



Don't judge a contract by its cover

Navigating the complexities of your first employment contract.



BRUCE ARMON

I AM AN AVID READER IN MY LEISURE TIME, mostly international spy thrillers and nonfiction. I also read many hours every day as an attorney, often reading and editing physician contracts.

In some respects, your physician employment contract can be analogized as a book, or at least a novella. The elements of a book have many similarities to your professional employment contract.

The title page

For multiple reasons, it is critically important to understand if you'll be an employee or an independent contractor.

According to the IRS, generally the employer "must withhold and deposit income taxes, Social Security taxes and Medicare taxes from the wages paid to an employee." The employer must also "pay the matching employer portion of Social Security and Medicare taxes as well as pay unemployment tax on wages paid to an employee."

As a general principle, an employer does not have to withhold or pay any taxes on payments to independent contractors.

Identifying the parties

There may be times when your employer is not who you may think. Academic health systems, for instance, often have multiple entities that formally comprise the enterprise. You should clearly understand which party you're engaging, and the relationships between other parties in the system.

Similarly, a private practice may have multiple divisions or pods, and each of those entities may have some autonomy in how they function. Different parties have different responsibilities and accountability to one another, and this may impact you.

The table of contents

Some contracts provide a section-by-section preview of the "chapters" included in the contract. This can be a helpful guide for ease of reference in identifying a particular provision in the contract.

The main elements

With or without a table of contents, each "chapter" in the contract should state its purpose and effect. A contract

will likely have sections detailing the perks of working for the employer; your duties and responsibilities; the employer's obligations and commitments; the start date; the length of the initial term; the termination rights of the physician and the employer; and compensation terms. Each of these chapters may have sub-chapters too.

Depending upon the physician's short- and long-term goals, some chapters may be more important than others. Beware, however, as circumstances often change, and something that may have been less relevant when initially considering the overall contract may take on added importance during the tenure of the professional relationship.

The acknowledgements

In any book, there is a section or section(s) that a reader may not pay much attention to, usually at the end of the book. In a physician contract, the "Miscellaneous" section may have multiple legal-looking provisions that can be tempting to overlook but can be very relevant and important.

These provisions may include a notice section to identify who and how to contact the "other side" in a variety of circumstances. It should include a "choice of law" provision if the employer or physician operates in multiple states. It may include a dispute provision for resolving disagreements.

The footnotes

The nonfiction books I read are often heavily footnoted. The spy thrillers I read often thank various individuals for the support or context they provided. Similarly, a physician's contract may include references to multiple documents that are not part of the actual contract the physician receives. This may include the employer's personnel handbook, the then-current compensation policy of the employer, the employer's social media policy, or the intellectual property rights for the employer of the physician's work efforts.

The sneak preview of the sequel

Many fiction thrillers include a chapter from the next book in the series to tease the reader and get them excited to purchase the next book when it is available. A physician's contract may include language promising a promotion within a certain period if certain prerequisites (stated or unstated) are satisfied.

These provisions can help prepare for the next stage in the physician's career with that employer. While no one can predict the future or the success in a professional relationship, it is always helpful to understand what the future could look like if the stars align.

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The next steps

A library or an online vendor is a great resource to read a book. As your career unfolds, think about each new contract you are offered as a new book to read, to understand and enrich your professional experiences and the patients you serve.

Hopefully, you only have to occasionally go back and read a portion of your contract to remember what something means or the context for a particular situation. Remember to keep the contract handy in your bookshelf or in your email folder for ease of access when needed.

Happy reading! •

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