Contracts, Negotiation, Deciding on a Position

Duration of Employment
Contract Term
Automatic Renewal
“Out Clause”

Compensation
Salary vs. Hourly
Benefits - who pays?
Employee vs. Independent Contractor - Tax Implications
Incentives - Night/Weekend Differential, Production Bonus

Contract Termination
For Cause = IMMEDIATE
Without Cause – generally must give notice (30-90 days)
Avoid subjective language in “for cause” clauses: “appropriate
authorities of a hospital . . . request that Employee no longer
provide such services at the hospital.”

The Integration Clause
“This Agreement constitutes the entire agreement of the parties
with respect to the matters contained herein, and supersedes any
and all other discussions, statements and understandings
regarding such matters . . . .”

Significance of Integration Clauses
Buy-in as a group partner
Shift schedules
Coverage (NP or PA versus physician?)
Added administrative duties?
Minimizing the Effect of Integration Clauses
If you were promised something not in contract, write it in margin

Indemnification
Deal breaker!
“Physician shall hold hospital harmless from any and all liability,
costs, damages, judgments, losses or reimbursement and/or
reasonable attorneys’ fees incurred as a result of . . . .”
Example
“Violation of [government billing regulations] . . . .
- may make physician liable for overbilling plus treble damages.

Duty To Supervise - Potential Liability
- Inadequate Supervision
- Illinois Physician Assistant Supervision Act
“the supervising physician shall maintain the final responsibility for the care of the patient and the performance of the PA.”

- Improper delegation of authority
  “Physicians don’t have ‘‘carte blanche to delegate any and all tasks to an assistant’’
  - Gillis v. Cardio TVP Surgical Associates

- Informed Consent
  Does patient think your PA or NP is really a physician?

**Malpractice Insurance**
Another “deal breaker.”
Approximately 1 in 10,000 to 1 in 40,000 patients file a malpractice claim. 8-12x that many have compensable injuries.

**Two Major Issues:**

1. **Coverage Limits**
   Specific policy limits should be included in every contract.
   Average coverage is $1 million/$3 million
   Should request certificate of insurance before signing contract.

2. **Type of Coverage**
   “Claims-made” Vs. “Occurrence-based”
   Occurrence-based insurance protects you indefinitely
   Claims-made insurance must be in force when the incident occurred AND when the claim is made against you AND when the claim is reported

**Negotiating Tactics**

**Hospitals**
- The Deadline
  Have to sign a contract before certain date. Almost never enforced. Used to force committal to contract
- The “Standard Contract”
  Refuse to change contract because it is what all other doctors have signed. ALL contracts are negotiable

**Physicians**
- The Walkout
  Walk out of negotiations if contract not acceptable. Have other positions available before using (should always be on staff at multiple hospitals anyway).
- The Red Herring
  Pretend that something in a contract is very important to you when it really isn’t. Then concede that point to get something else in the contract you want
Deciding on a Position

Typical Considerations
Location
Payment
- Salary/hourly
- Benefits
Work Environment
- Patient volumes
- Ancillary services
- Group longevity at hospital
- Administration goals
Advancement
- Partnership
- Academic vs. Non-academic
Administrative Roles - Director/Assistant Director
What are YOUR “Needs” and “Wants”? 

Evaluating a Position
Talk to employees
- Night shift docs
- Newest hires
- Person you are replacing or last to leave
Talk to nurse manager
Talk to spouses of group docs
Talk to hospital administration

** Unreasonable rigidity during interviews or negotiations may signal difficulties in future working relationships **

Finding a Job
In local area
- Cold-call hospitals/ERs
- ICEP EPIC
- Contact friends in locations you would like to work
Outside local area
- Ads in Annals, monthly emergency medicine magazines
- Contact ACEP or state branches
- National CMGs always looking for physicians

Search Firms
Often utilized with jobs that are difficult to fill
Hiring entity usually picks up cost ($30K+) – may be less willing to use
Maintain your right to seek own contract without owing them a fee
May help with preparing CV, marketing physician, interviewing, etc