

Board Meeting
March 13, 2007

REVISION OF THE MEDICAL SERVICE PLAN BYLAWS,
COLLEGE OF MEDICINE, CHICAGO

Action: Approve Revisions to the Medical Service Plan Bylaws, College of Medicine, Chicago

Funding: No Funding Required

The Chancellor at Chicago recommends revisions to the bylaws of the Medical Service Plan (“the MSP”). In July 1967, the Board approved the establishment of the MSP to allow practicing faculty in the College of Medicine to bill, collect, and disburse revenue related to professional charges. The members of the MSP operate under bylaws that provide for the administration and governance of the MSP fund. The MSP bylaws require that any amendments to the bylaws be approved by both the general membership of the MSP as well as the Board of Trustees of the University of Illinois before such amendments will be effective.

In early 2006, the Dean of the College of Medicine organized and charged a committee with the task of reviewing and updating the bylaws of the MSP to reflect current policies and practices and set the direction for the future. The revisions proposed by the committee were reviewed and approved by the Dean, the MSP Executive Committee, the MSP Board of Directors, and representatives of University Counsel. Additionally, the proposed revisions were endorsed by the general membership of the

MSP at its annual meeting on October 26, 2006. A copy of the revised bylaws will be filed with the Secretary of the Board for record.

The major changes in the MSP bylaws include the following:

1. Formal recognition of MSP Executive Committee. The Executive Committee's authority and responsibility includes, but is not limited to, reviewing MSP departmental budgets and incentive plans; recommending MSP policies to the Board of Directors; recommending corrective actions to the Dean; and determining the manner in which the MSP shall bill and collect professional fees, subject to the authority of the MSP Board of Directors and the Dean.
2. Confirmation of the ultimate responsibility of the Dean of the College of Medicine for management of MSP funds, including department accounts.
3. Requirement that in a case where a cash deficit exists in their MSP account, a department head must first use available funds from other department accounts. If a department head sustains three consecutive months of operating and/or cash deficits, the Dean may place the department's MSP account into receivership.
4. Establishment of incentive plans for department heads: Under the proposed amendment to the MSP bylaws, the Dean shall have increased oversight of incentive compensation to department heads.

The board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The President of the University concurs.