

# Negotiating your first employment contract as a new physician

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An experienced attorney can help you reach an employment contract that will be fair to both you and your employer. An experienced health care attorney offers insights to consider when you enter the job market and consider your first contract.

“It’s not something physicians typically look forward to,” said Wes Cleveland, an attorney in the AMA’s Advocacy Resource Center. Physicians are often anxious about contracts and often lack the legal



expertise to sort through the right questions to ask, he said. And there are many questions.

## The importance of legal guidance



“The idea of negotiations can stress people out, and a lot of people don’t like to talk about money,” Cleveland said. At the same time, many physicians wonder if they really need a lawyer to come to a fair contract. Many physicians associate lawyers with confrontation or other negative experiences, Cleveland said.

But the right lawyer knows what issues matter most, can give you market insights regarding pay and other compensation, and may be able to tell you how physician pay and satisfaction vary among specific potential employers in the region.

“If they’ve been practicing for 10, 20, 30 years, they’ll know the lay of the land,” Cleveland said. Hiring a lawyer is a modest investment that could pay dividends for years to come, he said.

“Relative to what you’re spending on education, having an attorney review the contract is not what I consider a big-ticket item,” he said. “Why get to the 1-yard line and fumble the ball?”

## Sorting out critical issues

Many residents and fellows, Cleveland said, could fail to spot or give enough attention to issues that turn out to be critical:

- How you can get out of a contract and how an employer can end it.
- When and where you will be required to work. For instance, a contract could require you to work at other employer locations that might significantly increase your commute.
- How on-call obligations will be shared among physicians.
- Who will have the responsibility for purchasing your tail coverage (liability insurance coverage that follows you after you leave a hospital or practice) and for how long.
- What your compensation will be. “Compensation is always really important,” Cleveland said. “You just want to be very clear what that involves.”

An evolving compensation environment might demand more attention than in the past, he said. More and more compensation is based on performance, linked to such issues as patient satisfaction, your ability to keep patients out of the ER and prevent hospital readmissions, and other cost variables.

Cleveland urges you to research the compensation market to ensure you get the best deal. There are publicly available sources of information that may help you get a general idea of what the compensation market is where your potential employer is located.

## Learn more about preparing for employment

- Read about the 8 benefits to negotiate for your next job offer.
- Discover employment resources you need for starting their job hunt.
- Find out the 7 things you must know before signing an employment contract.