



## Beyond the Basics: How to Negotiate Your Contract

Michael Hanak, MD, FAAFP  
Associate Professor  
Rush University Medical Center



# Disclosures

- No conflicts of interest to disclose
- This presentation is not an adequate substitute for a healthcare contracting attorney



# Initial Homework

- Begin with understanding the employer or health system's mission/charter/vision
- It is essential that your goals align with the vision of the organization
- Try to learn as much as you can before a visit or interview
- Anticipate how your skills can enhance the opportunity



# Initial Homework

- Consider some of the following:
  - Technology / EHR
  - Workplace or setting of clinical environment
  - Expectations in location, travel, flexibility
  - Protected time for non-clinical work or educational activities
  - How will you grow? What marketing is made available?



# Setting the Stage

- Consider what should be put in writing and what is better said by phone or in person
- Be direct throughout the process, there is never a need to be nervous
- YOU ARE IN THE DRIVER'S SEAT
- Never use or give ultimatums
- Always leave the door open



# Setting the Stage

- You may not know as much as you think about the position
  - Has this position been filled in the past?
  - Is this part of a new strategy at the institution?
  - Acknowledge what has been stated to you, then add complementary ideas
  - Inquire about the general direction of the position/site/plan
  - Understanding how things fit allows you to leverage your talents



# Setting the Stage

- TRY TO BETTER UNDERSTAND
  - When something is unfavorable – you’re surprised
  - When you’re surprised: “you thought you were on the same page”
- Without being too obnoxious, try to get as much as you can in the actual contract (“but you promised” will not help you)
  - Addendums are a great resource!



# Timing

- You don't have to respond instantly to every message/email/voicemail
  - Certain items may require urgent replies
  - Most (if not all) should be carefully considered with a timely reply back
  - It's not like dating....but it kind of is....
- Do not be afraid to spend time thinking about something
  - Stating that you need time to consider sometimes is a statement in itself





# Compensation/Benefits

- Vacation time (3+ weeks)
- Sick leave
- Pension
- Cell phone (or discount)
- Paid Time Off (if other than vacation)
- Life / Disability / Health Insurance
- Company vehicle (uncommon)
- License, CS License, Hospital Dues
- Professional Society and Medical Staff Dues
- CME
  - CME Time (7+ days)
  - Unrestricted Funds for CME use
  - Corporate/Gov't Discounts



# Term

- Typical introductory term is 1-3 years
- My advice for new physicians is shorter terms to start
  - Able to leave if not what you expected
  - Ability to re-negotiate early if going well
  - Provides leverage for future interests
  - Absolutely discuss salary/bonus opportunities in subsequent years of contract term

# Key Contract Points

- Termination For Cause (be sure it's reasonable)
- Non-Compete Clause: know the boundaries and applicable practice locations that are being included
- Don't be afraid to rely on your attorney (or the idea of one) for justifying a question or clarifying a concern
- Never close a door!!!

# Salary

- Understand how employer arrives at their numbers
- Bonuses:
  - Clinical, administrative, teaching, etc.
  - Quality-related incentives?
  - Have others currently employed met similar criteria
  - Signing bonus
  - Relocation bonus
  - Loan repayment
  - “STIPENDS”



# The Concept of Value

- Try to identify the value you bring to an organization
  - Experience, specialty, training, passion
  - Values must align with the goals and direction of the organization
  - Strive to find middle ground
  - Establish relationship first, then talk numbers
  - Sometimes longer-than-expected process



# Talking “Numbers”

- Fair, competitive, and room to grow
- Share anecdotes or other data to support your position
- Assemble the future you want your employer to see
- Don’t be afraid to walk away or “let things marinate”



# Liability Insurance

- Occurrence-based is often preferred, as it covers acts/omissions *during and after* your employment
- Confirm “tail coverage” is provided, or seek to include



# Restrictive Covenant

- Essential that the geographic area is considered
- Length of time, sites of relevance, with/without cause
- Review teaching, research, and moonlighting opportunities to ensure you are not restricted in those activities



# Important Points

- Make the employer throw out the first number and never accept the first offer
- Don't over-exaggerate and never lie
- Understand how you fit the employer's needs, and convince them of this fact
- Be flexible – it's a negotiation, which requires compromise

# Important Points

- Everything is negotiable, even when “it’s not negotiable”
- Look for opportunities to be creative in the process
- You might even help the employer with future contracts



# Questions?

