

EM Contract Negotiations

A Glimpse into Your Future

You are starting on
your journey

You have to be prepared!

Taking a job in EM

*You will be either an employee
or an independent contractor*

Subjects you must address

- 1. Status: Emp or I.C.*
- 2. Method of reimbursement*
- 3. Benefits*
- 4. Costs*
- 5. Leaving*

A General Statement

*You REALLY don't want to find out
about many of these "contract issues"
AFTER the fact*

*Much better to "become aware" and,
if you can, "negotiate" in advance*

The Most “Devious” Words

1. *We are a “democratic group”*
2. *Democratic implies “fair and equitable”, perhaps a fee for “Admin Oversight”?*
3. *It’s okay, but just make sure that you understand it going in!!*

Employee vs. I.C.

- 1. Will they withhold taxes and S.S./Medicare?*
- 2. Who covers MP costs?*
- 3. Who pays “benefits”?*

General Terms

Because of inflation, things get more expensive each year. If you don't get a cost-of-living adjustment to account for inflation, then you may actually be losing money year after year.

General Terms

Cost-of-living adjustments may not be standard at many places, so be sure to negotiate that in the contract if you don't see it. It may also be wise to negotiate general productivity targets or a longevity increase. The goal is to get an automatic increase in pay after working for the organization for a certain length of time, like 3 years, as well as an automatic increase for bringing in "X" amount of revenue for the company.

These types of automatic increases help you continue to be paid your worth over time and ensure that people hired after you don't start off making more than you.

General Terms

Along with personal time off, it's also important that you negotiate a healthy work schedule that allows you to be productive without causing you to burn out.

Perhaps you can decrease the frequency you are on call?

General Terms

Maybe you negotiate a 4-day workweek. Or perhaps you consider starting or ending work a little earlier or later some days to accommodate your family needs.

You have the power to create the work schedule you desire. Figure out what type of work schedule you want and negotiate for it. If you can articulate how you will maintain productivity with your desired schedule, employers will be more likely to consider your requests.

Billing

Depends on if you are an employee
or an I.C.

How are you being paid?

What happens if patients/payors
don't pay?

Benefits

- 1. Medical: Options? Family?*
- 2. Disability: Conditions?!?*
- 3. Life: Term or Whole Life?*
- 4. Tax accounting assistance*
- 5. Coverage for “investigations”, such as billing issues?*

Benefits

One of the first things to consider besides salary is benefits. For physicians and other young professionals with college degrees, student loan forgiveness may be one of the top things to look at.

Some jobs offer direct loan forgiveness. Other jobs qualify for federal loan forgiveness through the public service loan forgiveness program. Be sure to see if either is offered at your job. Along with loan forgiveness, also look at retirement matching. Retirement matching is when your employer gives you extra "free" money to invest in your work retirement accounts.

Benefits

They may "match" the amount of money you invest up to a certain amount, which can add up to tens of thousands of dollars per year. There are some jobs in which the salary was \$10,000 to \$15,000 less than another place, but the retirement matching was so good that it more than made up for it.

Another benefit to look at is malpractice insurance. Ensure that your job covers you if a patient or client tries to sue and that the insurance in place will cover you for claims made while you work for the organization and even after you leave.

Benefits

Sign-on bonus. One of the initial bonuses doctors get when they sign their first attending physician contract is a sign-on bonus.

There are many nuances involved with a sign-on bonus that doctors should be aware of, but in general, a sign-on bonus is a four- to six-figure amount of money that many businesses provide to newly hired doctors. It can be given in one lump sum or in smaller installments. It is usually structured as a loan that gets "forgiven" after you work at the company for a certain period of time.

This free money can be great, but the first amount they mention is unlikely to be their best offer.

Ask for more!

Benefits

Productivity increases

Along with a sign-on bonus, it is also important to inquire about productivity bonuses.

Benefits

Most places want you to be as efficient as possible since increased efficiency leads to increased profits.

If you're actively increasing the business's revenue because of your efficiency, then you should get a share of the profits. Be sure to negotiate this ahead of time and be aware that the amount they offer may differ for people in certain specialties.

Benefits

Some places will pay you a flat salary until you hit a certain work-productivity threshold. Other places will pay you based on productivity from the onset.

There are even businesses that offer a set monthly pay but provide annual or semiannual bonuses to employees based on the total company revenue. The exact structure of the productivity bonus can differ. Make sure you understand what other folks in your profession are getting to ensure you are being compensated adequately for the efficiency you provide.

Benefits

Vacation and personal leave

Whether you love your job or not, everyone needs periodic breaks to step away and recharge

Do not forget to negotiate paid vacation time

Benefits

While 3 weeks may be standard at most places, who says you have to settle for average? Why not ask for more? Aim for 4 weeks or negotiate additional vacation time after you have been with the organization for a certain length of time

Benefits

Many jobs like to lump vacation time and sick time together as "personal time off," but try to keep this separate if you can. If you or a loved one gets sick or diagnosed with an illness, you shouldn't have to use all of your vacation time dealing with medical issues.

See if you can get at least 5 days of sick time in addition to your vacation time. If you're a parent or plan to be, be sure to ask about parental leave for the birth or adoption of a child. Although the Family and Medical Leave Act holds your job while you are out, you may not get paid during that time. Negotiating paid family leave is vital.

Costs

- 1. Will you get charged for billing?*
- 2. Are there “staff costs”?*
- 3. Are there shared costs, such as “ShiftAdmin”?*

Costs

Look for hidden costs!

- 1. Scribes?*
- 2. Ancillary personnel?*
- 3. “Charge” for billing?*
- 4. “Services”?*
- 5. Malpractice “tail”?*

Costs

Look for hidden costs!

- 1. Recruiting fees? A “pool”?*
- 2. Interview fees for new hires?*
- 3. What are “senior partners” getting? Top 2% of gross?*

Costs

Specifics: Physician Expenses

State medical licenses (to practice medicine), Drug Enforcement Administration licenses (to prescribe medicine), and board certifications (to maintain your medical credentials) can cost thousands of dollars in fees.

It's standard that the business pays for these expenses, so if you don't see it in the contract, ask for it to be added.

Costs

Specifics: Physician Expenses

Along with getting these fees covered, most medical societies require you to stay up to date on new medical treatments by doing a certain amount of continuing medical education (CME) each year.

Ensure that your job provides you with an adequate amount of CME funds to attend conferences and programming that provide these CME credits.

Interesting points!

Autonomy (intellectual property and non-compete clause). A surprising number of physicians do not have autonomy over their work. Don't let that be you. Ensure that your intellectual property (ideas, products, or services that you create) are yours and not the job you work for.

Be sure that you have the freedom to do other projects and work at other places outside of your job should you choose to do so.

Watch out for non-compete clauses. These phrases in contracts prevent you from doing similar work at a nearby organization if you were to leave your current job.

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As you can imagine, they can cause a huge problem because they may require you to uproot your entire family or drastically increase your work commute if you were to quit your job since these non-compete clauses prevent you from getting another job at a different location in the same city.
Try to avoid them if you can!

Leaving

- 1. Is there a “tail” malpractice cost that you are agreeing to in advance, or that they will pay?*
- 2. If “legal” billing issues come up after you leave, will they cover the costs, including judgments?*
- 3. When will benefits terminate?*
- 4. Other costs (billing?)*

Summary

- 1. There are a lot of issues to think about BEFORE you sign a contract in EM*
- 2. Finding out BEFORE you sign is so very important!*
- 3. Break the issues down into a list, and take the list with you!*

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