

Astute Physician's
Primer on Employment Contracts

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Many thanks to Maria Isabel and Sebastian.

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Preface

Medical schools equip their students with little, if any, formal training in the legal or business concerns of practicing medicine. Many young physicians are filled with fear and anxiety about seeking their first “real” job. Some are so concerned that they choose to remain in academia *only* because they are familiar with the practice environment.

This primer was written with the young physician in mind. It was designed to be a quick and easy read. It should help any physician understand the complex concepts of a physician employment contract. After reading this primer, one should have a firm grasp of the major components of a physician employment contract and be ready to negotiate with a potential employer. We want you to be an *Astute Physician* (**astute** is defined as “marked by practical hardheaded intelligence”).

Obviously, some matters in a physician employment contract will be state-specific, while others will be specialty-specific. Therefore, it is not possible to cover all topics in exquisite detail in this primer. The assistance of a good lawyer or accountant with experience in health care may help you avoid some common pitfalls made by young physicians eager to sign on the dotted line.

Good luck!

Relief Jones, III

Chapter I: Introduction

Why is the physician employment contract important?

You have spent the last 11+ years of your life in college, medical school, internship, residency and you may have completed a clinical or research fellowship. You have crammed for examinations, and aced them. You have taken care of numerous acutely ill patients. You are now the master of your domain. The world is begging for your expertise. You will command a high paying salary and go on to live a life of fame and luxury.

Well, that's where this story veers off track. When the new physician enters the “real” world, whether in private practice or academia, they will face a well-seasoned group of employers who are bent on obtaining the best financial arrangement for their enterprise. It will be your job as an *Astute Physician* to obtain the best contract for your particular situation. Remember, this contract will establish the guidelines you will live by for the next 2-3 years of your life and possibly longer. It will dictate how much you will be paid for your intellect and skills (I like to call it *labor*). It will dictate how many weeks of vacation and CME you will be allowed, your benefits, and a long list of other things.

What should you expect from this Primer?

This primer has been created for the new physician or a veteran physician searching for a new job. It will provide the ammunition you will need to achieve your goal. Its purpose is to familiarize the physician with the jargon and scenarios they will likely encounter in their physician employment

contract. This primer seeks to help the largest number of physicians in each state, but because each state has different laws, the specifics of each scenario may differ slightly. Therefore this primer should NOT be viewed as a substitute for legal or financial advice...*that can only be provided by a lawyer or accountant familiar with physician employment contracts.*

Similar to the way the human body was broken into parts during the first year of medical school, we will break the physician employment contract into its anatomical parts. This will provide you with a better understanding of the inner workings of the contract. We will attempt to cover all the major aspects of a physician employment contract, but there will no doubt be minor topics that are not covered. Atypical components of a contract are often added when a practice has had a bad experience with a prior employee. If you encounter complex and confusing wording in your contract you may want to consult a lawyer. We will attempt to provide examples throughout the primer, as we believe this is the best way to comprehend a complex issue. Finally, after completing this primer, you will be an *Astute Physician* and will thank yourself for making this purchase.

Let's Get Started

Long before an employment contract will be presented to you, you will be forced to go through what I call “the dating ritual.” This is very much like going out on a date with a new love interest. You will be forced to use all of your senses to obtain a stereotyped image of what you believe the practice in question represents. This is not the time to be shy, as you may be making the decision to “marry” this practice (although divorce is always an option, but something you might want to avoid). The practice will attempt to get to

know you and possibly your family during this process. Likewise, you should use this time to learn more about the practice. You will want to know:

- Who are the physician-owners? The employee-physicians?
- What is the culture of the practice?
- What is the mission of the practice (ask to see the mission statement)?
- What are the special niches of each physicians in the practice?
- Will you fit into the practice?
- Are the staff members happy? Is there a high turnover of staff or physicians? That should raise a red flag!
- Talk to the newest physicians in the practice or with physicians who have left the practice. They may save you a lot of time and heartache. Remember, this is your future we're talking about. You want to know as many details as possible without labeling yourself “difficult.”
- What is the work schedule of the physicians?
- Will you need to travel to various locations? How far away are they from your main location? How often will you need to travel?
- Are there role models or mentors present in the practice to help you in difficult times?
- Will you have to build your own practice or will others in the practice help you to acquire new patients?
- Will you need to visit other physicians or non-physician health care providers to find patients?
- Who makes the decisions in the practice (the practice manager, a board of directors/partners, or does everyone

get their voice heard)?

- Are there family members in the practice? This may be a red flag!
- How much call will you be taking and where?

These are just a few questions you may want to answer before spending your precious time and money reviewing a physician employment contract.