

# Contract Considerations When Leaving a Job

## When Leaving

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When contemplating a job transition as a physician, it's crucial to meticulously review your current employment contract to understand the contractual obligations and potential implications associated with your departure. Here are key contractual points to consider:

### 1 Non-Compete Clause

Determine whether your contract includes a non-compete clause, which may restrict your ability to practice medicine in a specific geographic area or specialty for a certain period after leaving your current job. Understanding the scope and enforceability of this clause is essential for evaluating future employment opportunities and avoiding legal disputes.

### 2 Privileges Resignation Provision

Some contracts may include provisions requiring physicians to resign their hospital privileges upon termination of employment. This provision may restrict your ability to bring cases to a hospital or healthcare facility where you previously had privileges, potentially impacting your transition to a new practice or healthcare setting. Ensure you are aware of any such provisions and their implications for your future practice.

### 3 Year-End Bonus Consideration

If your employer offers a year-end bonus contingent upon meeting certain criteria or remaining employed until the end of the year, ascertain whether there are conditions attached to eligibility for this bonus upon termination. You may need to weigh the financial implications of leaving before the end of the year versus fulfilling the requirements to receive the bonus.

### 4 Notice Period for Termination

Review the terms of your contract regarding the notice period required for termination of employment. This period may vary depending on the terms of your contract and applicable employment laws. Adhering to the notice period ensures compliance with contractual obligations and facilitates a smooth transition for both you and your employer.

## 5

## Malpractice Insurance

If your employer maintains a claims-made malpractice insurance policy, “tail” insurance will be required to cover any claims brought once you no longer work for that employer. This is because a claims-made policy covers you only for claims that are brought during the time you were employed. In comparison, an occurrence-based policy covers you for claims even after your termination, so long as the occurrence giving rise to the claim occurred during the employment period. There is therefore no need for tail insurance with an occurrence-based policy. Review the terms of your contract regarding insurance to understand the type of policy and if claims-made, if the employer will provide tail insurance. If you must purchase tail insurance, you can request that your future employer cover this cost.

Navigating contractual considerations when leaving a job requires careful attention to detail and adherence to contractual obligations. Seeking legal advice or consulting with a healthcare attorney can provide clarity on contractual terms and help mitigate potential risks associated with the transition. By proactively addressing these contractual considerations, physicians can navigate job transitions with confidence and ensure a seamless transition to their next professional endeavor.

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