

10 Common Contract Negotiation Mistakes

The unique setting of emergency medicine means physicians often have legal arrangements that involve other physicians as well as hospitals. That guarantees that, in addition to your medical school diploma, one the most important documents of your practicing career is an employment contract. Your contract is yours to negotiate. Here are 10 important issues that can make — or break — yours.

1. No voice in management.

In some contracting arrangements, physicians are treated like second-class citizens. However, before opting for hospital employment, consider a democratic practice setting where physicians are eligible to become shareholders in a business that has their best interest at heart.

2. Underestimating cost of living and its impact on lifetime earning.

Modern healthcare isn't designed to protect physician satisfaction or compensation. Where you live and your cost of living are significant factors — as is debt load — in where you choose to practice. Joining a physician-driven practice in a cost-of-living-friendly community can provide valuable assistance in financial and tax concerns that can energize your earnings and help you save in the years ahead.

3. Poor management of student debt.

The costs of attending medical school are significant and they'll likely follow you for many years into your practicing career. Maximizing your income goes a long way toward achieving financial balance. Take advantage of tax benefits and financial structures that can help you pay off that debt sooner.

4. Not having a say in your schedule.

Some practice settings offer a work-life balance that's unattainable in any other employment environment. You can have a say in when and how much you work or let someone else decide for you. Avoid getting locked into unrealistic or unsustainable work situations that can shorten your career and impact your quality of life.

5. Inconsistent practice standards.

Some employment scenarios guarantee that you'll practice with an ever-changing sea of strangers — some of whom may not even be American Board of Emergency Medicine certified or eligible. Look for an arrangement where you'll hand off to a qualified physician as skilled and conscientious as you every time.

6. Failing to investigate insurance ramifications.

Two of the most important words that can appear in a contract are “tail insurance.” This extended insurance coverage is a steep expense — often about 150 percent of the previous year's malpractice premium. Some employers will require a physician to carry tail insurance coverage, while others do not.

7. Showing up to the negotiating table solo.

Entering into an employment contract without seeking advice is a huge risk. If you're concerned about spending dollars unnecessarily, think about the potential costs of not consulting a seasoned advisor for this critical moment in your career.

8. Understanding the impact of being in a litigious state.

Depending on where you live, your medical career can be quite expensive. Liability and premiums can be costly but absolutely necessary in some states. States that have laws on the books to reduce frivolous litigation and cap rewards are favorable environments in which to practice medicine.

9. Equality on day one.

Unlike a hospital-owned practice or large, faceless physician contracting organization, you can be a business owner with colleagues who are your partners in business and in medicine. Seek out an employment model that is democratic, flexible and doctor-driven.

10. Not seeing the bigger picture.

With an experienced advisor on your side, you're assured a higher level of career satisfaction and quality of life that can help you practice longer. A practice by and for doctors provides support during contract negotiation and gives you access to generous benefits such as a pension plan that's designed with your future in mind.

Healthcare is a business where physician interests don't always come first. That's why it's important to ensure your contract has your interests well covered on day one and beyond.