

MANAGEMENT DIRECTIVE

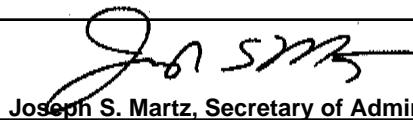
**525.16
Amended**
Number

**COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE**

Subject:

Physicians and Related Occupations Quality Assurance Program

By Direction Of:



Joseph S. Martz, Secretary of Administration

Date:

February 14, 2006

Physicians, Dentists, Podiatrists, and certain other classifications in the T3, T4, and T5 bargaining units are eligible for participation in the Quality Assurance Program. The program provides monetary incentives to attract, retain, and reward the medical and dental professional. This amendment contains minor revisions.

1. PURPOSE. To establish eligibility criteria and procedures for implementation of a Quality Assurance Program (QAP) for employees in bargaining units T3, T4, and T5 (excluding certain employees in classifications listed under Section 2.e.). This directive establishes the procedures for determining the amount of QAP payment to which an employee is entitled.

2. POLICY. Executive Board Resolution CN-81-189 and agreements between the Commonwealth of Pennsylvania and the Pennsylvania Doctors Alliance specify that employees in units T3, T4, and T5 who fulfill the criteria listed below shall receive payment as specified in Enclosure 2.

a. Payments are to be made by August 31 of each year, except that any payment due to the estate of an employee who dies during the entitlement year shall be processed in a timely fashion upon the employee's death.

b. An individual whose employment terminates prior to the last day of the last full pay period in the entitlement year for any reason except furlough or death will not receive a QAP payment.

c. Employees will be entitled to a QAP payment based on their number of full credited years of service through the last day of the employee's last full pay period in the entitlement year, e.g., the August 2006 payment is based on an employee's number of full credited years of service through the last day of the employee's last full pay period in June 2006. Payment will be prorated for part-time employees and employees not in an active pay status for the full entitlement year. A part-time employee must work at least 50 percent of a full-time schedule to be eligible for a QAP payment.

d. Calculation for payment will be based on the payment schedule in Enclosure 2.

e. Employees in the following classifications are excluded from this program unless they are licensed medical doctors employed in a position requiring the skills of a physician:

Class Code	Class Title
34490	Epidemiologist
34500	Epidemiologist Manager

f. The QAP payment is considered compensation for retirement purposes and is to be reported accordingly.

3. DEFINITIONS.

a. **Work schedule.** The number of hours that an employee normally works. Regular hours, scheduled overtime, and on-call hours (counted as one-quarter hour for each hour on call) are included.

b. **Full-time schedule.** A schedule which, if worked the full fiscal year, totals at least 1,956 hours in an active pay status (163 hours per month), including one-quarter hour for each hour on call.

c. **Credited month of service.** A calendar month during which an employee is in active pay status at least 10 workdays or 75 hours. When an employee works fewer than 10 workdays or 75 hours in a month, the hours worked are, nevertheless, included when determining the number of hours worked in accordance with Section 5.b.(3). See Section 5.c. for instructions on calculating an employee's total number of credited months of service.

d. **Credited year of service.** Twelve credited months of service. See Section 5.d. for instructions on calculating an employee's number of credited years of service.

e. **Entitlement year.** The fiscal year which precedes the year in which the payment is due. For example, the entitlement year for the August 2006 payment is July 1, 2005 through the last day of the respective employee's last full pay period in June 2006.

4. RESPONSIBILITIES.

a. **Agency or facility heads** are responsible for certifying employees' number of credited months and credited years of service, work schedules, and amounts of payments for that entitlement year to Bureau of Commonwealth Payroll Operations (BCPO) by July 31, or sooner, in the case of an eligible employee's death. See Enclosure 3 for format to be used to notify the BCPO.

b. **BCPO is responsible for** payment to employees by the following August 31, or sooner, in the case of an eligible employee's death.

5. PROCEDURES.

a. An employee's work schedule, as defined in Section 3.a., is used to determine the percent of employment.

b. **Eligibility.**

(1) Employees with less than one full credited year of service by the last day of the last full pay period of the entitlement year may, if otherwise eligible, receive a prorated payment.

(2) Full-time employees are entitled to QAP payments upon certification of number of full credited years of service. The amount is prorated for employees with less than 12 months of credited service during the entitlement year. Only the number of credited months are prorated, not the percent of schedule worked.

(3) Part-time employees are entitled to QAP payments upon certification of number of full credited years of service, prorated by comparing their hours in an active pay status with a full- time annual schedule of 1,956 hours. Those employees working less than 50 percent of a full time schedule are not entitled to a payment. The amount is further prorated for employees with less than 12 months of credited service during the entitlement year. For purposes of this directive, an employee who works full-time for a portion of a year and part-time for the remainder of that year is considered a part-time employee.

c. Determining total number of months of credited service.

(1) For an employee who has previously received a QAP payment, refer to the memorandum prepared to authorize the employee's prior year QAP, i.e., Enclosure 3, to obtain the figure for "Total Number of Months of Credited Service from Most Recent Date of Hire Through the Last Day of the Last Full Pay Period of Entitlement Year." To that figure, add their number of months of credited service in the current entitlement year.

Note: For employees with a break in service of less than one year, the previous hire date is used instead of the most recent hire date.

(2) For employees who have not previously received a QAP payment, determine their number of credited months of service since their most recent date of hire up to and including the last day of the last full pay period of the entitlement year.

d. Determining number of full credited years of service. Divide the number of credited months of service by 12. Then round, if necessary, down to the next whole year. Employees who have less than 12 credited months of service by the last day of the last full pay period of the entitlement year shall have their QAP payment calculated on the basis of one Full Credited Year of Service. The QAP payment for these employees is then prorated to reflect the number of credited months of service worked by the employees in the entitlement year.

e. Determining amount of payment. Payment is based upon three factors:

- (1)** Number of full credited years of service.
- (2)** Number of months of credited service during the entitlement year.
- (3)** Percent of full-time employment.

The amounts set forth in Enclosure 2 are for full-time employees. These amounts must be pro-rated for part-time employees. Employees working less than 50 percent of a full-time schedule are not entitled to an award. Examples of calculations for determining payments to employees are included in Enclosure 1.

f. Procedures for processing Quality Assurance Program payment.

(1) Agency or Facility Head.

(a) Ensure that individual was a Commonwealth employee or in furlough status on the last day of the last full pay period of the entitlement year. This requirement is not applicable in the case of an employee who dies during the entitlement year.

(b) Determine the total hours worked by the employee during the entitlement year (regular hours, overtime hours, emergency duty, and on call hours), the employee's total number of months of credited service at the last day of the last full pay period of the entitlement year, the employee's number of months of credited service during the entitlement year, and the number of full credited years of service through the last day of the last full pay period of the entitlement year. See 5.c. and 5.d. for instructions on calculating number of months and years of credited service.

(c) Determine the percent of a full-time schedule worked during the entitlement year. Calculated by comparing:

The employee's total hours worked and number of months of credited service during the entitlement year

to

The number of hours worked by a full-time employee for the same number of credited months of service (from Enclosure 2). If the percent of a full-time schedule worked is less than 50 percent, no QAP is earned and further processing is not necessary.

(d) Determine the amount of the QAP for:

1 Full-time employees. Refer to the table in Enclosure 2 that is appropriate for the employee's classification. Obtain the amount of payment from the line of Column C that corresponds to the employee's number of credited months of service during the entitlement year and their number of full credited years of service.

2 Part-time employees. Follow process in accordance with (d) 1 to determine amount for a full-time employee. Multiply amount by the percent of a full-time schedule that was worked by the part-time employee.

(e) Complete a memorandum, (format shown in Enclosure 3) in original and three copies.

(f) Submit original and two copies of memorandum to BCPO by July 31, or sooner, in the case of an employee who has died during the entitlement year.

(g) Retain one copy.

(2) Bureau of Commonwealth Payroll Operations. Pay appropriate QAP payment by August 31, or sooner, in the case of an employee who has died during the entitlement year.

Note - The pdf attachment includes the following:

Enclosures:

- 1 – Examples
- 2 – Tables
- 3 – Memorandum Format

This directive replaces, in its entirety, *Management Directive 525.16* dated July 10, 2001.

EXAMPLES

EXAMPLE 1: An employee (not a Podiatrist) with two full credited years of service has worked full-time and has been in an active pay status 10 or more days (or 75 hours) in each of 10 calendar months.

Procedure:

1. Determine if employee was in an active pay status at least 50 percent of the hours of a full time employee for the same number of credited months of service. If so, proceed to Step 2. If not, the employee earns no QAP.

Answer: The employee was full-time. Therefore, proceed to Step 2.

2. Using the formula below and Table 1, determine the amount of QAP.

Employee's Total Hours in an Active Pay Status

A full-time employee's total hours in an active pay status for the same number of credited months of service

X
Payment due a full-time employee with the same number of full credited years and credited months of service.

Answer:

$$\frac{1630 \text{ hours}}{1630 \text{ hours}^*} \times \$5,000^{**} = \$5,000$$

* See Table 1, Column B

** See Table 1, Column C, for two full credited years of service and 10 credited months of service.

This employee's QAP is \$5,000.00.

EXAMPLE 2: An employee (not a Podiatrist) with five full credited years of service is part-time and has accrued a total of 600 hours in an active pay status for the fiscal year, counting one quarter hour for each hour on call, and has been in an active pay status 10 or more days (or 75 hours) in each of six calendar months.

Procedure:

1. Determine if employee was in an active pay status at least 50 percent of the hours of a full-time employee for the same number of credited months of service. If so, proceed to Step 2. If not, the employee earns no QAP.

Answer:

$\frac{600 \text{ hours}}{978 \text{ hours}^*} = 61.35\%$. Greater than 50 percent. Therefore, proceed to Step 2.

*See Table 1, Column B

2. Using the formula from Example 1 and Table 1, determine the amount of QAP.

Answer:

$$\frac{600 \text{ hours}}{978 \text{ hours}^*} \times \$4,500^{**} = \$2,761 \text{ (rounded to nearest dollar)}$$

* See Table 1, Column B

** See Table 1, Column C, for five full credited years of service and six credited months of service

This employee's QAP is \$2,761.00.

EXAMPLE 3: An employee (not a Podiatrist) with nine full credited years of service is part-time and has accrued a total of 900 hours in an active pay status for the year, including one quarter hour for each hour on call, and has been in an active pay status 10 or more days (or 75 hours) in each of 12 calendar months.

Procedure:

Determine if employee was in an active pay status at least 50 percent of the hours of a full-time employee for the same number of credited months of service. If so, proceed to Step 2. If not, the employee earns no QAP.

Answer:

$$\frac{900 \text{ hours}}{1956 \text{ hours}^*} = 46\%. \text{ Less than } 50\% \text{ percent. Therefore, no QAP is earned.}$$

* See Table 1, Column B

EXAMPLE 4: An employee (not a Podiatrist) was hired as a full-time employee on November 1 of the entitlement year and has been in an active pay status 10 or more days (or 75 hours) in each of eight calendar months.

Procedure:

Using the formula from Example 1 and Table 1, determine the amount of QAP.

Answer:

$$\frac{1,304 \text{ hours}}{1,304 \text{ hours}^*} \times \$3,333^{**} = \$3,333$$

* See Table 1, Column B

** See Table 1, Column C, for one full credited year of service

This employee's QAP is \$3,333.00.

Table 1: All Classifications Except Podiatrist

Column A	Column B	Column C									
Credited Months of Service	Total Hours in an Active Pay Status for Full-time Employee										
1 FCYS*	2 FCYS*	3 FCYS*	4 FCYS*	5 FCYS*	6 FCYS*	7 FCYS*	8 FCYS*	9 FCYS*	10 FCYS*	11 FCYS*	12 FCYS*
12	1956	\$6,000	\$7,000	\$8,000	\$9,000	\$10,000	\$11,000	\$12,000	\$13,000	\$14,000	\$15,000
11	1783	\$4,583	\$5,500	\$6,417	\$7,333	\$8,250	\$9,167	\$10,083	\$11,000	\$11,917	\$12,833
10	1630	\$4,167	\$5,000	\$5,833	\$6,667	\$7,500	\$8,333	\$9,167	\$10,000	\$10,933	\$11,667
9	1467	\$3,750	\$4,500	\$5,250	\$6,000	\$6,750	\$7,500	\$8,250	\$9,000	\$9,750	\$10,500
8	1304	\$3,333	\$4,000	\$4,667	\$5,333	\$6,000	\$6,667	\$7,333	\$8,000	\$8,667	\$9,333
7	1141	\$2,917	\$3,500	\$4,083	\$4,667	\$5,250	\$5,833	\$6,417	\$7,000	\$7,583	\$8,167
6	978	\$2,500	\$3,000	\$3,500	\$4,000	\$4,500	\$5,000	\$5,500	\$6,000	\$6,500	\$7,000
5	815	\$2,083	\$2,500	\$2,917	\$3,333	\$3,750	\$4,167	\$4,583	\$5,000	\$5,417	\$5,833
4	652	\$1,667	\$2,000	\$2,333	\$2,667	\$3,000	\$3,333	\$3,667	\$4,000	\$4,333	\$4,667
3	489	\$1,250	\$1,500	\$1,750	\$2,000	\$2,250	\$2,500	\$2,750	\$3,000	\$3,250	\$3,500
2	326	\$833	\$1,000	\$1,167	\$1,333	\$1,500	\$1,667	\$1,833	\$2,000	\$2,167	\$2,333
1	163	\$417	\$500	\$583	\$667	\$750	\$833	\$917	\$1,000	\$1,083	\$1,167

*: Full Credited Year of Service.

Table 2: Podiatrist

Column A	Column B	Column C
Credited Months of Service	Total Hours in an Active Pay Status for Full-time Employee	
		Payment Amount
12	1956	\$5,000
11	1793	\$4,583
10	1630	\$4,167
9	1467	\$3,750
8	1304	\$3,333
7	1141	\$2,917
6	978	\$2,500
5	815	\$2,083
4	652	\$1,667
3	489	\$1,250
2	326	\$833
1	163	\$417

MEMORANDUM FORMAT

DATE:

SUBJECT: Physicians and Related Occupations
Quality Assurance Program Payment

TO: Bureau of Commonwealth Payroll Operations

FROM: Human Resource Officer (Agency or Facility)
Department of

This is to certify that the employee named below has met the eligibility requirements for Quality Assurance Payment as provided for by the Collective Bargaining Agreement and Memorandum of Understanding between the Commonwealth of Pennsylvania and the Pennsylvania Doctors Alliance, or by Executive Board Resolution # CN-81-189.

Name of Employee:

Employee Number:

Bargaining Unit:

Period of Employment:

Total Number of Months of Credited Service from Most Recent Date of Hire through the last day of the last full pay period of Entitlement Year:

Number of Months of Credited Service in Entitlement Year:

Number of Full Credited Years of Service:

Total Hours Worked in Entitlement Year:

Percent of a Full-Time Schedule Worked (For Part-Time Employees Only):

Amount of Quality Assurance Payment: \$_____: