

Applies To:

TITLE:	Compensating Contributions to MICHHR Made by Individuals Who Are Not Employed by the University of Michigan	Guidance Number:	MICHHR-OPS-OFC04
		Version:	1.0
Approve Date:	10.24.2024	Effective Date:	10.24.2024
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Purpose: To support fair and equitable compensation to individuals who contribute to and participate in MICHHR's clinical and translational science enterprise but who are not employed by the university or receiving funded university effort allocation for those contributions. Community engagement is a fundamental tenet of the CTSA program and integral to MICHHR's mission. Community partners should be compensated equitably across programs within MICHHR.

Scope: Compensation in the form of cash payment and reimbursement of travel expenses for all significant contributions to MICHHR made by individuals not employed by the University of Michigan.

Guidance / Procedure:

1. Eligibility of Activity for Compensation

a. Eligible

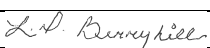
- i. Participating in grant writing and development.
- ii. Reviewing grants.
- iii. Writing and editing manuscripts; it is expected that the manuscript will be submitted for publication within 6 months of the compensation for this time.
- iv. Presenting clinical and translational science at venues for dissemination, including the time required to prepare the presentation.
- v. Teaching (e.g., facilitation of training sessions or workshops), including preparation time.
- vi. Structured mentoring meetings (e.g., under the auspices of EMG mentoring programs).
- vii. Attending MICHHR events by invitation with the express purpose of representing a community's interests and contributing that perspective to the discussion at the event (e.g., an event designed to shape a strategic plan for a MICHHR initiative).
- viii. Committee, council, and board meeting attendance and preparation.
- ix. Consultation on discrete and defined activities.
- x. Travel time for in-person activities (see below for compensation rate for travel time).

b. Not eligible

- i. Attending a MICHHR event for which there is not an explicit element of the event that systematically invokes and records input from attendees for the purposes of planning MICHHR programs (e.g., an educational event open to a wide audience at which strategic planning is not occurring is not eligible for compensation).

2. Eligibility of Individuals for Compensation

- a. The selection of individuals for activities that will result in compensation must occur through an equitable, systematic, and documented process. Each MICHHR program may develop their own documented process.

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- b. Individuals selected for compensation should have the expertise and qualifications to execute the planned activities.
- c. Individuals must not have a real or perceived conflict of interest.
- d. The median number of community representatives involved in a formal advisory capacity across CTSA's is 15, with a range of 4 to 64 (see Wilkins et al, 2013 in References). Units are encouraged to consider this when deciding on the number of community representatives needed for their program or activity.
- e. A payee's independence from MICHR might become questioned if a sizable portion of the individual's income is from MICHR. To avoid these instances, total compensation to any one individual should not exceed \$10,000 per year with rare exceptions. Requests for exceptions must be submitted to the Executive Director with a written justification for consideration.

3. Dollar Value of Permissible Compensation Rate

a. Overall Principles

- i. Allowable hourly compensation rate range will be re-evaluated periodically by MICHR leadership and communicated to MICHR faculty and staff in coordination with MICHR finance.
- ii. Individual programs at MICHR may use their discretion within the range provided by MICHR finance and leadership. The amount compensated within this range should reflect the intensity of the activity and amount of expertise required. MICHR leadership may require adjustments of rates between units if significant inequities are identified. There should be no large discrepancies, especially for any one activity, for compensation for individuals doing the same work requiring the same expertise across units in MICHR.

b. Rationale Used by MICHR Leadership to Select Rate Range

- i. The lower limit hourly rate will be based on a living wage as opposed to the minimum wage. For example, in 2025, the Michigan minimum wage is \$12.48/hour. The minimum hourly rate is the published current living wage for a single adult with no children in Washtenaw County. MICHR uses the MIT Living Wage calculator, and this equates to \$22.76/hour. The minimum allowable rate is therefore \$25/hour.
- ii. The University of Michigan is a public institution and MICHR is funded by a federal grant. Therefore, the maximum hourly rate is the current National Institutes of Health (NIH) salary cap year. The hourly rate is calculated by dividing this value by 52 weeks, and then 40 hours per week. For example, the National Institutes of Health (NIH) salary cap for individuals under grant and cooperative agreement awards is \$221,900, effective January 1, 2024; this equates to \$106.68/hour. The large majority of researchers being paid on NIH grants make significantly less than this rate. The maximum allowable rate is therefore \$105/hour.
- iii. It is expected that the modal pay rate for most community representatives will be \$50-75/hour. MICHR units may establish their own policies for setting compensation rates based on expertise, as assessment of expertise relevant to a particular activity is unit-dependent.
- iv. Travel time for in-person activities is to be reimbursed at 50% of the hourly rate. This is the rate recommended by the National Health Council (see References). Careful consideration should be given to funding community partners to travel to conferences on behalf of MICHR, as this introduces complexities surrounding the hours of the trip that are eligible for compensation outside of the actual

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traveling time to the destination and the actual time participating in the specific activity (i.e., a presentation).

- v. Plans to provide a total compensation exceeding \$300 to any individual for a single activity/event require prior approval by MICHR leadership.
- vi. The appropriateness of this rate range is evaluated by MICHR leadership in relationship to available published references.
 - 1. The approximate pay rate of a MICHR Program Director is \$50-\$75/hour.
 - 2. The standard approximate rate for CTSA PIs serving on External Advisory Boards of other CTSAs is approximately \$100/hour.
 - 3. Data published by Fox et al in 2024 (see References below), for patient participation in research shows a range of about \$19-\$50/hour.
 - 4. Data published by Wilkins et al in 2013 (see References below), for community representatives in CTSAs showed a range of between \$10.42/hour and \$20.84/hour. Adjusted for inflation, this is \$14.24-\$28.49/hour.
 - 5. Data published by Stewart et al in 2019 (see References below), for community advisory boards in CTSAs is \$20-\$50
 - 6. The NIH compensates subject matter experts \$200 total for reviewing about 50 pages of science and spending 8 hours in a 1-day study section meeting.
 - 7. The National Health Council, a U.W. organization representing people living with chronic diseases and disabilities, hired a consultant to develop a Fair-Market value calculator to estimate compensation. Importantly, this calculator was developed for use by pharmaceutical companies. As a tax-payer-funded, not-for-profit entity, MICHR's rates are not expected to be similar to those of a pharmaceutical company. This calculator, however, is useful to determine relative value of various activities within the range determined above. As shown, regardless of the activity, the rates for representing an organization (vs. self) or being an academic subject matter expert (vs. self) differ by an increase of about 50-70% for organization (vs. self)(i.e., 1.5-1.70x the base rate) and an increase of about 200% for a subject matter expert (vs. self) (i.e., 2x the base rate). A quick review shows that the lowest rate for all activities sampled was \$55-\$100. Also of note, the activities have the same hourly rate regardless of content.
 - a. Examples:
 - i. Individual patient representing themselves (not an organization) with lived experience but is not an academic subject matter expert as traditionally defined participating in advisory board: \$55-\$120/hour
 - 1. Same as above but representing an organization: \$95-\$175/hour
 - 2. Same as above but also an academic subject matter expert: \$110-\$235/hour
 - ii. Individual patient representing themselves (not an organization) with lived experience but is not an academic subject matter expert as traditionally defined participating in a reviewing activity: \$55-\$120/hour
 - 1. Same as above but representing an organization: \$95-\$175/hour

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2. Same as above but also an academic subject matter expert: \$110-\$235/hour
- iii. Individual patient representing themselves (not an organization) with lived experience but is not an academic subject matter expert as traditionally defined participating in a presentation/as a speaker at a conference, roundtable, symposium, or panel: \$55-\$120/hour
 1. Same as above but representing an organization: \$95-\$175/hour
 2. Same as above but also an academic subject matter expert: \$110-\$235/hour
- c. Factors MICHR Units Must Consider when Selecting the Pay Rate within the Permitted Range
 - i. Expertise should be considered when selecting pay rates. Expertise comes in many forms. Of note, the National Health Council that represents patients differentiates lived experience from being a subject matter expert such that being a subject matter expert doubles the rate (see above).
 - ii. The required expertise of the payee should be in alignment with the activity they will take part in.
 - iii. Whether compensation for an activity is paid on an hourly basis or an activity basis, the compensation calculation should consider the total time commitment of the payee, including preparation and followup for project deliverables. Compensation rate should be estimated based on the average number of hours it would require the typical individual to complete the activity. However, in cases where a disability necessitates extended time, additional compensation to account for the extended time necessary to complete the activity may be provided.
 - iv. Virtual engagement should be compensated at a comparable rate to in-person engagement.
4. Process
 - a. Individuals being compensated must be notified of the planned compensation at the time of invitation in writing. A written agreement must be developed outlining terms, responsibilities, time frame, expectations, etc. prior to the start of the activity.
 - b. Compensation may not be requested after an activity has been completed if the compensation plan was not negotiated and agreed to in advance.
 - c. Compensation for the individuals and activities outlined in this guidance must be included in approved program budgets at the beginning of each fiscal year.
 - d. Compensation should be provided promptly (within 30 days) as university processes allow.
 - e. Payees should be made aware that there may be tax or tax status implications or liabilities when receiving compensation for an activity.
 - f. Payment cannot occur in the form of payment to third party organizations (i.e., a charity) in lieu of direct compensation.
 - g. Compensation rates may be negotiated by MICHR units with payees within the permissible range.
 - h. Consideration must be given to whether a representative of another entity should be compensated as an individual or if the entity they represent should be compensated. Efforts should be made to ensure that the approach to payment aligns with the policies of the entity the individual is representing.
 - i. Each MICHR “unit”/“program” should have a documented policy for how they determine compensation equitably within their program within the parameters above. These processes must be shared with MICHR leadership.

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5. Reimbursement

- a. Travel reimbursement policies follow university SPGs. These policies must be laid out to payees in advance of the travel.
- b. Reimbursement for travel or other expenses is separate and distinct from compensation, as the reimbursement represents expenses incurred by the payee that he/she would not otherwise incur.
- c. Whenever possible, MICHR will pay for expenses directly (e.g., purchase airline ticket) rather than the payee paying upfront and being reimbursed at a later time.
- d. Units should balance the value of meeting in person versus Zoom with the impact on inclusion, budget, and the environment.

6. Exceptions

- a. Compensation or reimbursement plans that do not adhere to the guidelines in this document require justification and Executive Director approval.

References:

- 1. Fox G, Fergusson DA, Sadeknury A, et al. What guidance exists to support patient partner compensation practices? A scoping review of available policies and guidelines. *Health Expect.* 2024; 27:e13970. [doi:10.1111/hex.13970](https://doi.org/10.1111/hex.13970)
 - a. Across 65 identified guidance documents (2012-2021, but most in 2021), mostly developed by national organizations across Canada, UK, US, Switzerland, and Belgium:
 - i. 89% recommend covering costs of childcare, conference attendance, and disability accommodations.
 - ii. 9% recommend financial compensation, 69% honoraria, 18% gift cards, 15% salary, and 6% stipends.

Activity	Average and range across 21 documents	“NIH” of the UK in USD	US Department of Veterans Affairs
Consultation (provide feedback on research outputs or manuscripts)	\$19/hour, range \$12-50/hour \$380-\$609 per year	\$38/hour	\$25/hour
Collaboration (serve on committee, teaching)	\$38/hour, range \$25-50/hour \$761-1141 per year		
Reviewing <50 pages documents	\$57		
Reviewing >400 pages of documents	\$346		
Preparing and delivering a presentation	\$76		
Conference attendance	\$150	\$86 for half day	

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		\$150 for full day as observer/attender \$346 for all day meeting chairing	
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2. National Health Council (US organization representing people living with chronic disease and disabilities) hired a consultant to create a: [Fair Market Value Calculator](#) ; [related guidelines](#).
3. Wilkins CH, Spofford M, Williams N, McKeever C, Allen S, Brown J, Opp J, Richmond A, Strelnick AH; CTSA Consortium's Community Engagement Key Function Committee Community Partners Integration Workgroup. Community representatives' involvement in Clinical and Translational Science Awardee activities. Clin Transl Sci. 2013 Aug;6(4):292-6. doi: 10.1111/cts.12072. Epub 2013 Jun 10. PMID: 23919364; PMCID: PMC3884765.
 - a. The mean annual compensation is \$956.82 (median: \$500; range: \$75–\$6,000).
 - b. CTSAs reported providing other incentives to CRs, including reimbursement for local travel (34%), meals, gift cards, and travel to national conferences.
 - c. More than half of the CTSAs compensated their CRs less than \$500/year and 17% compensated them at \$2,000/year.
 - d. Using the median compensation (\$500/year) and the most frequently reported time spent working with CTSAs (2–4 hours/month), the average rate of compensation for CRs was between \$10.42/hour and \$20.84/hour.
4. Stewart, M. Kathryn, et al. "Community advisory boards: experiences and common practices of clinical and translational science award programs." *Journal of Clinical and Translational Science* 3.5 (2019): 218-226.
 - a. Twenty-three percent of the CTSAs do not compensate their CABs.
 - b. Among those who do, 53% compensate per meeting (\$75–\$300 per meeting), while 27% compensated members annually and 9% paid an hourly rate (\$20–\$50 per hour).
 - c. Twelve percent reported their CAB members' employer receives compensation and 32% only reimbursed for travel expenses.
 - d. The monetary value of CAB member compensation varied from a minimum of \$20 gift cards for community members to one CTSA that reported paying \$2,500–\$3,000 annually to CAB leadership (e.g., CAB chair) with members receiving less.
5. [PCORI Compensation Framework](#)
 - a. Compensation of engaged research partners should reflect the level of expertise, commitment, responsibility, the type of work involved, and the degree of participation contemplated.
 - b. Considerations include contribution to the effort, experience, skill level, time commitment (including preparation), comparable levels of pay and responsibility of participating professionals, local prevailing wages, and national minimum wage restrictions, informed by principles of equity.

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