



Contract Negotiations for New Physicians



2024





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Introduction to Contract Negotiation

■ Why Contract Negotiations Matter



Impact on career satisfaction, financial stability, and professional growth

Contract negotiations significantly influence career satisfaction, financial stability, and professional growth of new physicians.



Establishing clear expectations and boundaries with employers

Contract negotiations help in establishing clear expectations and boundaries with employers, ensuring a mutually beneficial and productive working relationship.

■ Today's Objectives



Creating a negotiation plan

The objective is to assist new physicians in creating an effective negotiation plan.



Identifying key negotiable areas

The objective is to help new physicians identify the key negotiable areas in their contracts.



Recognizing red flags

The objective is to enable new physicians to recognize red flags in contracts that may indicate unfavorable terms or conditions.





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Learning Objectives

■ Developing a Negotiation Plan

Research compensation, benefits, and terms for similar roles

New physicians should conduct research on compensation, benefits, and terms for similar roles to understand market standards.

Prioritize key terms that align with personal and professional goals

New physicians should prioritize key contract terms that align with their personal and professional goals.

■ Identifying Negotiable vs. Non-Negotiable Terms



Understanding the difference between negotiable and non-negotiable contract terms

New physicians need to understand the difference between negotiable and non-negotiable contract terms to effectively negotiate their contracts.

■ ■ ■ Recognizing Contract Red Flags



Understanding red flags in contracts that may indicate unfavorable terms

New physicians should be able to identify contract red flags that may indicate unfavorable terms or conditions.



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Creating a Negotiation Plan

■ ■ ■ Preparation



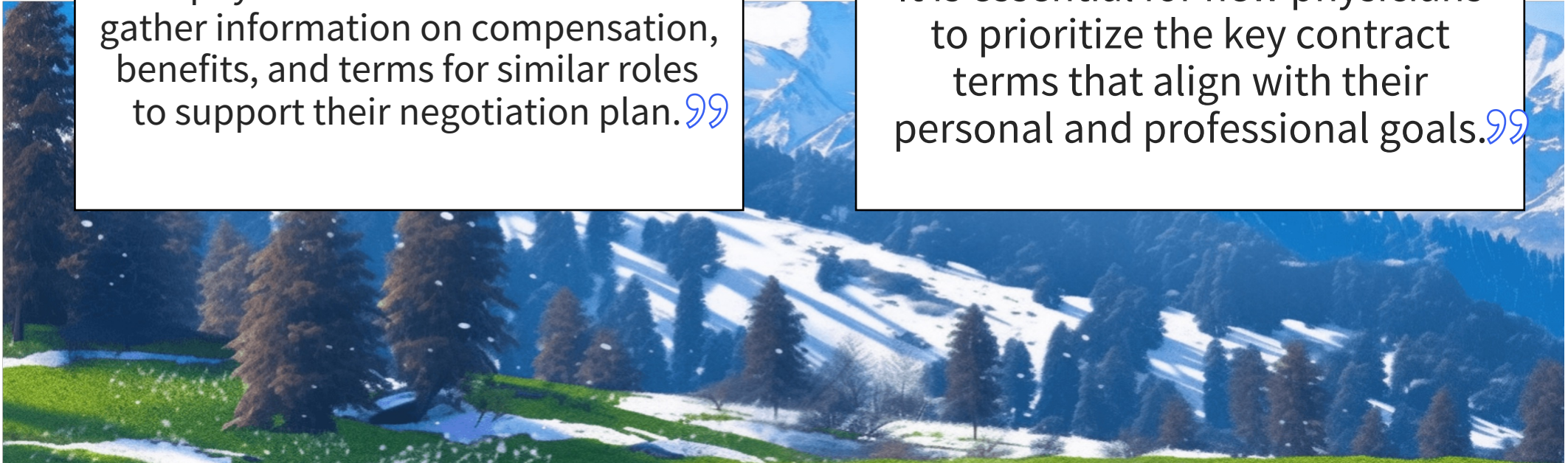
■ ■ ■ **Research compensation, benefits, and terms for similar roles**

■ ■ ■ New physicians should research and gather information on compensation, benefits, and terms for similar roles to support their negotiation plan. 99



■ ■ ■ **Prioritize key terms that align with personal and professional goals**

■ ■ ■ It is essential for new physicians to prioritize the key contract terms that align with their personal and professional goals. 99



■ Strategy



Approach negotiation professionally and collaboratively

New physicians should approach contract negotiation in a professional and collaborative manner to foster positive communication with employers.



Establish clear communication and document changes

New physicians should establish clear communication with employers and document any changes made during the negotiation process.



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Key Negotiable Terms

■ ■ ■ Section 4.1 Compensation & Bonuses



Base Salary

Example: An increase from \$210,000 to \$225,000 during negotiation

Importance: Ensures compensation aligns with market value and physician experience.



Bonuses

Hypothetical: Increasing a signing bonus from \$20,000 to \$35,000 upon joining

Importance: Bonuses serve as incentives and encourage retention during onboarding.

■ Patient Panel Requirements

Defining Workload Expectations



Hypothetical: Setting a patient panel target of 250 patients with a bonus if reaching 300



Benefit: Clearly defined metrics prevent misunderstandings regarding workload and performance-based bonuses.

■ Benefits & Malpractice Insurance



Relocation and Tail Coverage

Example: Offering partial reimbursement for "tail" malpractice insurance after two years of employment

Importance: Helps mitigate post-employment financial burden if additional coverage is required.



Hypothetical Relocation Bonus

Hypothetical: A relocation bonus of \$8,000, with reimbursement dependent on the moving date

Relevance: Ensures financial support during a significant transition.

■ ■ ■ Non-Compete Clauses

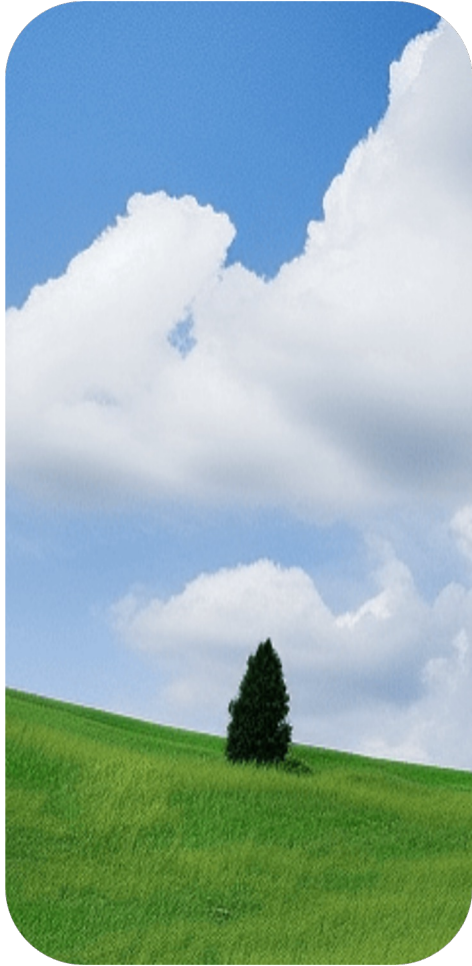


Defining Boundaries

Importance: Reduces restrictions on future employment opportunities while still protecting the employer's interests.

Example: Reducing the radius from 15 miles to 10 miles and limiting the duration to 12 months

■ Termination Notice and Policies



Setting Notice Requirements

— Importance: Provides both the physician and employer adequate time to prepare for transitions.

— Hypothetical: Adjusting a 30-day notice to a 60-day notice period



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Section 5: Red Flag Conditions in Contracts

Examples of Red Flags

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High bonus repayment obligations if departing early

New physicians should be cautious of contracts that impose high bonus repayment obligations if they choose to depart early.

02



Vague terms in non-compete clauses

Contracts with onerous notice requirements or ambiguous termination clauses can create difficulties and uncertainties for new physicians.

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Onerous notice requirements or ambiguous termination clauses

Contracts with vague terms in non-compete clauses may limit new physicians' future flexibility and employment opportunities.

■ Importance of Identifying Red Flags

New physicians should be proactive in identifying red flags to minimize future liabilities and financial strain.



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Governing Law and Jurisdiction

■ Specifying Jurisdiction

Hypothetical Example of Jurisdiction Adjustment



Original Clause:
Jurisdiction set in
employer's state



Revised Clause: Jurisdiction
in the physician's home
state



Impact: Streamlines
dispute resolution and
protects the physician's
time and resources.



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Section 7: Crafting a Negotiation Strategy

■ Plan for Each Term

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Separate non-negotiable terms from flexible areas

New physicians should separate non-negotiable terms from flexible areas to focus their negotiation efforts effectively.

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Prepare justifications for requests based on industry standards

It is crucial for new physicians to prepare justifications for their requests based on industry standards to negotiate effectively.

■ Collaborative Approach

New physicians should maintain professionalism and seek mutually beneficial outcomes during contract negotiations.



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Section 8: Red Flags Recap

Common Red Flags to Avoid

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High repayment obligations for bonuses

New physicians should be cautious of contracts with high repayment obligations for bonuses if they need to depart early.

02

Broad non-compete clauses

Contracts with broad non-compete clauses may restrict new physicians' future employment opportunities unnecessarily.

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Undefined termination terms

Contracts with undefined termination terms can create uncertainties and potential difficulties for new physicians.

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Final Note: Always consult a legal professional for specific terms

New physicians should seek legal advice from professionals if they are unclear about specific contractual terms.

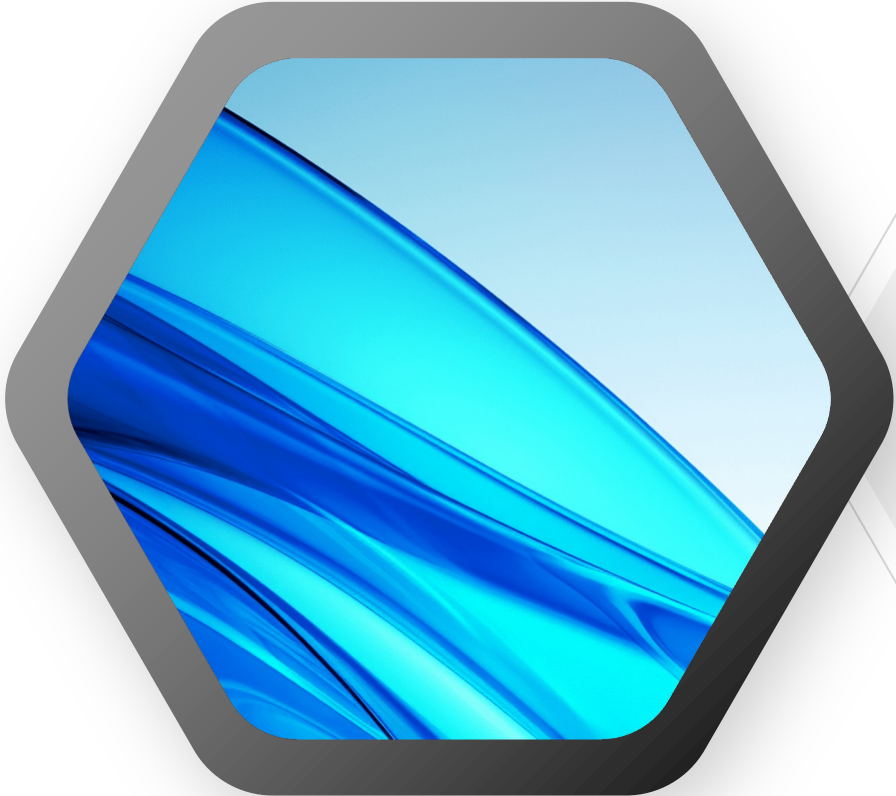


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Section 9: Practical Tips for Contract Review

■ Engage a Contract Specialist



New physicians should engage a contract specialist to ensure a thorough review of the contract and identification of potential risks.

■ Schedule Annual Reviews



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New physicians should set regular intervals for contract reviews to assess their alignment with career goals and market standards.



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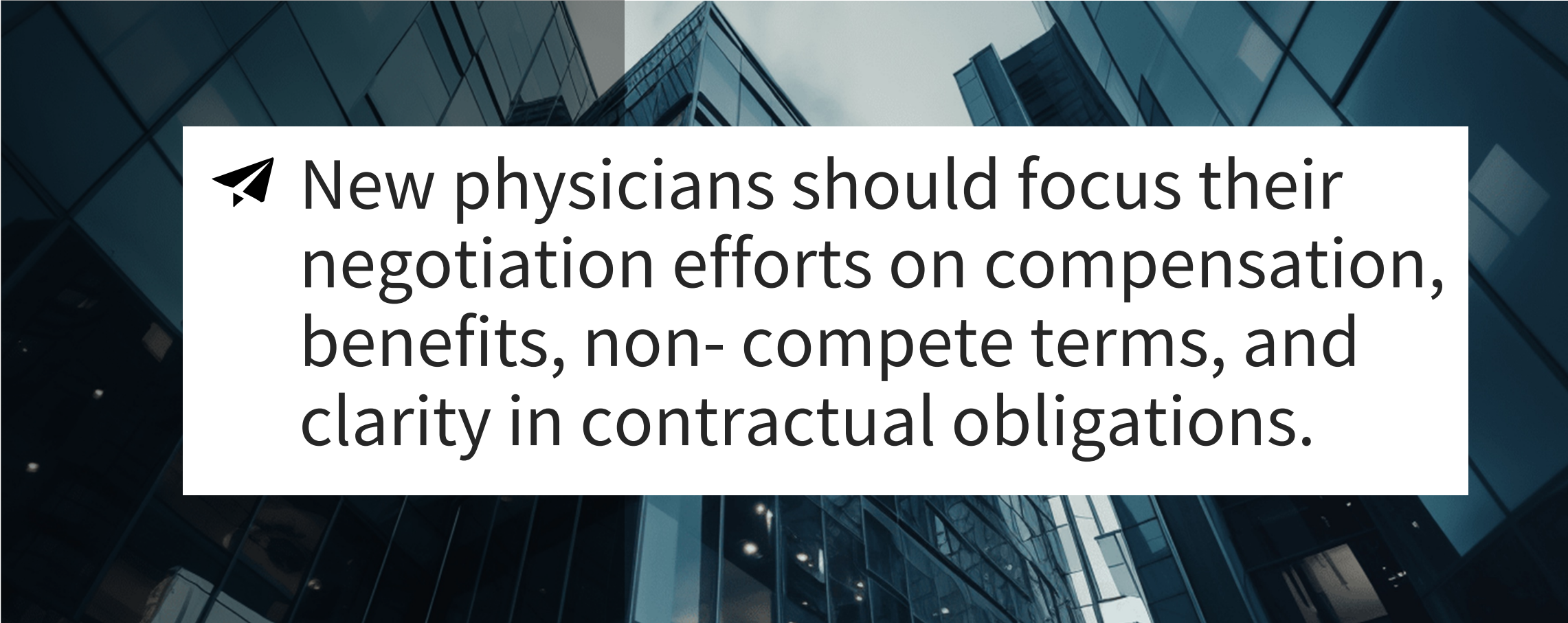
Section 10: Key Takeaways

■ Preparation is Key

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New physicians should prioritize research and preparation to negotiate terms critical to their success and satisfaction.

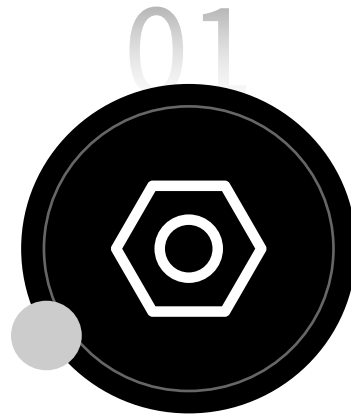
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■ ■ ■ Know What to Negotiate



➤ New physicians should focus their negotiation efforts on compensation, benefits, non- compete terms, and clarity in contractual obligations.

■ Recognize Red Flags



New physicians should be able to identify red flags in contracts and take appropriate actions to mitigate potential risks.



Thanks for
your attention

