

You just got a physician employment offer. Now what?

FEB 8, 2019

Staff News Writer

A job offer at the end of residency is a professional milestone, marking a big boost in pay and prestige. The final hurdle is sealing the best deal. Learn how to make the most of the time from offer to signed contract.

The AMA Career Planning Resource offers advice on employment contract matters and other issues relevant to your physician career.

One of those resources is a six-part interview series featured on “Making the Rounds,” a podcast on negotiating a contract. The interview, with Wes Cleveland, senior attorney for the AMA Advocacy Resource Center, covers issues such as compensation, liability insurance and restrictive covenants. It’s a big change from the regimented world of residency.

“What you can think of your career so far is like you have started off on your own one-yard line and you have driven 99 yards down and you are ready to score. You don’t want to fumble the ball right at the end,” warned Cleveland in one episode, underscoring the importance of specialized legal help.

By the time the offer arrives, there will likely have been a substantial courtship—in-depth interviews and a site visit. Being satisfied about those counts. Also, a substantial amount of your own research about the potential employer should have been completed.

When they get serious, seek help fast

Offer provisions in contracts vary, but there are some fundamentals that apply in a wide range of situations.

Expect a serious offer to come on paper. It may be a one- or two-page letter of intent or a full contract that can run two dozen pages or more. A letter of intent will sketch out the key points—especially compensation—while a contract can get into a sometimes bewildering level of detail. A letter of intent may also contain a months-long “standstill” agreement, blocking you from

negotiating with other potential employers.

A signed contract will finalize a deal, but be cautious about signing some letters of intent. Usually they are not binding, but some are and the legal effect of your signing a letter of intent can vary by state.

Binding letters of intent can lock in pay and other provisions. However, even if a letter of intent is not binding, it is still likely to affect your negotiations.

Get a lawyer. Budget up to a few thousand dollars for a knowledgeable attorney to review any letter of intent and contract. This is work for a lawyer who specializes in physician contract language and who practices in the same state as the potential employer. An experienced lawyer in this field can provide additional value to you too.

From representing other clients, they may have insights on the local market, or a prospective employer's negotiating style or workplace culture. They also might have access to costly salary surveys that aren't practical for employment candidates to obtain. One way to find a specialist lawyer is to contact the state medical society.

Don't fear attempting to negotiate. Employers should not be put off by attempts to negotiate. However, potential employers may differ widely in their willingness to negotiate. Large, institutional employers may be less flexible than smaller, less bureaucratic organizations. You simply will not know until you try. Do not be afraid to ask for what you want.

Still, some physicians may be uncomfortable trying to negotiate. The same specialist lawyer reviewing the contracts will often be available to negotiate. It will cost extra, but can often be worth it, depending on your comfort level.

Be confident—that's where research comes in handy—but be reasonable and realistic. The key issue is to understand local conditions—does their offer meet, beat or fail to measure up to the rest of the market?

Have half a dozen things to negotiate about. Compensation will nearly always be at the top of your list, but Cleveland recommended to "ask for more things than you really want." That way, in trying to get extras that matter most to you—like flexible time or CME funding—"you can give those other things away."