

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

633



FROM: Human Resources Department

SUBMITTAL DATE:
November 26, 2013

SUBJECT: Parity recommendations for Resident Physician & Surgeon classifications and amend Ordinance No. 440 pursuant to Resolution No. 440-8953 submitted herewith [District – All] [Ongoing Cost \$302,112] [Enterprise Fund].

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the recommendations and amend Ordinance No. 440 pursuant to Resolution No. 440-8953 submitted herewith (Attachment C).

BACKGROUND:

Summary

At the request of Riverside County Regional Medical Center (RCRMC), the Human Resources Department conducted a parity study for the Resident Physician & Surgeon classification series. The parity study was conducted for two reasons: (i) in recent years, RCRMC has become less competitive in recruiting the best medical graduates for its residency training programs because the residents' salary levels have not kept pace with external market trends; and, (ii) on July 1, 2013, 12 First Year Resident Physicians from the University of California Riverside (UCR) started working alongside

Michael Stock, Asst. HR Director for
Barbara A. Olivier
Asst. CEO/ HR Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 174,296.00	\$ 302,112.00	\$	\$ 302,112.00	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0.00	\$	\$	\$	
SOURCE OF FUNDS: RCRMC Enterprise Fund 4300100000				Budget Adjustment: No	
				For Fiscal Year: 2013/2014	

C.E.O. RECOMMENDATION:

APPROVE

BY: 12/2/13
Samuel Wong

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- Positions Added
- Change Order
- A-30
- 4/5 Vote

2013 DEC -3 5:11:08

Prev. Agn. Ref.:

District: All

Agenda Number:

3-23

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FORM 11: Parity recommendations for Resident Physician & Surgeon classifications and amend Ordinance No. 440 pursuant to Resolution No. 440-8953 submitted herewith [District – All] [On-going Cost \$302,112] [Enterprise Fund]

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BACKGROUND:

Summary (continued)

First Year Resident Physicians at RCRMC. The University of California (UC) System First Year Resident Physicians earn approximately 22.6% more than RCRMC's First Year Resident Physicians, giving rise to parity concerns for the incumbents (Attachment B).

Based on the findings of the Study, the Human Resources (HR) Department believes that adjusting the salaries of RCRMC's Resident Physician & Surgeon classification series to align with the UC System's salary levels for equivalent classifications would ultimately make RCRMC's physician residency programs more competitive nationwide. This option, however, could be too expensive for RCRMC with its present financial challenges. At this time, HR finds it more prudent to recommend that the current salaries of RCRMC's first through third year Resident Physician & Surgeon classifications be adjusted to be at parity with the salary levels of equivalent classifications in other Southern California counties and at private teaching hospitals in the region, except UC System (Attachment A). This proposal would cost 47% less annually than aligning the salaries of the Resident Physician & Surgeon classification series with comparable classifications at UC System. The HR Department plans to re-evaluate the salaries of the entire Resident Physician & Surgeon classification series next year. The HR Department consulted with both RCRMC Administration and Huron regarding this recommendation and they concur.

RCRMC is a sponsoring institution for five medical residency training programs accredited either by the Accreditation Council for Graduate Medical Education (ACGME) or by the American Osteopathic Association (AOA). These residency-training programs are Anesthesia, Family Medicine, Internal Medicine, General Surgery, and Orthopaedic Surgery. RCRMC is affiliated with a few medical schools, including Loma Linda University, University of California at Los Angeles, Western University and most recently, with University of California Riverside (UCR) anticipating UCR partnership expansion to include the Family Residency Program on July 1, 2014.

Each year, medical graduates apply for residency training programs nationwide and undergo a matching process with sponsoring institutions, such as RCRMC. The salary level for a Resident Physician & Surgeon – First Year plays a major role in a medical graduate's decision to accept offers for residency training from sponsoring institutions. Because of this, RCRMC has been less than successful in having the best matches or medical graduates for its five residency training programs in recent years.

Since 2008, RCRMC's Resident Physician & Surgeon classification series have not received salary increases. In general, external market surveys show that the annual salaries of RCRMC's Resident Physician & Surgeon classification series are below the annual salaries of comparable classification series at UC System, at California counties and private teaching hospitals in the Inland Empire as well as nationwide. As gleaned from the survey results, the highest salary disparity is observed with RCRMC's Resident Physician & Surgeon – First Year classification. The annual salary of this classification is 20% behind the average annual salary for an equivalent classification nationwide. Further, the annual salary of an incumbent UC System First Year Resident Physician is 22.6% higher than RCRMC's current annual pay for an incumbent First Year Resident Physician (Attachment B). Finally, the annual salary of an incumbent First Year Resident Physician at RCRMC is 12.5% lower than the annual pay of an incumbent First Year Resident Physician at teaching hospitals in Southern California counties and at nearby Loma Linda Medical University and Kaiser Permanente Riverside (Attachment A).

Furthermore, the annual salary of RCRMC's Resident Physician & Surgeon - Second Year classification is approximately 6.6% below the average annual salaries of a comparable classification in Southern California

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counties and at nearby private teaching hospitals (Attachment A). Moreover, the annual salary of RCRMC's Resident Physician & Surgeon – Third Year classification is 5.2% lower than the average annual salary of a comparable classification at Southern California teaching hospitals, excluding UC System. (Attachment A).

The least pay disparity has been noted with the current salaries of RCRMC's Resident Physician & Surgeon – Fourth and Fifth Year classifications. External market survey results reveal that the annual salaries of the medical center's Fourth and Fifth Year Resident Physician & Surgeon classifications are less than 3% below the average salaries of similar classifications nationwide, in other Southern California counties, at nearby private teaching hospitals, and at UC System.

PARITY INCREASE RECOMMENDATIONS:

Based on the foregoing external market data, Human Resources recommends the following parity increases for the Resident Physician & Surgeon classification series. Approval of these recommendations will align the County's salaries for Resident Physician & Surgeon classification series with the counties in Southern California and with private teaching hospitals in the region, Loma Linda Medical University Medical Center and Kaiser Permanente Riverside. These two hospitals are also clinical partners of RCRMC for residency training programs.

Resident Physician & Surgeon – First Year: It is recommended that the Resident Physician & Surgeon – First Year classification be granted an approximate 12.5% parity adjustment from salary plan DTRP 100/L1 (\$41,844) to PHY 100/L1 (47,075). There are currently 32 incumbents.

Resident Physician & Surgeon – Second Year: It is recommended that the Resident Physician & Surgeon – Second Year classification be granted an approximate 6.6% parity adjustment from salary plan DTRP 103/L1 (\$46,940) to PHY 103/L1 (\$50,038). There are 23 incumbents.

Resident Physician & Surgeon – Third Year: It is recommended that the Resident Physician & Surgeon – Third Year classification be granted an approximate 5.2% parity adjustment from salary plan DTRP 106/L1 (\$50,866) to PHY 106/L1 (\$53,511). There are currently 24 incumbents.

Resident Physician & Surgeon – Fourth Year: No change, HR will re-evaluate next year.

Resident Physician & Surgeon – Fifth Year: No change, HR will re-evaluate next year.

Implementation

The department is currently interviewing medical graduates or candidates for its residency programs that start in July 2014. In approximately eight weeks, these candidates will be matched with accredited residency programs nationwide, including RCRMC. Implementation of the recommended parity adjustments would immediately help RCRMC to compete for better quality medical graduates or matches for its residency programs. Resident physicians are the primary source of regular Physicians for the Riverside County Health System. Therefore, recruiting the best candidates for the medical center's residency programs would eventually result in highly qualified physicians for the County.

The salaries cost of implementing the proposed parity adjustments is \$174,296 for the remaining period of FY 2013/14. The total annual cost for this request is \$302,112 in salaries. The RCRMC Enterprise Fund will be used to cover these additional salaries costs.

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Impact on Residents and Businesses

Approval of the proposed parity adjustments for the Resident Physician & Surgeon classification series will have a direct impact on the delivery of healthcare services to the citizens or residents of Riverside County. About 90% of the Resident Physicians at RCRMC are trained to become primary care physicians. Having adequate primary care physicians would enhance the County Health System's ability to become the patients' provider of choice, with the Affordable Care Act implementation. Ultimately, with more quality primary care physicians, the County could realize increased revenues from physician services.

SUPPLEMENTAL:

Additional Fiscal Information

The salaries cost of the proposed parity adjustments for incumbent Resident Physicians is \$174,296 for the remaining 15 pay periods in FY 2013/14. In FY 2014/15, the estimated salaries cost for the recommended parity adjustments is \$302,112. This cost will be charged to the RCRMC Enterprise Fund.

ATTACHMENTS:

- A. **Southern California Teaching Hospitals and County of Riverside Resident Salary Comparison**
- B. **County of Riverside and University of California System Resident Physician Salary Comparison**
- C. **Salary Ordinance Resolution 440-8953**

ATTACHMENT A

County of Riverside and Southern California Teaching Hospitals Resident Physician Salary Comparison

Resident Physician & Surgeon Classification	County of Riverside Annual Salary	Southern CA Average Annual Salaries (Counties, Loma Linda Univ & Kaiser Permanente Teaching Hospitals)	Salary % Difference	Proposed % Salary Increase RCRMC Resident Physicians	Current Year Cost	Annual Year Cost
Resident Physician & Surgeon - First Year (32 Incumbents)	\$ 41,844.00	\$ 47,090.00	12.5	12.5	\$ 96,564.00	\$ 167,377.00
Resident Physician & Surgeon - Second Year (23 Incumbents)	\$ 46,940.00	\$ 50,033.00	6.6	6.6	\$ 41,108.00	\$ 71,254.00
Resident Physician & Surgeon - Third Year (24 Incumbents)	\$ 50,866.00	\$ 53,532.00	5.2	5.2	\$ 36,624.00	\$ 63,481.00
Resident Physician & Surgeon - Fourth Year (8 Incumbents)	\$ 55,958.00	\$ 55,410.00	1	0		
Resident Physician & Surgeon - Fifth Year (3 Incumbents)	\$ 58,342.00	\$ 59,984.00	2.8	0		
TOTAL COSTS					\$ 174,296.00	\$ 302,112.00

ATTACHMENT B

Resident Physician & Surgeon Salary Comparison - County of Riverside and University of California System
 Cost of Achieving Parity with UC System

Resident Physician Classification	County of Riverside Annual Salary	Univ of California System Annual Salary	Salary % Difference	Proposed % Salary Increase RCRMC Residents	Current Year Cost	Annual Year Cost
Resident Physician & Surgeon - First Year (32 incumbents)	\$ 41,844.00	\$ 51,289.00	22.60	22.60	\$ 174,587.00	\$ 302,617.00
Resident Physician & Surgeon - Second Year (23 incumbents)	\$ 46,940.00	\$ 53,125.00	13.00	13.00	\$ 80,971.00	\$ 140,349.00
Resident Physician & Surgeon - Third Year (24 incumbents)	\$ 50,866.00	\$ 55,218.00	8.60	8.60	\$ 60,570.00	\$ 104,988.00
Resident Physician & Surgeon - Fourth Year (8 incumbents)	\$ 55,958.00	\$ 57,590.00	2.90	2.90	\$ 7,490.00	\$ 12,982.00
Resident Physician & Surgeon - Fifth Year (3 incumbents)	\$ 58,342.00	\$ 59,783.00	2.50	2.50	\$ 2,524.00	\$ 4,376.00
TOTAL COSTS					\$ 326,142.00	\$ 565,312.00

RESOLUTION NO. 440-8953

BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in regular session assembled on December 10, 2013, that pursuant to Section 8(c) of Ordinance No. 440, the Assistant County Executive Officer/Human Resources Director is authorized to amend the Class and Salary Listing of Ordinance No. 440, operative at the beginning of the pay period following the date of approval, as follows:

<u>Job Code</u>	<u>Class Title</u>	<u>From Salary Plan/Grade</u>	<u>To Salary Plan/Grade</u>
73841	Resident Physician & Surgeon – First Year	DTRP 100/L1 (\$41,844)	PHY 100/L1 (\$47,075)
73855	Resident Physician & Surgeon – Second Year	DTRP 103/L1 (\$46,940)	PHY 103/L1 (\$50,038)
73856	Resident Physician & Surgeon – Third Year	DTRP 106/L1 (\$50,866)	PHY 106/L1 (\$53,511)

/kc
10/30/2013
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