

Physician Employment Contracts: What to Look Out For

Texas Pain Society's 10th Annual Scientific Meeting

Hyatt Regency Lost Pines

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Learning Objective:

Determine best practices in contract negotiations for your practice.

Outline:

1. Key Issues
2. Other Considerations
3. Recommendations



Key Issues

- Covenants Not to Compete
 - Reasonable limitations as to time, geographical area, and scope of activity
 - What about facilities that did not exist at time covenant entered into?
 - Reasonable buy-out price for physicians
 - Amount can be a pre-set dollar amount, an amount determined by a formula, or an amount determined by an arbitrator once employment ends.



Key Issues

- Medical Record Ownership
 - Generally, under Texas law, the work product of an employee belongs to the employer.
 - As to partnership situations, the precise facts regarding the dissolution of the partnership will determine to whom the records belong.
 - The TMB has rules regarding patient notification when a physician leaves a practice.



Key Issues

- Employee vs. Shareholder/Partner
 - Voting rights
 - Differences in obligations



Key Issues

- Peer Review
 - If employed by a hospital, does termination trigger an NPDB report?
 - Clarification regarding what constitutes an “investigation”? Is notice required?
 - Ability to get relevant records/files in event of departure from hospital



Other Considerations

- Gap/Tail and Prior Acts/Nose Coverage
- Assignability
- Call Coverage
- Outside Activities/Honoraria



Recommendations

- Read your contracts.
 - No, *seriously*, read you contracts before signing.
- Have counsel review your contracts before signing.
- Get it in writing.
 - Do not rely on oral promises to address holes in a contract.



QUESTIONS?

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