

Negotiating your physician employment contract

No matter where you are in your career, negotiating your employment contract is key to maximizing your earnings and opportunities.

It is important to consider the employment offer and prospective health care employer in totality, weighing both the positives and the negatives. Remember that a positive or negative answer to any single question may not, by itself, make or break the deal. Keep these three tips in mind.

Do not be timid

Physicians just coming out of residency sometimes feel self-conscious or timid about raising issues or trying to negotiate, such as for a relocation bonus. Do not let this stop you. Potential health care employers will expect you to ask questions, and doing so will demonstrate that you have done your homework. This will impress the practice or health care organization and speak well of you professionally.

Negotiation is expected

A prospective physician employer will not retract an offer if you try to negotiate. If the prospective employer has gone through the trouble to make you an offer, the employer values you and wants to see you come aboard. And, if an offer is rescinded because you raised some questions about the employment agreement, ask yourself: Would you want to work for that organization anyway?

Willingness to negotiate will vary

While employers expect potential physician hires to negotiate, be aware that some employers will be more flexible than others on what they will negotiate. Large entities may sometimes be less flexible than small independent group practices, but even if your prospective employer is not willing to negotiate, there are a few things to note.

First, do not take it personally, or think that you are being stonewalled or that the prospective employer is playing games with you. A large entity may have to administer hundreds, even thousands, of physician employment agreements. To make contract administration manageable, the employer may use standard physician employment agreements from which, as a matter of institutional policy, it does not often significantly deviate.

Still, although the prospective employer may not budge on major institutional issues, such as a noncompete clause, the employer might be willing to concede on issues that it considers minor but that might be important to you, such as research projects.

Second, even if you do not get what you want initially, ask for an arrangement whereby you and the employer revisit specific issues after you have been working for a specified time—say, three months. After you demonstrate that you are going to be one of its best physician hires, the employer may be open to revisiting some issues because it ultimately sees your value and wants to keep you as a physician employee.

More expert guidance

Check out Season 1 of the AMA’s “Making the Rounds” podcast featuring AMA Senior Attorney Wes Cleveland, for tips on what to consider before you begin the contracting process and these related episodes.

1 “Letters of Intent”

What are letters of intent? And when should you retain an attorney during the contracting process?

2 “Compensation”

It’s all about money. Or is it? Here is what to look for in compensation and benefit packages.

3 “Restrictive Covenants and Termination Clauses”

Do you know how restrictive covenants can affect your new job? Your employer does.

4 “Duties and Liability Insurance”

You may not know it, but you can negotiate your duties as part of your employment contract. And don't forget to think about liability insurance! Get the details.

5 “Interviews and Negotiations: What to Do (and Avoid)”

It's not about wearing red vs. wearing blue: interviewing and negotiating your first contract involves a lot of steps.

Consult this handy checklist for evaluating prospective employers (PDF).

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