

# Physician Contract Negotiations – 15 Major Concerns

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In the 25 plus years I have been working with physicians and physician contracts, there has been a tremendous amount of change in the healthcare landscape. The market is more precarious now than ever. Physicians need to be extremely careful when navigating their way through the employment contracting phase. For every good contract out there, there are plenty of bad ones. But you have to know what to look for.

When negotiating a new employment or partnership contract, it is important to realize that the contract is just a representation of the job. There is no way it can comprehensively describe everything, nor can we rewrite it to protect you in all situations.

We primarily want the job (the “Contract”) to be fair and give you plenty of opportunity to practice medicine the way you see fit, to take care of your patients, AND make a great income. You deserve all of that.

I’ve reviewed more than 1,500 physician contracts from over 1,000 clinics and hospitals, and written or re-written many more for the employers. Since I work both sides of the fence, I’m acutely aware of what each side is thinking and how they’ll react. This experience also offers a view of what is fair and what is abusive.

However, there is no standard contract because every medical organization is different, whether it is a private practice, large clinic, hospital, university, pharmaceutical or managed care company.

To discover more information as we perform our due diligence, we oftentimes have a string of questions called “points of clarification” or POCs with the employer. There is no doubt in my mind that many physicians would have stayed with a new job if they had asked a lot more questions. Even if they didn’t like the answer, they would at least start the job with proper expectations.

Here are a few of the major areas to look for in your physician contract. Some of these are specific contract sections, and some of these questions are asking you to make sure to find out the information whether written in a contract or not.

1. First, what is the term of the contract, that is when does it start and end? Surprisingly we often find that information is omitted.
2. How is the contract renewed and for how long? Are there specific requirements for renewal? Stay away from automatic renewals.
3. What about the locations of the clinical practice, hospital, lab, imaging, ambulatory surgery center or other work location? Think carefully about the commute and if it’s worth it. Sometimes we even add these details in the contract, or get it in writing in our Points of Clarification emails (POCs) that clarify what they have and don’t have, and which locations or facilities you’ll be using, and how often.
4. Speaking of locations, are you going to be able to live near these work locations? And what does your spouse or significant other think about the area? Don’t underestimate the value of talking to your loved ones so together you can make the best decision for everyone.
5. Are you going to have a real office or just a refurbished closet? Will you have your own desk or share with other doctors? Get it in writing since facility space is often at a premium. This is often overlooked in contracts and is therefore a constant problem with new physicians being disappointed in their new position.

6. Who are the other physicians you'll be working with, whether within your practice or outside? Are referral relationships already in place?
7. What about your support staff, both clinical and non-clinical? Who are they, what is their training, and who do they actually report to? Do you manage them? Can you hire and fire them?
8. What technology do they have for your specialty? What medical records software do they utilize and do they offer an iPad or other device you need to function? Do they have up-to-date medical devices and medical equipment? If not, tell them what you need and get it in writing that they'll have it, or will at least attempt to obtain it by a certain date. But be realistic if there is a huge cost.
9. Have you done a background check on the physicians, the practice and hospital? What is their malpractice history? Their history is going to impact your malpractice costs now and possibly in the future. Changes may need to be made in the contract based on what you discover.
10. How is the practice and hospital doing financially? Have you run a credit report on them? Have you seen their financials? I would never suggest you jeopardize your career and move your family without knowing if they can pay their bills.
11. Who pays for the malpractice insurance during your work there and for tail coverage should you leave?
12. What is the call coverage? Is it really evenly distributed? Will you be the junior member of the medical staff and have the worst call coverage for locations and holidays? The same point applies to your vacation as well. Be careful, you could be treated as the junior member for years.
13. What will they do to market you to build the practice? Or, do they have plenty of patients already? If this is a significant concern, we just don't take their word for it. We want it in writing.
14. Do they have a restrictive covenant or non-compete clause that is reasonable? And what is the definition of reasonable? It varies for every organization, depending on their market, and depending on the state.
15. What are the details for what I call our 4 Bs? Base Pay, Bonus, Benefits and Buy-in. If you're a surgeon, add Block time. Even if you're an employee of a Medical Center or University, you may be surprised of buy-in opportunities that really sweeten the deal.

Of course there are a lot more details that you should have when negotiating your physician contract. The information above is just the tip of the iceberg. You need to do your homework when finding good positions to consider, and ask good questions about the employer. So be careful and find the best position for you, both personally and professionally. You need to be in the driver's seat. After all, it's your life we're talking about.

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*If you want to know more about physician contracts or if you would be interested in having me help you with your career and review your contract, go to [PhysicianCareerAdvisor.com](http://PhysicianCareerAdvisor.com) and see my [YouTube videos](#). I'm also available to speak at your next national or regional conference or Grand Rounds. Additionally, you'll find PhysicianCareerAdvisor.com on [Facebook](#), [LinkedIn](#) and [Twitter](#). **Call my office at 770-649-7150. Text me at 770-356-9541. Email me at [Rbonds@PhysicianCareerAdvisor.com](mailto:Rbonds@PhysicianCareerAdvisor.com).***