

Physician Contracts – Some Are Abusive

By Roger Bonds, MBA, CMSR, FMSD
PhysicianCareerAdvisor.com

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Over the past 20 years, I've reviewed more than 1,500 physician contracts from over 1,000 hospitals and practices, in dozens of specialties, from all 50 states, DC, U.S. territories, Canada, Europe and Asia. I also write or re-write contracts for practices and hospitals.

Of course, some of these contracts are incredibly bad. That brings up my first point: We don't know who wrote your physician contract, whether they are competent in this area, or "out to get you." Once we look into it carefully, we may find it is well-written, or we may find it is absolutely abusive. In my experience, roughly 15% – 20% of physician contracts are written by experts who know the employer and their needs and who genuinely want the contract to be fair for all parties. There may still need to be a number of clarifications and changes made for the new physician, but if it's a good contract, let's give credit where it's due.



At the other end of the spectrum are contracts written by someone intent on short-changing the physician every step of the way. This may sound harsh, but it is a sad reality. I was once quoted in the American Medical News as saying "Thousands have Been Abused," and I meant it! In Chicago, a consulting firm told the senior physician of a large clinic that they had many years of experience writing physician contracts. This was not entirely false, but what they failed to say was they wrote one-sided contracts to take away the rights of employed physicians and to keep them in line. After losing several new physicians, the clinic asked me to re-write their contract. The original contract was appalling, and I felt strongly enough that I told the law firm they should not be selling their services for such work. They didn't like it, and I doubt they've changed. But remember, the loss of the new physicians was a huge cost to the practice and a huge cost to the employed physicians who left in frustration after making bad career moves.

Realistically, about 15% of the contracts are written to be truly abusive, including in academic settings and medical centers. However, caution is still required as some medical practices simply ask their CPA, business or human resources consultant, lawyer or even their hospital to write up physician contracts. These are often simple cut and paste jobs instead of truly customized contracts to meet the employer's and employee's needs. Like that clinic in Chicago, the physician owners of that practice didn't know what a contract was supposed to say. So if you get a bad contract, don't throw it out too quickly, and perhaps don't blame their senior physicians. You may need to respond and tell them you want to work with them, but the contract needs a lot of work. If they don't understand that, then you should move on quickly. There are plenty of other opportunities for physicians.

There are exceptions to the above rule of moving on quickly. If you are limiting your search to a specific geographic area, then you might have fewer options. In this case, you will have to work with them as best you can. Another alternative might be to rev up the search engine to find other options in the area. You

may be surprised what you find when you aggressively search for, or create opportunities. Currently I am working with a general surgeon. Once we went over his contract in detail, I carefully explained how bad the offer really was. He stated he had to take that position due to the location, which is near his wife's existing medical practice. But then they talked about it and realized they needed to consider their options so he could also have a good position. He quickly found other open positions and we are now politely negotiating between two of them. After reviewing his two new contracts, I'm pleased to report they are much better offers, and his income will be **dramatically** increased. He and his wife are again excited about their future.

The key is to be analytical on these contracts and not let your emotions take over. Think for yourself and trust yourself. If it sounds too good to be true, then take a step back and ask why. If it sounds like they're taking advantage of you, then they probably are.

*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 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.***