Evaluating a prospective physician employer

Considering a new job offer can be both exciting and stressful. When reviewing an employment offer and evaluating a prospective employer, you will want to consider several issues beyond the written contract—as outlined in this handy AMA checklist for evaluating prospective employers (PDF).

In an episode of the “Making the Rounds” podcast, AMA senior attorney Wes Cleveland provides tips on what to consider before you begin the contracting process.

Look for strategic planning

For health care organizations, strategic thinking is vital to success now more than ever. Your prospective employer should have conducted some strategic planning, even if only informally. For instance, does the prospective employer have a plan for how to adapt to value-based payment arrangements and quality-reporting initiatives?

The planning does not need to be extensive. In fact, it is probably not realistic to expect smaller physician practices to have conducted formal strategic planning. Nevertheless, even small physician practices should give some thought to steps they can take to adapt, such as implementing a patient registry.

Assess stability

You may be able to make more reliable predictions about the work environment if your prospective employer’s leadership has been stable. Also, if you are considering an offer from a smaller physician practice, ask whether any key physician in a leadership role is considering retiring or otherwise leaving the practice.
Frequent turnover in leadership, particularly in smaller organizations, may make it difficult to predict what the work environment might be like, and may raise concerns about the organization's culture.

**Talk to potential colleagues**

If possible, talk with physicians who work at the prospective employer about the environment and what it is like to work there. If you are able to speak with these physicians outside of the formal interview process, you may be able to obtain more candid information.

If you are considering a job with a hospital, tour the facility and, if possible, take the opportunity to talk with clinical staff about what they think about the employer, especially in comparison with any competitors.

Check out this advice for young, job-seeking physicians on assessing practice culture.

**Consider your significant other**

Even though a job might seem perfect for you, that sometimes is not the only consideration. If your spouse or significant other does not like that part of the country, or if they will not be able to find a satisfactory job or make friends in that area, you might ultimately regret taking it.

**Explore the brand**

Researching a prospective employer includes getting to know its leaders, such as physician heads of departments in which you will be practicing, as well as what the community thinks of it.

Start on the organization's website. If it does not appear to be professional, this may raise concerns that the employer does not place sufficient attention on technology. Lack of attention to technology could negatively affect your practice if you do not have access to the technological resources you need to practice medicine efficiently.

Also, if your prospective employer is a large organization that has a great website, but it devotes little attention to your specialty, this could indicate that the employer may not be prepared to market your services to your satisfaction.
Research may also help you get an idea of the organization’s reputation and whether the organization or any of its affiliated individuals have received negative attention.

Here are four tech questions for young doctors to ask before joining a practice.

**Investigate insurance**

Ideally, the organization’s website will address insurance issues. If it does not, you might want to visit the websites of health insurers in the area. Look for the following information:

- Is the prospective employer in any of the insurer’s networks, including any narrow or tiered networks.
- Review any star ratings or other performance designations that an insurer may have given the prospective employer.

If your prospective employer is a hospital or a physician practice and serves Medicare patients, you may want to see what, if any, information is available on the Centers for Medicare & Medicaid Services’ hospital-comparison website. Some states also publish individual physician profiles that may provide a significant amount of information about your potential physician colleagues, if you know who they might be.

It matters how a practice is paid. Check out this primer for young doctors.

**Audit technology**

This is worth reemphasizing: If you and the employer are going to succeed in an environment where payment increasingly depends on quality outcomes and efficient use of resources, the employer must have access to technology that will enable you to measure and, if necessary, improve your quality and cost performance.

If the prospective employer does not itself own the technology, does it partner with another organization—such as a health insurer, an accountable care organization or an independent practice association—that can provide timely, actionable data reports to help you evaluate your performance in comparison with other physicians, as well as identify opportunities for improvement?

**Determine hospital affiliations**
If you are joining an physician-owned private practice, you should ask about hospital affiliations. There may be a number of hospitals in the community, and the practice may not have a relationship with them all. If the practice is affiliated with a hospital that has an excellent reputation for quality, prioritizes the services that the practice provides, and is responsive to physician concerns, working for that practice will likely be much more attractive to you than if the practice were affiliated with hospitals that lack these qualities.

**Scrutinize salary competitiveness**

Residents frequently want to know where to look to determine how much compensation they can expect to earn at their first job. There are a number of free resources that can help you, such as Salary.com or Medscape’s physician compensation report.

Unfortunately, access to many national physician compensation surveys is not free. Their purchase price may be more than you want to or can afford to pay. However, if you retain an attorney who specializes in physician employment agreements, they will likely have these resources to use on your behalf.

Get tips for understanding and negotiating employment contracts.

**Understand the market**

Make an effort to find out how competitive the market is for your services. This information is valuable for at least two reasons.

First, if the employer is making you an offer, presumably it has determined that there is a real need for your services in the community. However, you want to make sure that the employer is not making you an offer simply as a defensive tactic in response to a competitor. Rather, you want your offer to be the result of a well thought out and researched business strategy to ensure a sufficient patient base for you to build a long-term successful practice.

Second, understanding what the need is for your services in the market may help you assess the strength of your negotiating position. You can do this by evaluating physician-patient ratios. For instance, if the ratio of physicians in your specialty to patients is high relative to other parts of the country, an employer may have an urgent need for your services. This knowledge may bolster your negotiating position and give you reason to believe there is a real opportunity to build a robust practice.
Look for commitment

Is the potential employer willing to help you build your practice? Although some employers pay physicians a straight salary every year, most employers do not. Your compensation will most likely combine salary and productivity and may also contain a performance component—for example, how you score on specific quality measures. Your compensation may even be based entirely on your productivity.

If your compensation includes a productivity component, it is vital that you have enough patients to achieve any productivity goals set for you, as well as your own personal productivity expectations.

This is why it is important to ask the employer what steps, if any, it will take to market your services. Will the employer set aside specific funds in its budget to market you? If you are a specialist, will you be expected to cultivate your own referral relationships, or will those relationships already be in place? Will the prospective employer support and invest in your practice by giving you the staff and administrative assistance you will need?

Check out these eight steps physicians can take when deciding where to practice.

This article was written in collaboration with AMA Senior Attorney Wes Cleveland.