

## 4 keys for a physician's first employment contract

OCT 19, 2018

**Brendan Murphy**

News Writer

---

You aced medical school. You have survived residency and perhaps fellowship. Next comes another difficult test: deciphering your first physician employment contract.

This professional benchmark is a young physician's first opportunity to shape several aspects of the career path ahead, including compensation, work hours and benefits.

The AMA provides many resources to help physicians understand employment contracts, such as the Career Planning Resource and a variety of model contracts e-books (free to AMA members).

The first season of *Making the Rounds*, a new podcast from the AMA, focuses on the complexities doctors confront while negotiating their first physician employment contract. Throughout the six-part series, Wes Cleveland, a senior attorney for the AMA, offers a road map for successful contract negotiations. Here are some of the key considerations he highlights.

### Understand productivity component

It is becoming less common for physicians to enter an employment agreement in which the compensation is articulated as a strict salary number. Instead, employment agreements frequently include a productivity element. Understanding how those productivity parameters and how they translate to dollars is key.

"It's perfectly normal to have a productivity component in your compensation," Cleveland said. But what physicians should be asking their potential employers and colleagues about is "the extent to which the productivity expectations are such that you can meet those expectations, realistically."

"This will feed back into issues about what other administrative duties you might have with respect to your employment," Cleveland said. "If we're basing your compensation in part on your productivity, that means that your compensation is going to be a function of how much clinical care you will be

providing. Anything that takes away from that is going to have some impact on your overall compensation—how you're going to be evaluated by the organization.”

## Ask for more

Depending on the employer, your negotiation may include back and forth about salary and benefits. Cleveland recommends an a broad initial request when it comes to negotiations.

“Once you enter into negotiations, you're going to be required to give something up,” he said. “That's part of the negotiation process.”

Cleveland recommended coming up with six or seven requests during the contract negotiation, with the notion in mind that only a subset are true must-haves.

“When you enter in the negotiation process with a potential employer, you can give those other things away in good faith as part of the negotiation process, and then hopefully settle on maybe the two or three things that are really important to you,” he said.

## When are you needed and where?

Spelling out your call responsibilities and work hours in your employment contract will give you a better chance to maintain work-life balance and a clearer understanding of what your institution expects of you.

It's easy enough for muddiness to creep into the definitions over physician's contractual work obligations, he said.

“For example, you may be obligated to work full-time, but what does that mean? Does full-time mean an 8-to-5, 9-to-5 or does it also include 8-to-5 and working evenings or working weekends? In this respect, the definitions regarding your duties are very important.”

## Compensation for extraneous duties

If your job responsibilities take you away from direct patient care, particularly where your compensation includes a productivity component, it's important to understand if, and how, those other duties are accounted for in your overall compensation package. It's also vital to have a handle on how the workload will look on the day to day.

“Obviously, you are going to be paid for your clinical time,” Cleveland said. “However, you may have other expectations on you that may not be clinically related but that may take time and be duties that you will need to satisfy on top of providing direct patient care or clinical care. For example, will there be any expectations for you to engage in business development after hours? Do you need to be present at meetings in a hospital, at the group or at other locations?”

Listen to *Making the Rounds* on iTunes, Google Play or wherever you listen to podcasts.