PHYSICIAN EMPLOYMENT: FIVE TOP ISSUES TO CONSIDER
SAMPLE NEWSLETTER ARTICLE

The Physicians Advocacy Institute (PAI) and the [state medical association] have developed a resource aimed at providing practical guidance to physicians who are contemplating employment. The resource is entitled “Physician Employment: Top Five Issues to Consider.” The five target issues were determined with input from physicians’ counsel across the nation. The resource provides an overview of each issue and guidance to physicians about how to best assess a prospective employment agreement based on each issue as well as other overarching factors. The “Top Five” Issues any physician contemplating an employment agreement must consider relate to: Autonomy, Compensation, Influence, Governance and Due Process.

A physician’s decision to enter into an employment agreement involves a uniquely complex set of contractual, financial and ethical considerations. Once a physician commits to employment by a hospital or integrated delivery system, unfavorable contract terms or a failure for the health system to thrive can have long-term implications for the physician’s ability to practice in his or her chosen area. As such, a physician should venture into an employment relationship only after carefully considering whether the terms of the employment agreement and myriad other, less tangible factors support the decision.

Physicians can expect to be courted as prospective employees by hospitals and other health systems as these entities continue to position themselves competitively in the rapidly evolving health care marketplace. The forces behind this employment trend are well known. There is increasing pressure from public and private health care payers for providers to organize into integrated delivery systems, including the most highly integrated Accountable Care Organizations (ACOs) and other structures with varying levels of integration. Integrated health care organizations are better able to compete in systems that reward physicians and other health care providers to deliver high quality, comprehensive medical care to a defined population of patients on a risk or incentive basis.

Before considering the terms of an employment agreement, a physician must consider overarching factors relating to how the prospective employer is positioned in the health care marketplace in which it competes. This involves understanding the prospective employer’s:

- Management philosophy;
- Market power and plans for growth; and
- Ability to excel under evolving payment methodologies, which often involve profiling or rating mechanisms that ostensibly measure the health system’s ability to meet quality, efficiency and patient satisfaction benchmarks.

After assessing these factors, it is important that the physician considers carefully how his or her practice will fit into the entity’s system. If these factors all favor moving forward, a physician needs to review the terms of the proposed agreement and any other policies employed by the prospective employer that might affect his or her professional performance and satisfaction.

The PAI-[state medical association] resource is available online at [insert link/website address]