

# Physicians: What to Consider When Joining a New Practice Group

Due to healthcare reform and the increased complexities of operating a



medical practice, many private physicians are electing to consolidate with other practitioners or to become hospital employees. This shift makes sense as group practices tend to reduce overhead, increase negotiating leverage with private payers and increase revenues by keeping referrals within the practice group rather than sending them to specialists outside of the practice. In fact, a recent American Medical Association study found that nearly 42% of physicians are now in employed positions. If you're going through the process of deciding whether to join a practice group or become an employee at a hospital, there are many things to consider. Let's take a look at some of the major issues: **What will you receive for compensation and benefits?** There are as many methods for determining compensation as there are employers. These range from a fixed salary to an income based on a WRVUs, percentage of collections, charges or net income or a pure 'eat-what-you-treat' method. You also need to consider the employee benefit package. The benefits might include health insurance, long- and short-term disability insurance, paid leave for vacation, illness and maternity, moving expenses, and qualified retirement plans. **What are your duties and responsibilities?** When transitioning to a new practice group your working conditions and responsibilities will likely change. What level of autonomy will you have? What are your schedule and location requirements? What are the group's call-coverage practices? It's important to consider if you are comfortable with what is outlined and if you will be able to achieve success in the new arrangement. **If you are joining as an employee, what is the partnership track?** Many physician groups require new physicians to work for a period of time as employees before becoming equity partners. If this is the case, be sure you understand the timeframe, the circumstances, the costs to buying in and the revenue sharing arrangements. **What is your exit strategy should things not work out?** Do you have a right to terminate at any time without cause? Is there a covenant not to compete? If yes, does the restriction leave open some opportunities to continue practice without moving your family? Who is responsible for buying the tail coverage to your malpractice insurance? This is a good starting list and it's important to think through each of these items, but it's also important to remember that negotiating the employment agreement is a more difficult process and often requires the expertise of a healthcare attorney. Even if you've gone through the process before, each practice group is unique, so if you're looking for greater knowledge and confidence, contact one of our experienced Health Care attorneys. Image: Thinkstock/stokkete \*This article is very general in nature and does not constitute legal advice. Readers with legal questions should consult with an attorney prior to making any legal decisions.