

Physician: **Jay Mitchell, M.D.**

Employer: **Regional Medical Specialists**
Anytown, USA

Employment Agreement Risk Assessment

Dr. Mitchell:

Thank you for asking me to perform a Risk Assessment of your employment agreement with Regional Medical Specialists.

The 18-page agreement is well drafted, with moderate density and complexity.

Duties, Schedule, Location, Workload

Severe risks in the vague descriptions (Section 2, Exhibit A) of your duties specialty, schedule, location, and workload could lead to work you do not like, with a difficult schedule, inconvenient location, and uncomfortable workload. For example, your clinical specialty and duties are not described; your regular and on call work schedules are not limited, you may be assigned to various practice sites.

Mitigate these risks by adding specific language to define the scope of your clinical practice and your duties, outline and limit your schedule, identify your practice location(s), and estimate and limit your workload.

Compensation

High risks in the compensation model (Section 3, Exhibit B.), which does not provide a minimum base salary beyond year 2, could result in lower than expected compensation for physicians in your specialty early in their careers.

Mitigate these risks by adding language to assure your minimum compensation for each year of employment, or obtain realistic projections of your compensation based on sound, verifiable information.

Benefits

Moderate risks in the vague descriptions (Section 4, Exhibit C) could result in uncertain benefits.

Mitigate these risks by adding specific language or obtaining other information that clearly describes your benefits.

Malpractice insurance, tail premium

Moderate risks in the language (Section 8) indicates that you will pay a significant tail insurance premium.

Mitigate these risks by adding language that requires the Employer to pay your malpractice insurance tail premiums.

Term and termination

Moderate risks in the five-year initial term (Section 7) and the strict language describing your employer's rights to terminate your employment (section 8).

Mitigate these risks by reducing your initial employment term to three years and revising language to enable you to cure more of the circumstances that may lead to the termination of your employment.

Restrictive covenants

Moderate risks in the descriptions (section 9.) could restrict your ability to continue practicing medicine in the community after your employment ends.

Mitigate these risks by revising language to limit the restricted area to the area around your primary practice site, and to waive the restrictions if your employer terminates your employment without cause, or if you terminate your employment for cause.

Shareholder status

Moderate risks in the absence of language describing a path to shareholder status raise serious questions about the opportunity.

Mitigate these risks by adding language to describe the path to becoming a full and equal shareholder in the practice.

Declarations, legal framework

Negligible risks. Add your name and address, effective and commencement dates.

Employment Agreement Comprehensive Consultation

I can advise you during your negotiations with Regional Medical Specialists to mitigate risks, protect your interests, and improve your position.

During a Comprehensive Consultation, I analyze the risks and describe their mitigation in detail, and compare your compensation offer to MGMA statistics. During our 1-2 hour consultation, we review your personal and professional history and your key career issues. We also examine your experiences with your prospective employer. As we review your employment agreement in detail, we consider this information to outline your negotiating strategy. I am available to advise you through the conclusion of negotiations.

My professional fee for a Comprehensive Consultation of your employment agreement with Regional Medical Specialists is \$1,320. This fee reflects a 20% discount because you are currently completing your training. I will credit the \$350 you invested in this Risk Assessment toward my professional fee, for a net additional investment of \$970.

Please contact me to discuss the risks associated with your employment agreement, and to decide whether to move forward with a Comprehensive Consultation.

I look forward to continuing to advise you on your important career decisions.

Be well,

Jack Valancy Consulting

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