with the Health System with regard to physician and Health System shared expenses.
- 3.2 Generates Practice Group financial reports to meet the needs of physicians and administrators.
- 3.3 Develops and recommends to the Faculty Practice Group Board methodologies for distributing costs among practices (i.e., malpractice, compliance and billing).

- 3.4 Develops and presents operating and capital expenditure budgets that are consistent with the Practice Group's financial plan for review and approval.
- 3.5 Oversees the Faculty Practice Group operating and capital budgets. Is accountable for meeting approved budgets.
- 3.6 Recommends and implements approved changes in the fiscal plans of the Faculty Practice Group in response to revenue or expense variances and operational changes to assure sound overall financial position.
- 3.7 In concert with the Health System Risk Management, works with clinical departments and providers to develop risk reduction strategies. Determines methods for allocating premiums to clinical departments in conjunction with the Office of the Vice Chancellor, Health Sciences.
- 3.8 Assures sound communications so that relationships are maintained between management, faculty, other providers, employers, insurers and regulators.
- 3.9 Works with corporate compliance officer to assure compliance with all regulations, accreditation and University policies and standards. Serves on UCLA Health Sciences Corporate Compliance Committee.
- 3.10 Works with the UCLA Hospitals CFO to address accounting needs for clinical department performance and budget presentations.