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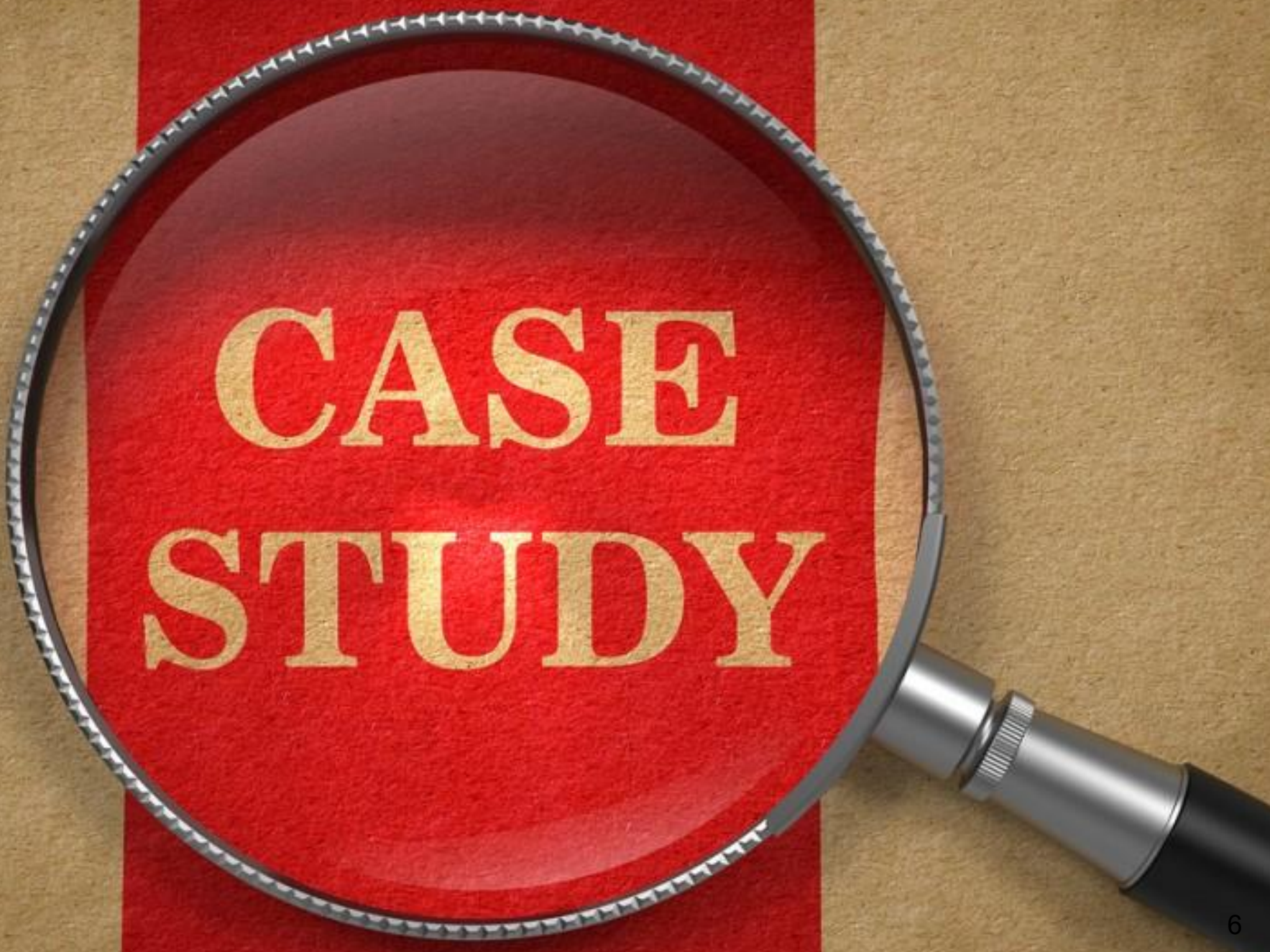
Steve helps doctors with all aspects of their professional and personal legal needs, including employment contracts, partnership agreements, buying and selling or starting a practice and real estate. Steve lectures nationally on employment contracts and negotiation skills and is a lead negotiator for the Union of American Physicians and Dentists. He received his J.D. (cum laude) from Cornell University in 1985 and is a member of Phi Beta Kappa and a former adjunct professor of law at Stevenson University.

# **Understanding Employment Agreements**





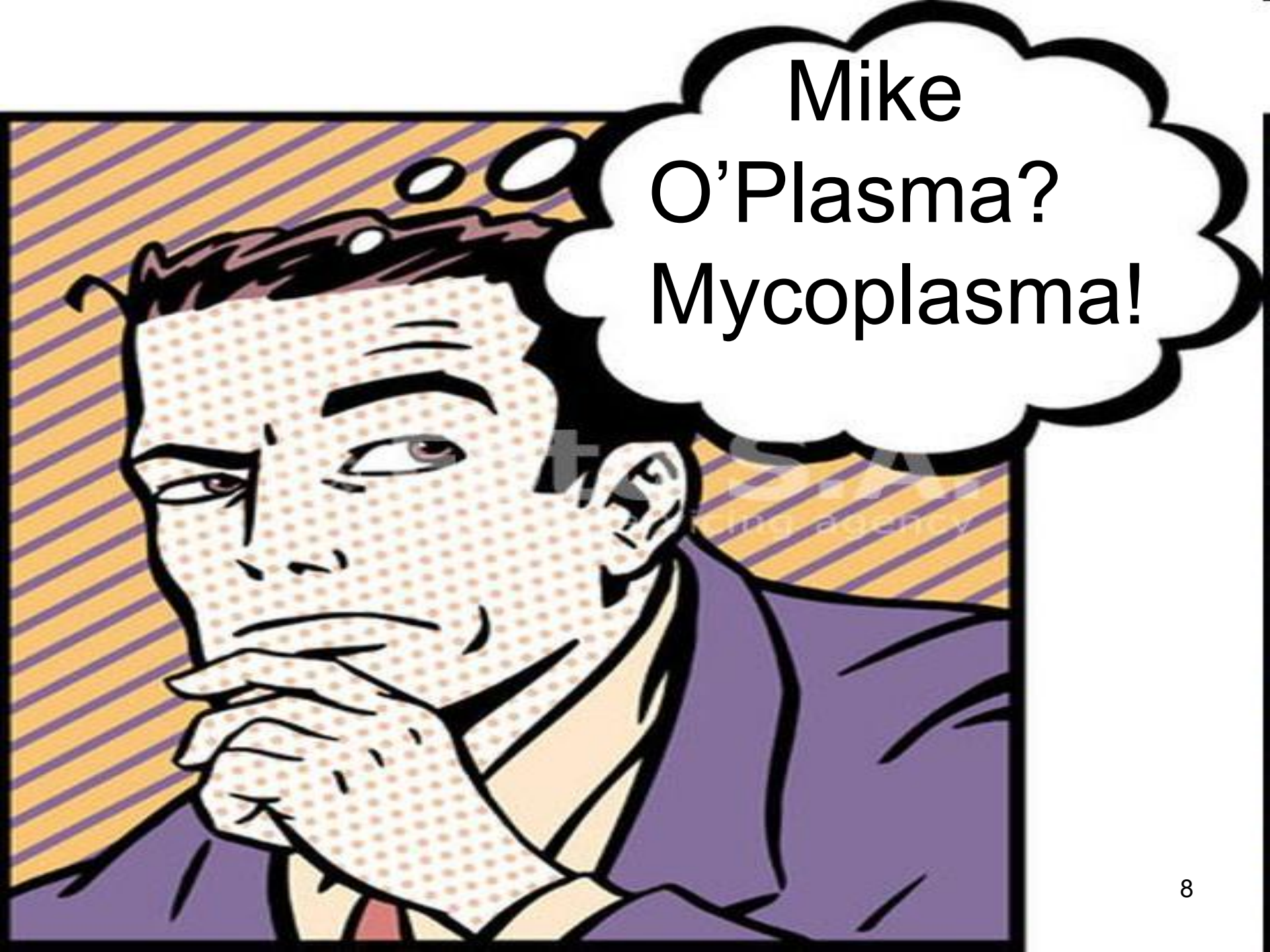


A magnifying glass with a silver rim and a black handle is positioned over a red rectangular area. The words "CASE STUDY" are written in a bold, gold, serif font across the red area. The background of the entire image is a textured, light brown surface.

# CASE STUDY







Mike  
O'Plasma?  
Mycoplasma!





# **Terms of deal**

**\$200,000**

**4 days a week**

**Call 1:6**

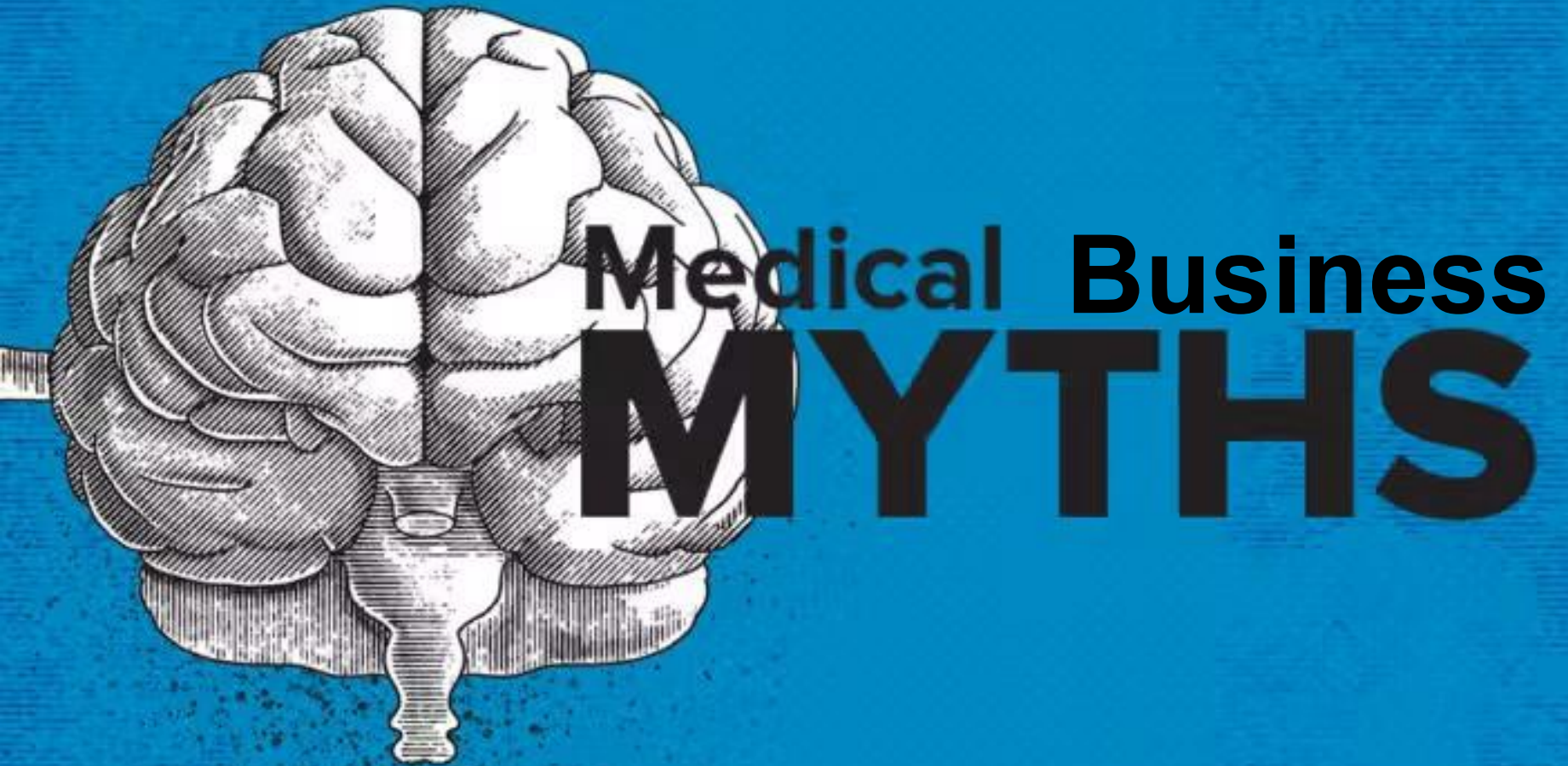
**Three-year contract**













**STANDARD**

**STANDARD**





A close-up photograph of a person's hand, wearing a dark suit jacket, holding a white rectangular sign. The sign has the words "TRUST ME!" printed in bold, black, sans-serif capital letters. The background is a dark, textured surface.

**TRUST ME!**



AAUGH!





**I Promise**

**to be different**

**I Promise**

**to be *unique***

**I Promise**

**to not**

**Repeat things other people say.**





An open book with a light brown cover and cream-colored pages. The text "Back to Our Story" is written in a large, bold, black serif font across the two pages. The book is slightly angled, showing the spine in the center.

# **Back to Our Story**









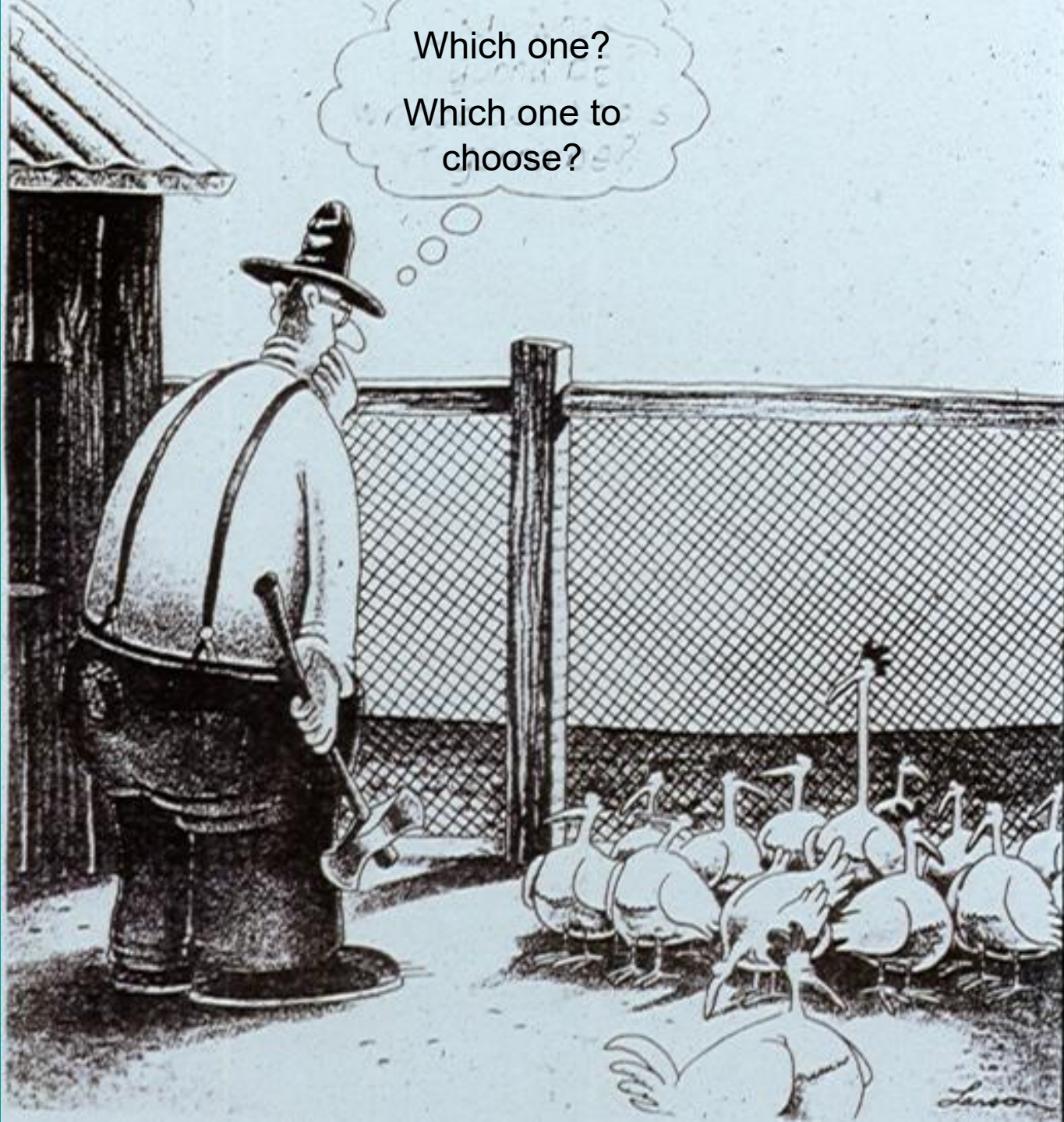






**HARD  
WORK  
AHEAD**









# CONTRACT

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*Sign*

# **Problem:**

Working 6 days instead of 4

## **“Standard” Contract Says:**

Employee shall work exclusively for Practice on a full-time basis a minimum of 40 hours a week on a schedule to be set by the Practice



# **Problem:**

Call 1:2 instead of 1:6

## **“Standard” Contract Says:**

Employee shall be available to provide call 24 hours a day 7 days a week on a schedule to be set by the Practice



LEAVING TOWN

A full-page background image showing a man in an orange shirt and dark shorts climbing a steep, light-brown rock face. The climber is positioned on the left side of the frame, reaching up. The background is a bright blue sky with scattered white clouds. In the lower portion of the image, the jagged, rocky peaks of a mountain range are visible.

DON'T  
QUIT





Restrictive covenant:

For **three years** after termination of this Agreement for any reason, **Employee shall not practice medicine within a 30 - mile radius of the Hospital's main campus at 100 Maple Street.**





# Who wins every lawsuit over a restrictive covenant (noncompete)?

- **A Employer**
- **B Employee**







# UNEMPLOYMENT







3 simple  
rules





It's not in English  
No está en Inglés  
Il n'est pas en anglais  
Es ist nicht in Englisch  
это не по-английски  
그것은 영어에 없는



# Cornell Law School





# **Not in English**

- **Employee shall be available to provide call 24 hours a day 7 days a week on a schedule to be set by the Employer**
- **Call will be shared equitably among all doctors employed by the practice**

**Let's eat grandma!**



**Let's eat, grandma!**

**Punctuation  
Saves Lives.**







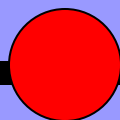
A man with a beard and a grey suit is standing in a courtroom, holding up a piece of paper with his right hand. He is looking to the left. In the foreground, a woman with glasses and a patterned top is seated, looking towards the man. The background shows wooden paneling and a bookshelf.

**Written by  
Employer's  
Lawyer**



0

**Horrible**



5

**OK**



10

**Great!**





A man in a dark suit and a woman in a light blue shirt and beige blazer are shaking hands over a wooden desk. The man is on the left, smiling, and the woman is on the right, also smiling. On the desk, there is a black electronic device, a pen, and some papers. The background is a plain, light-colored wall.

# All Negotiable

# **3 Reasons to Negotiate**





**GET MORE STUFF**

IF YOU DON'T

ASK

YOU DON'T

GET



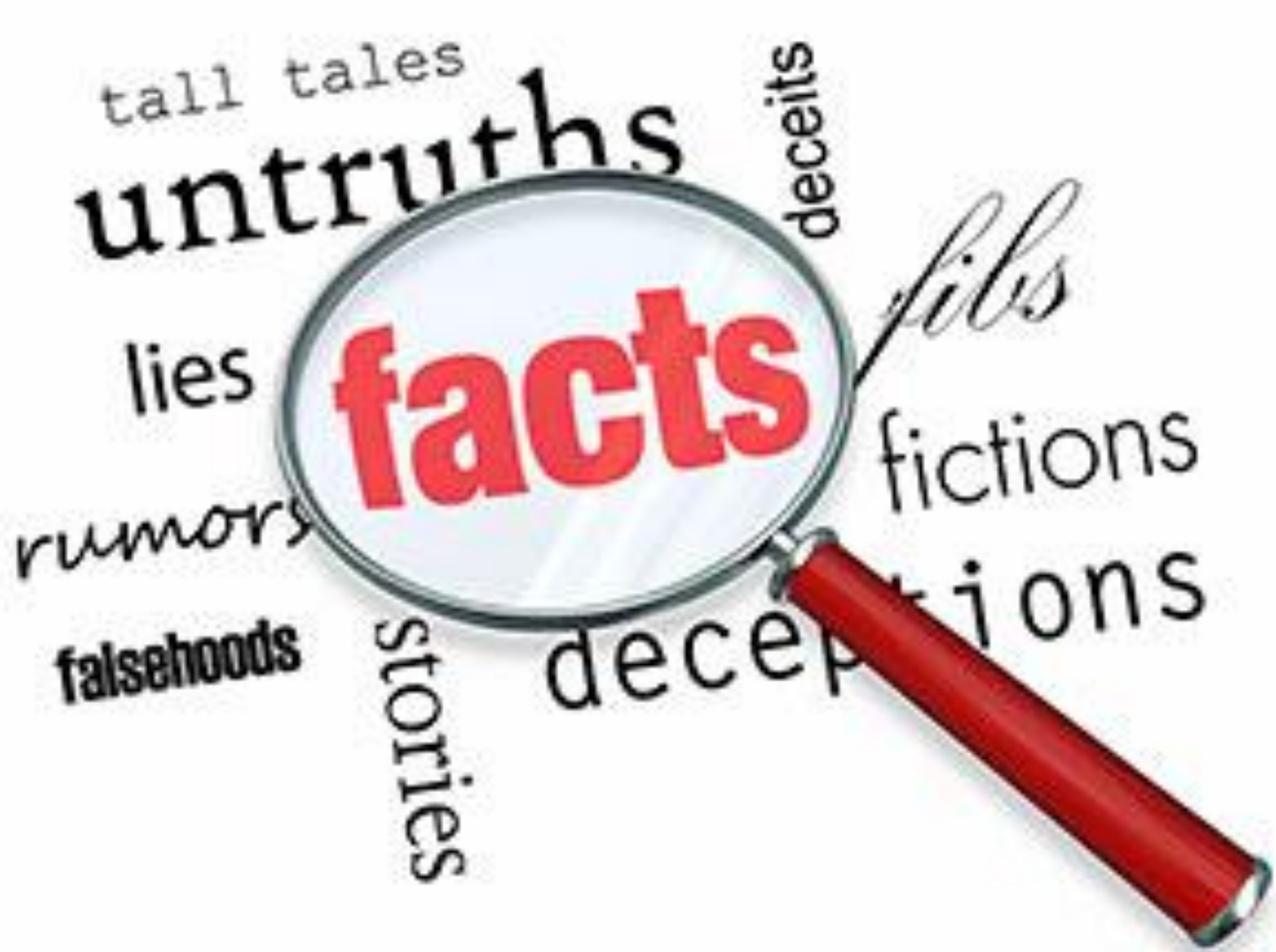


**WIGGLE**

**ROOM**



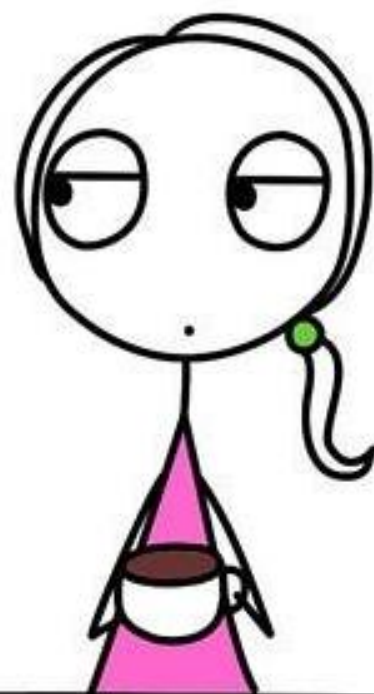
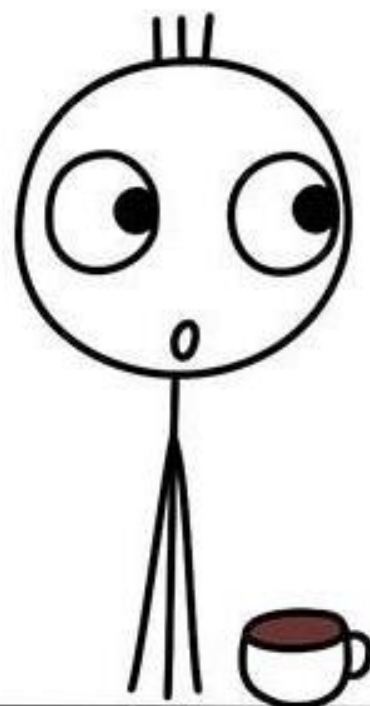


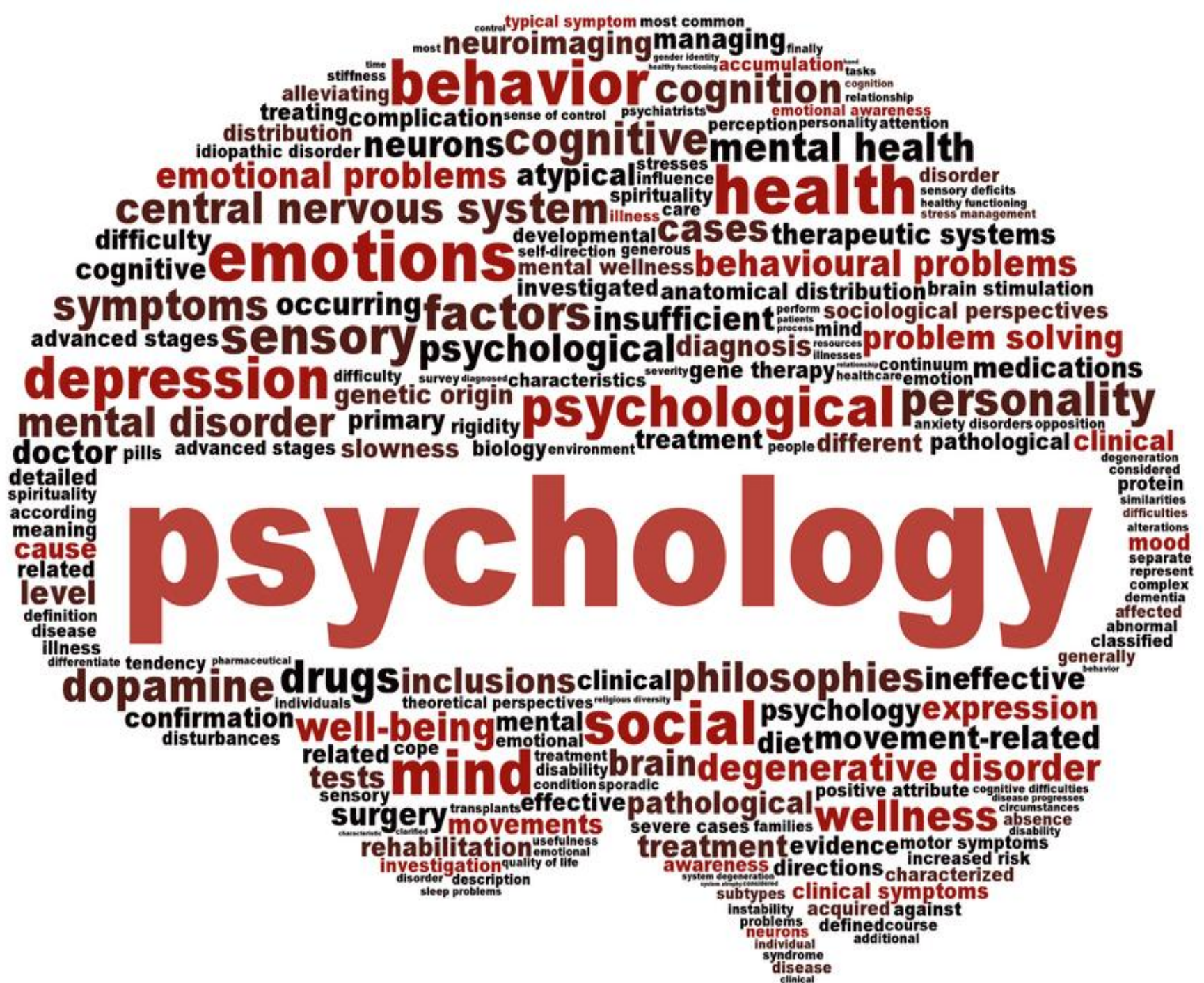












# **THE THREE RULES**



**NOT IN ENGLISH**



**WRITTEN BY EMPLOYER'S  
LAWYER**



**ALL NEGOTIABLE**



# CONTRACT

THIS AGREEMENT made this \_\_\_\_\_  
by \_\_\_\_\_  
and between \_\_\_\_\_  
and \_\_\_\_\_

day of \_\_\_\_\_

20 \_\_\_\_\_

(First Party)

(Second Party).

WITNESSETH: That in consideration  
kept and performed on the part of \_\_\_\_\_

I. Said party of \_\_\_\_\_

\_\_\_\_\_ covenants and agreements to be  
\_\_\_\_\_ respectively as herein stated.  
\_\_\_\_\_ and agrees that it shall:

I said party of the second \_\_\_\_\_

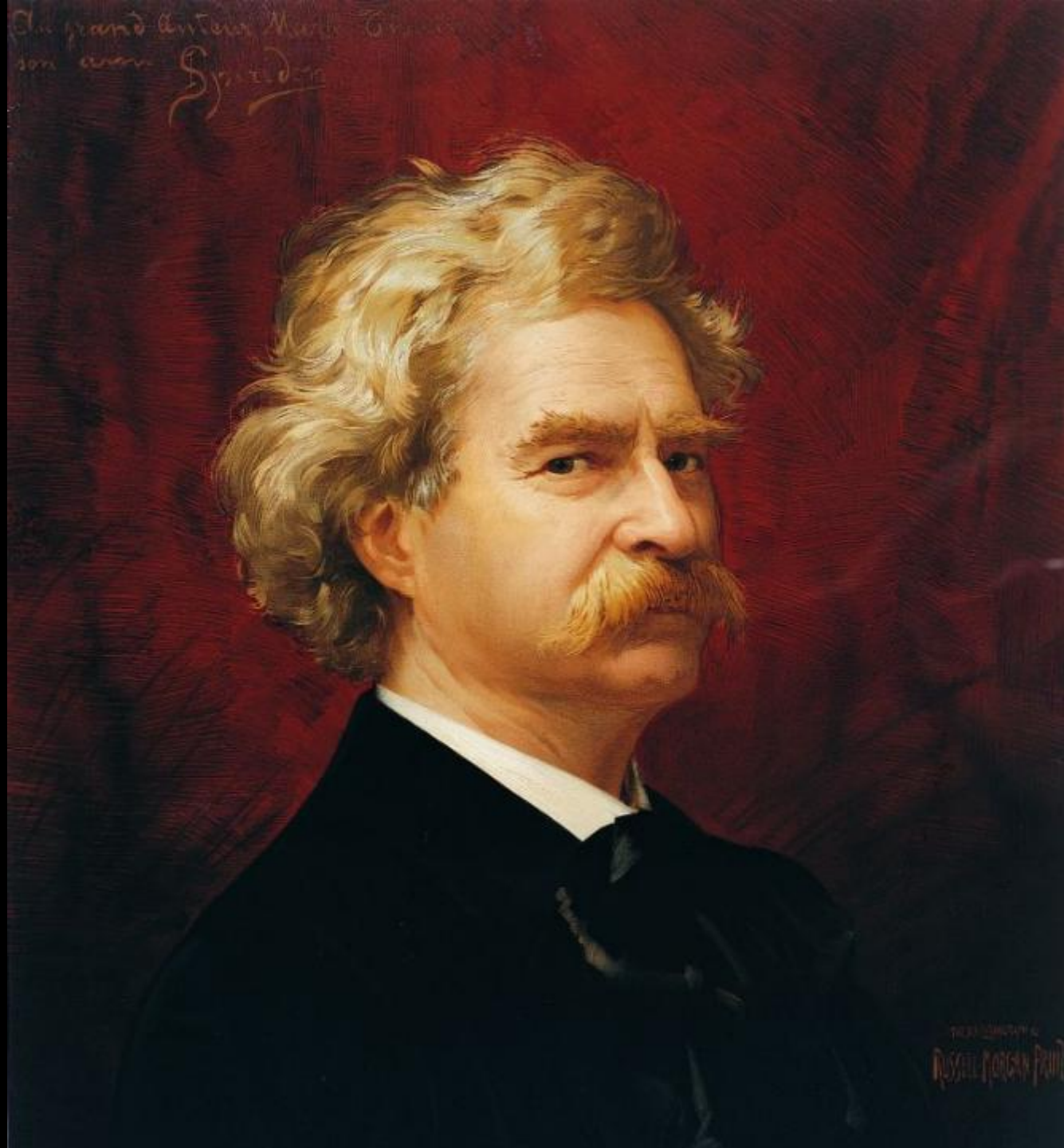
 **Compensation**

 **Hours**

 **Termination**

 **Noncompete**

Al grand autore Mark Twain  
son amon Snyderson



THE UNIVERSITY OF  
RUSSELL MORGAN PRATT







# Compensation

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**Salary +  
Benefits +  
Ownership**



# **SALARY**

- **Guaranteed Pay**
- **At Risk Pay**
  - RVUs; shift pay;**
  - Collection -based**
- **Hybrid**

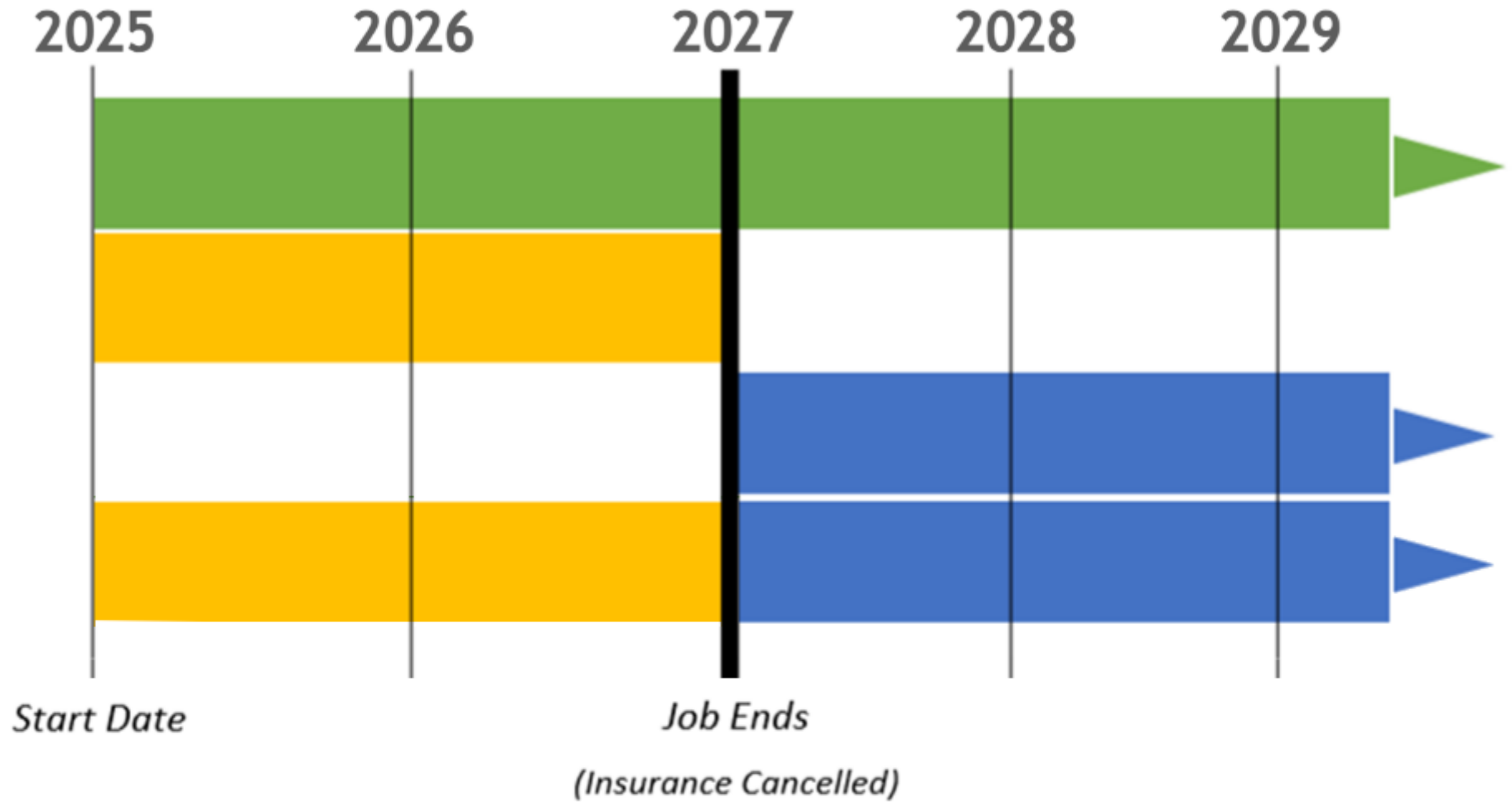


# BENEFITS

- **Malpractice Insurance**
- **Health/Disability/Life Insurance**
- **Retirement Plan**
- **Moving Expenses**
- **Signing Bonus**
- **Vacation/Family Leave**
- **CME time and money; Boards**
- **Licenses, Staff Dues, Professional Org.**
- **Phone, Office, Equipment**



# Tail Insurance



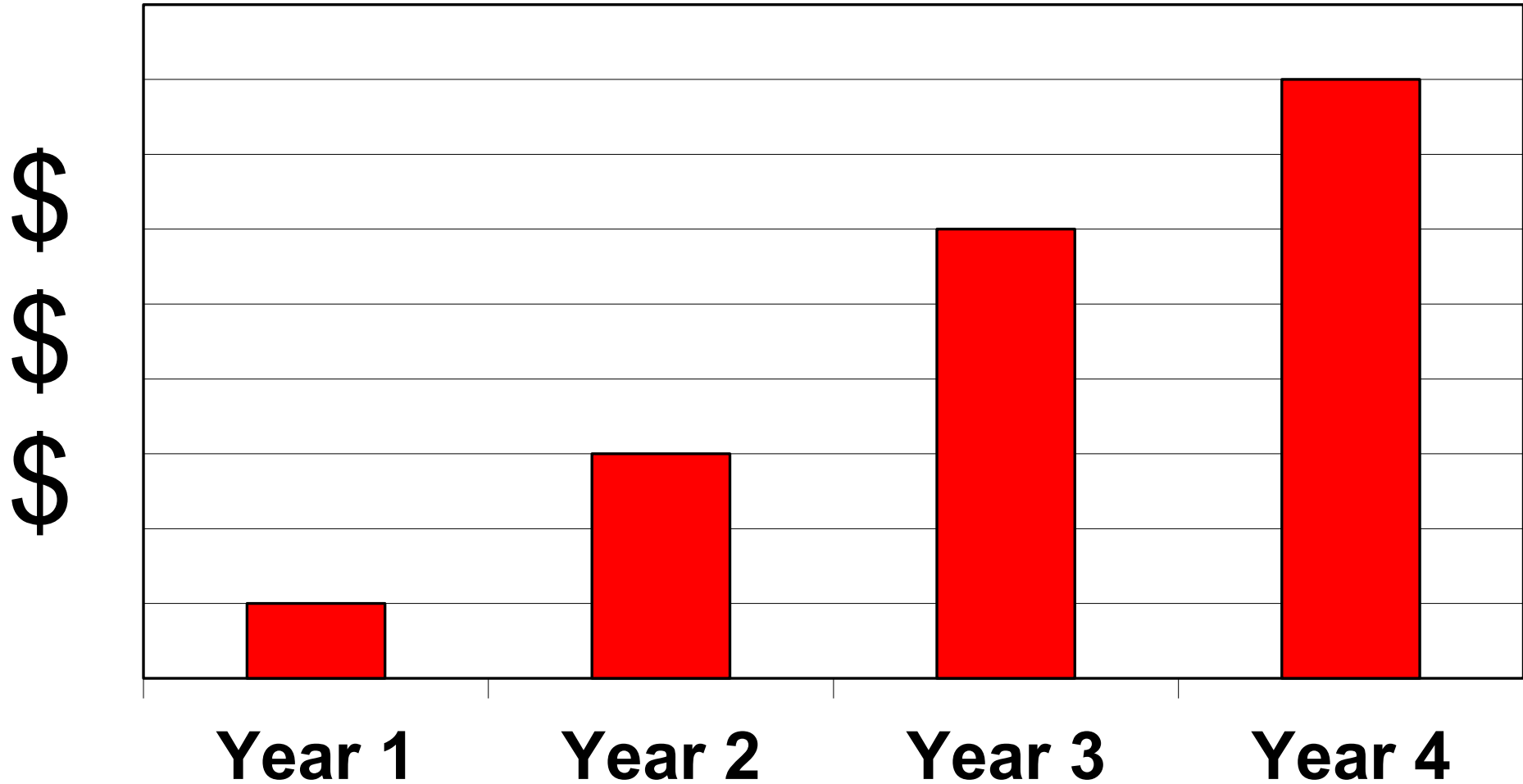
Occurrence Insurance

Claims Made Insurance

Tail Insurance



# Malpractice Insurance









# PARTNERSHIP

# **EQUITY OWNERSHIP**

- **Track Length**
- **Notification Deadline**
- **Ballpark Cost**
- **Equity History**





OPEN

closed

“8 sessions a  
week for a total  
not to exceed 40  
hours

Or

“4 days and 1  
evening a week”





“no more than 12  
shifts a month”

And/Or

“no more than 3  
night shifts a  
month ”





Share call = with 4  
other doctors

or

Every 5<sup>th</sup> night and  
weekend

or

No more than Q 4  
without agreement

**You will work harder!!**

v.

Will you work harder?



A close-up photograph of a man's hand holding a bright yellow sticky note. The man is wearing a light blue button-down shirt and a tan tie. His face is partially visible in the background, slightly out of focus. The sticky note has the words "YOU ARE FIRED" written in black, handwritten capital letters. The man's hand is positioned at the top of the note, with his fingers gripping the top edge. A black watch with a white face is visible on his wrist.

YOU ARE  
FIRED

# Termination

- Duration of Contract
- Notice
- “For Cause”





# **FOR CAUSE TERMINATION**



# **OBJECTIVE REASONS FOR TERMINATION- OK**

- **Lose license**
- **Lose hospital privileges**
- **Medicaid exclusion**
- **Lose DEA license**
- **Arrested for felony**
- **Die**



# **Subjective Termination**

- **Failure or refusal to follow rules, regulations, policies or procedures**
- **Fail to faithfully and diligently perform services required by contract**
- **Act unprofessionally or bring disrepute upon the practice**



**Second Chance**

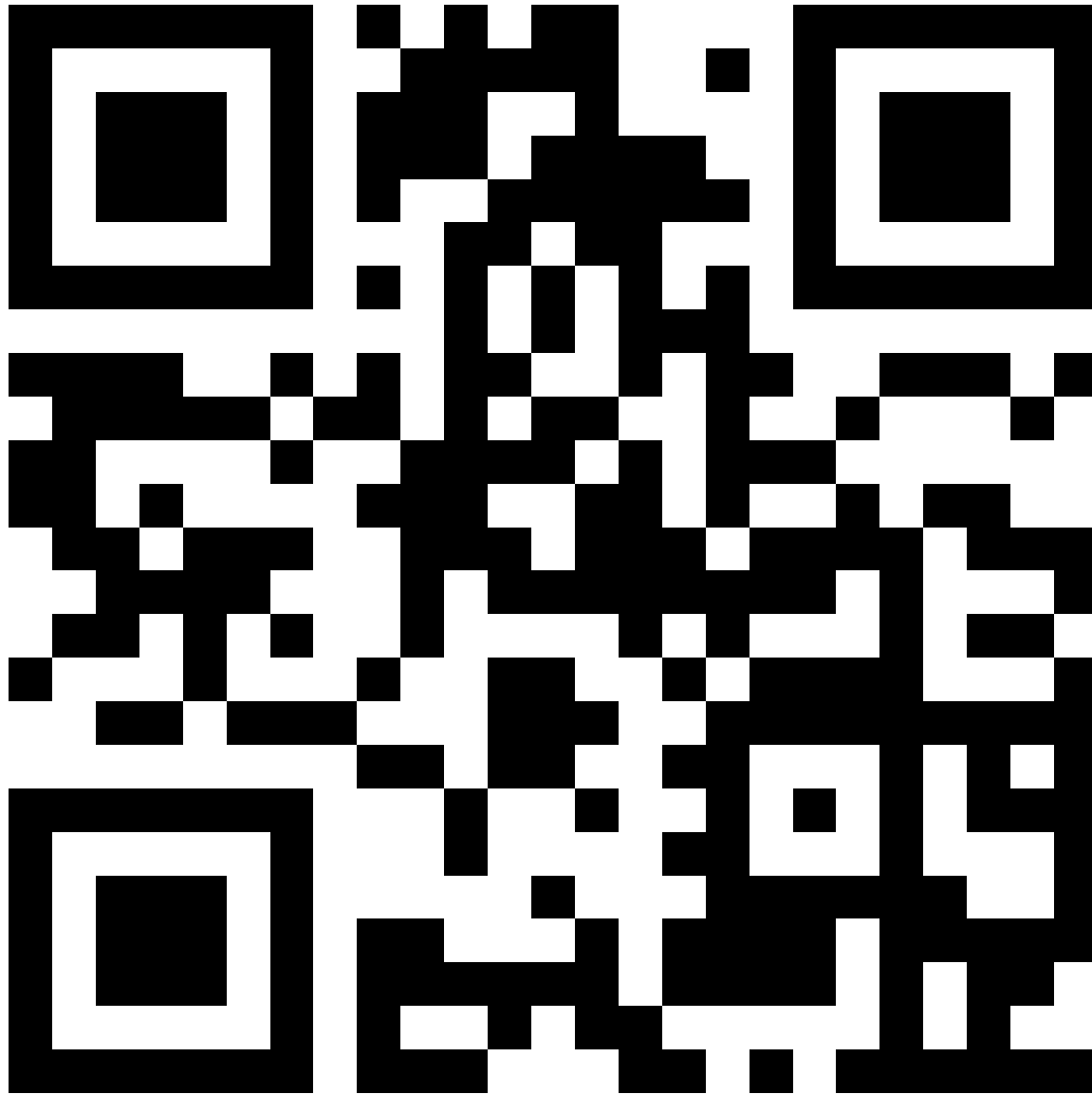






# **Noncompete Agreements**

- ❖ **Duration**
- ❖ **Geography**



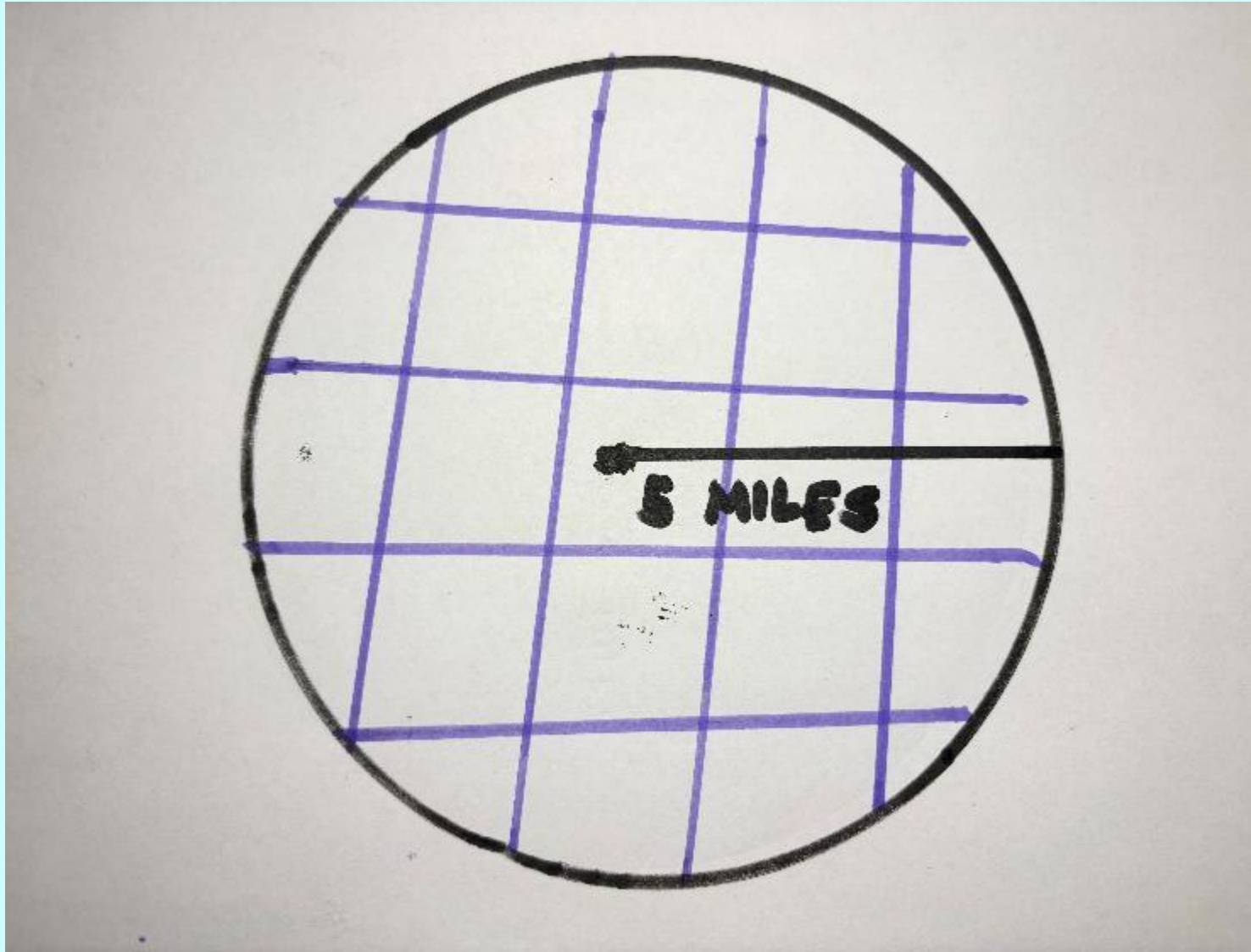






**Air Miles, Not Road Miles**

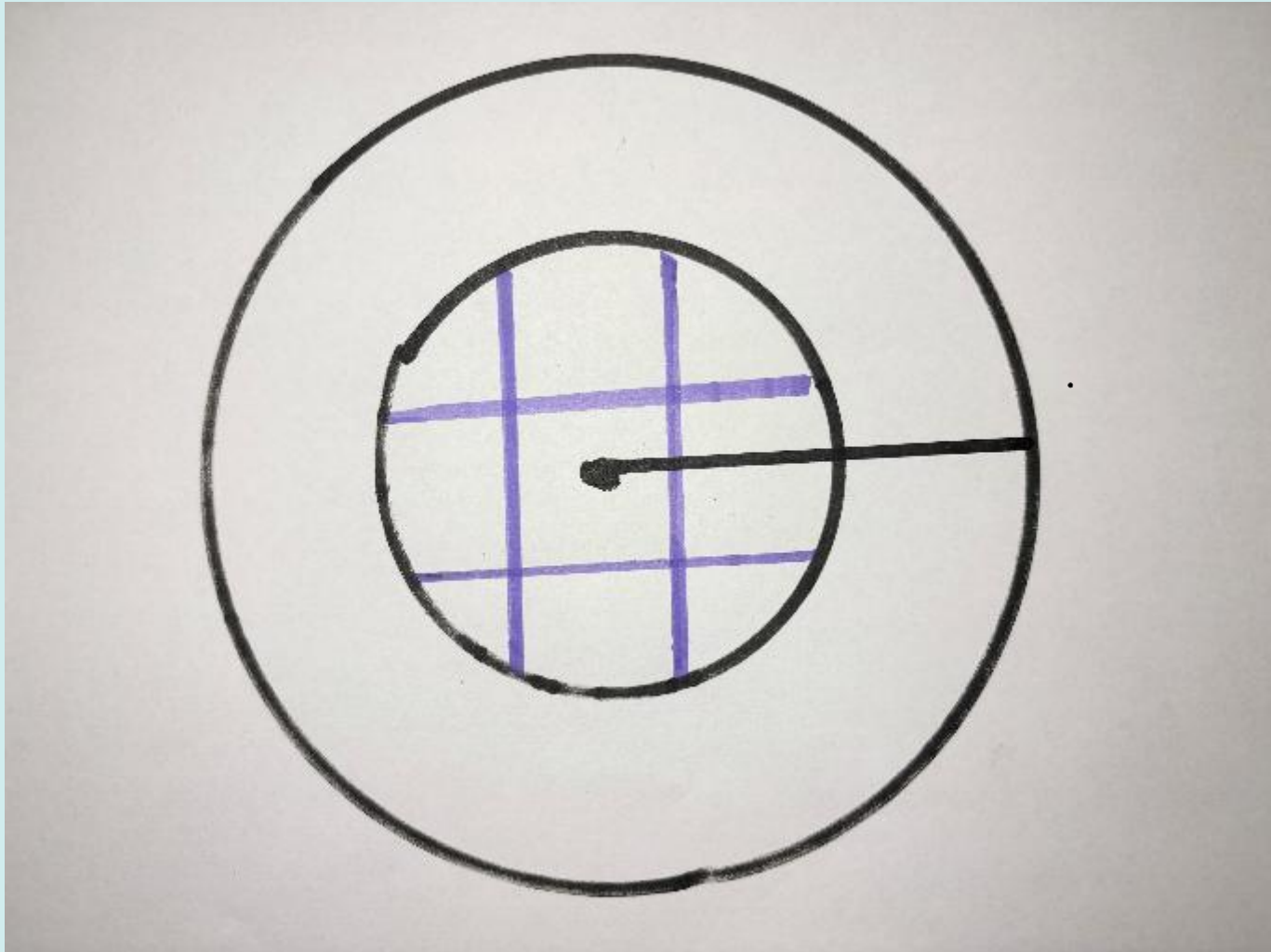
# Bigger than you think



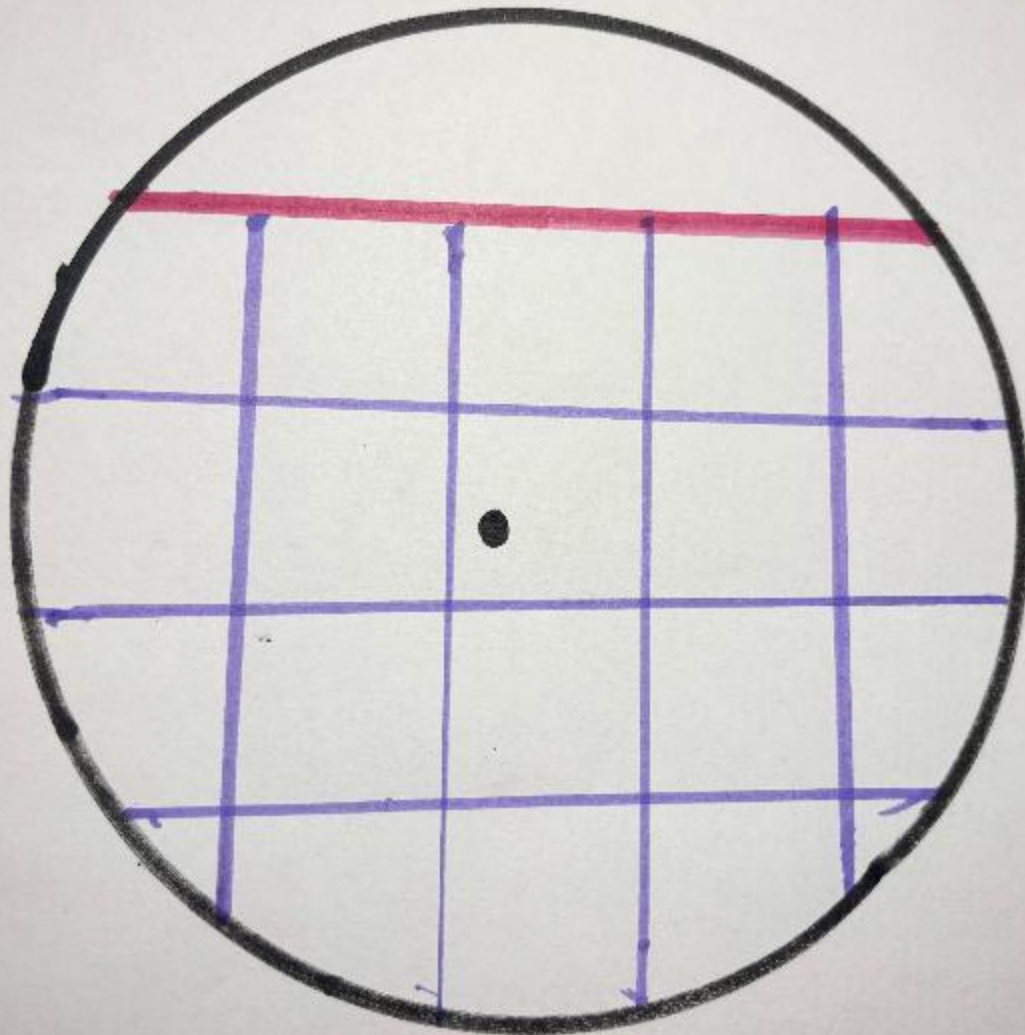




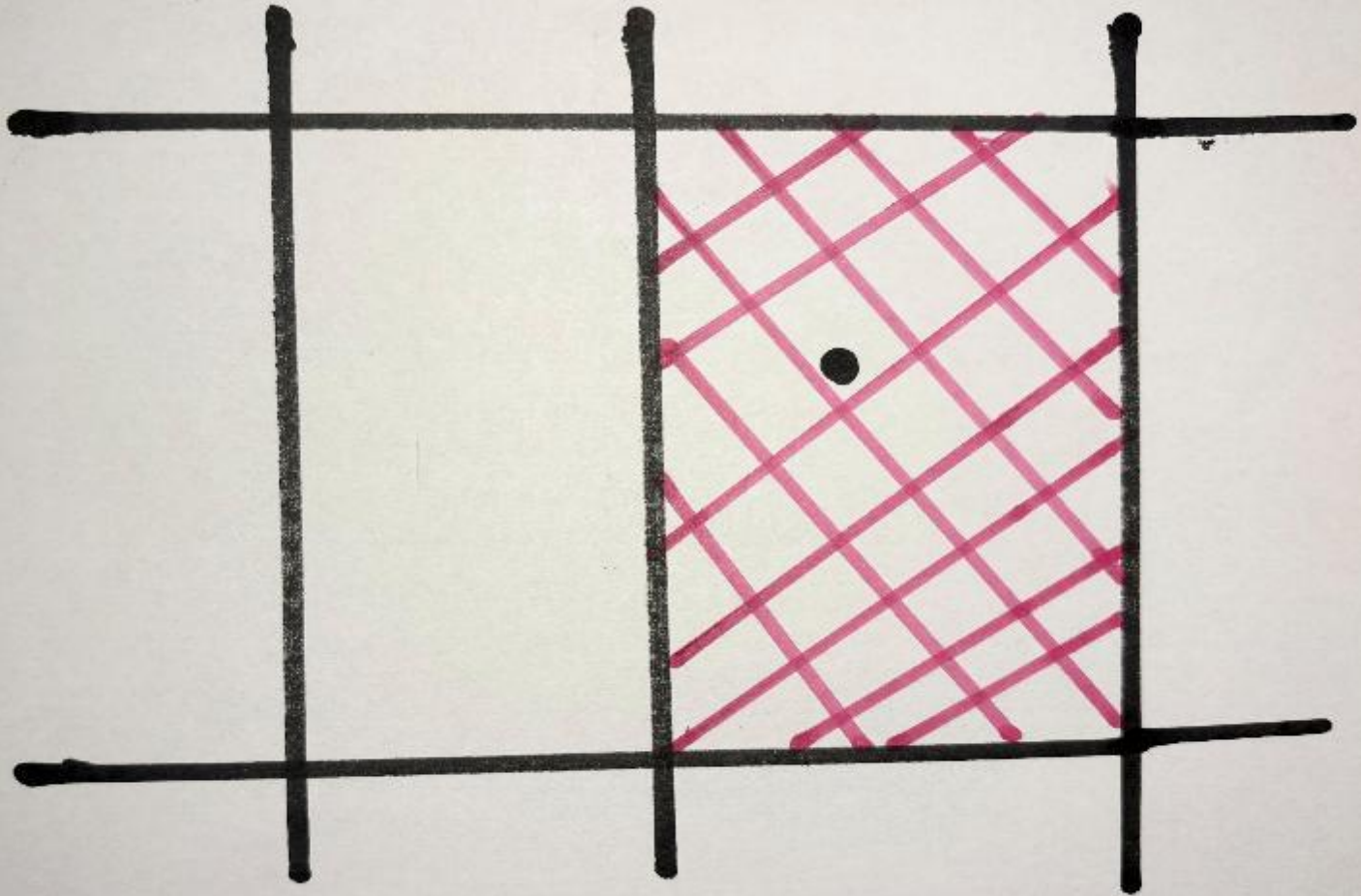
# Cut the radius



# Bisect the Circle



# A Different Shape





# Exceptions

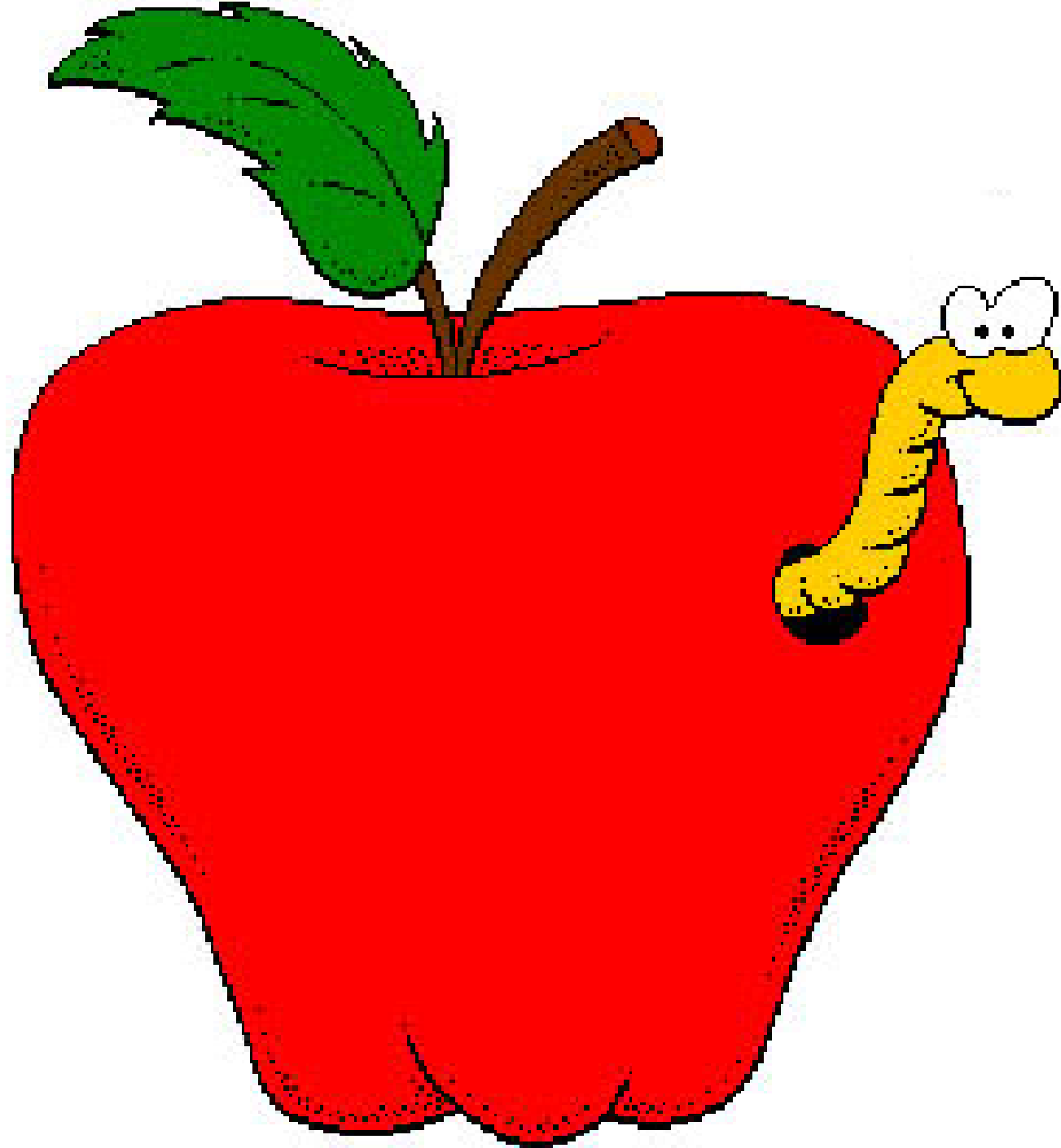
- Not for cause termination
- Employer breaks the contract
- Non-competitive jobs, e.g.  
inpatient, urgent care, HMO,  
government employment
- Based on time

**ABSOLUTELY  
NO SOLICITING**



**POACHERS**  
**WILL BE**  
**PROSECUTED**







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