

Evaluating a prospective employer

Making the Rounds podcast

In the first episode of season 1 of the new Making the Rounds podcast, AMA senior attorney Wes Cleveland provides tips on what to consider before you begin the contracting process.

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. Do your homework on the employer before accepting an offer.

Strategic planning

For health care organizations, strategic thinking is vital for future 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 on how to adapt to new 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.

Stability of the prospective employer

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 if 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 future 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 facility clinical staff about what they think about the employer, especially in comparison to any competitors.

Consider your spouse or significant other

Even though you might take the job thinking that it is perfect for you, 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 in the same area or are unable to make friends in the community, you might ultimately regret taking the job.

Research the prospective employer

Research your prospective employer as extensively as you can as well as its leaders, such as physician leaders of departments in which you will be practicing. Although it seems obvious, start with the internet.

If the prospective employer's website 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 the website 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 in the community, and whether or not the organization and affiliated individuals have received negative attention.

Ideally, the organization's website will be a good resource. If the website does not address insurance issues, you might want to visit the websites of health insurers in the area. You will want to 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 rating" or other performance designation 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 may be available on Medicare Physician Compare or Medicare Hospital Compare. 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.

Technology

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

If the prospective employer does not itself own the technology, does it partner with another organization (e.g., health insurer, ACO, independent practice association) that can provide timely, actionable data reports to help you evaluate your performance in comparison to other physicians, and identify potential opportunities for improvement?

If not, an employer lacking these capabilities will not be putting itself, or you, in the best position to succeed.

Hospital affiliations

If you are joining an independent physician practice, you should (if applicable) 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.

Compensation

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.

Know 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 be cautious that an 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.

Building your practice

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, e.g., how you score with regard to 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? Will you be expected to cultivate your own referral relationships (depending on your specialty, of course), or will those relationships already be in place if you decide to come on board? Will the prospective employer support and invest in your practice by giving you the staff and administrative assistance you will need?

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

Negotiating contracts

Watch the video for tips on evaluating a prospective employer by considering issues beyond a written contract.

Additional resources

- [Evaluating prospective employers checklist \(PDF\)](#)
- [Understanding employment contracts](#)
- [Tips for negotiating business contracts](#)
- [Health workforce mapper](#)