

Employment Contracts: Ten Essential Elements to Consider

Ten Elements

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Securing a new job is undoubtedly exciting, but it's crucial not to overlook the details of your employment contract. A well-drafted contract not only protects your rights but also sets the foundation for a positive and productive professional relationship. In this article, we'll delve into ten key elements that you should carefully examine in your employment contract to ensure a fair and transparent agreement.

1 Work Details: Where and When Matters

It's surprising how often employment contracts fail to specify essential details like office days, operating room block time, and call schedules. These factors can significantly impact your work-life balance. Ensure that your contract explicitly outlines these aspects, whether within the contract itself, in an appendix, exhibit, or a separate policy.

2 Outside Professional Activities

Your contract should address moonlighting and other outside activities. While many contracts broadly prohibit any outside work, it's essential to have provisions that allow charitable, business, or consulting activities, as long as they don't compete with the employer, interfere with your primary job, or utilize employer resources. Prior consent for such activities is standard, so long as not unreasonably withheld, and any pre-existing agreements should be listed in a schedule for pre-approval before signing the employment agreement.

3 Transparent Compensation and Partnership or Advancement Path

A clear and detailed explanation of the salary formula and the path to partnership, if applicable, is vital. Compensation is more than salary alone; it encompasses all forms of compensation, including productivity-based bonuses, signing bonuses, moving expense reimbursements, CME reimbursements, and allotted days off.

4 Support Services: Staff and Technology

Specify the support services you'll receive, such as the availability of staff (Physician Assistant, administrative assistant) and necessary technology. This clarity is essential for ensuring that you have the resources needed to perform your duties effectively.

5 Fair Termination Policies: A Cure Period

Employment contracts often lack a fair process for rectifying issues before termination. Insist on a 10-30 day cure period for termination due to cause, providing an opportunity to address and resolve issues before facing termination.

6 Non-Compete Clause: Narrow and Reasonable

Non-compete clauses can be overly restrictive. In states where enforceable, they should be narrow in scope and duration. This will vary depending on specific circumstances, including the part of the country, density of population, availability of other medical practices in the region and type of institution (hospital, private practice or other). Standard parameters may include a 1-year duration and a 10-15 mile radius from locations where you practiced clinical medicine on behalf of the employer. Exceptions should apply in cases of termination without cause, an employer's breach of contract, certain merger/acquisition scenarios, or contract expiration without an offer for advancement.

7 Comprehensive Insurance Coverage

Your contract should outline the insurance coverage provided, including disability and malpractice insurance. If the malpractice policy is claims-made, ensure that a tail policy is included. A separate tip is to obtain your own disability policy as well, as early in your career, or even training, as possible. This protection is crucial and obtaining this early can result in lower premiums.

8 Indemnification: Clarity on Liability

Clarify the indemnification clause, which determines who pays for losses caused by your actions. Seek to limit indemnification to cases of gross negligence or intentional misconduct. Additionally, the employer should cover costs for acts within the employment scope and the employer's acts, such as billing.

9 Post-Employment Access to Patient Records

Ensure that the contract provides access to patient records for legal defense and Board certification, if applicable, even after you leave the employment. This access is crucial in the event of legal action and for maintaining professional obligations and responsibilities.

10 Intellectual Property Ownership

Carefully review clauses related to intellectual property. Generally, the employer should not own independently developed ideas and inventions unless they were created using employer resources or in the context of your clinical practice. Be aware that larger and/or academic institutions may have specific policies governing intellectual property. It is important to read the policies carefully so that you can adhere to the proper protocols and work within the policies to develop your intellectual property.

Conclusion:

In the complex landscape of employment contracts, attention to detail is paramount. As you embark on a new professional journey, carefully scrutinize these elements to ensure that your employment contract aligns with your expectations and safeguards your professional rights. Remember, a transparent and fair contract sets the stage for a successful and fulfilling professional relationship.

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