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Interviewing And Negotiating Your Orthopedic Contract Effectively

The interview process that you experience during your search for practices is completely unlike the interviews you have had before. First, the interviews for medical school, residency and even fellowship are conducted by interviewers who have years of experience. In considering orthopedic practice opportunities, there is a very real possibility that the people conducting the interview will have no more experience in effective interview techniques than you have. Second, the primary focus has been clinical experience and expertise. Now that information is delivered through references and the focus in the actual interview is the perception of how you will contribute and “fit in”. By developing effective interviewing skills and techniques, you will not only obtain the information that you need to evaluate this position, but you will also convey your background and experience, and make a good impression. Better yet, you will materially improve your initial offer.

Making a Good Impression

Most likely your first contact with a prospective employer will probably be through a phone call either at the hospital or your home. Return the call promptly. This shows your enthusiasm for the position, as well as your responsiveness in returning calls to physicians. If necessary, explain that you are interested in learning more about the opportunity but are unavailable to speak more at the present time and schedule a mutually convenient time to talk later. Try to schedule that call for a time soon, at least within a day or two. Do not schedule these calls when you will likely be tired or distracted by patient demands or other problems. When you are fresh and energetic, your energy comes across as interest and enthusiasm for the practice.

Part of making a good impression in a telephone interview is observing good telephone etiquette. Telephone etiquette includes not eating or drinking while you are speaking, not interrupting the other speaker and expressing appreciation of the other's time. At the end of all your conversations, be sure to thank the individual and arrange for the next follow-up step.

A good initial impression is critical. Human nature is such that most people form an opinion about another in just a few minutes. They spend the rest of the time in their first encounter justifying their initial conclusions. Since you are likely to encounter this person again in your professional career, (if only at a meeting) why make the wrong impression if you can avoid doing so?

The Telephone Interview

What should you ask in the telephone interview, and what should you avoid? Your objective for the telephone interview is to obtain a broad overview of the practice, its patient philosophy, services and physicians, and to offer an overview of your experiences, preferences and philosophy of medicine. You should be seeking common ground in terms of similar outlook and values. Most often the process flows from the practice asking you questions about your background experience, training, etc. Have your curriculum vitae at hand. The practice representative will likely be asking questions based on that information. You will want to follow their train of thought and be sure that the significant elements of your background come out in the discussion. Once the interviewer is satisfied, it is your turn to ask questions about the practice. The questions that you should ask are about the practice's history, its evolution, and the reasons for recruiting an associate. Also ask for a description of the city or town, the hospital facilities the practice covers, the labs, the technology, and so on. Additional areas you may want to explore are the patient and surgical volumes and the practice's range of services. Be alert for skills or services you can bring to the practice.

Avoid specific discussions about salary, vacation, coverage/call, years to co-ownership and the other financial factors. Although important to your ultimate decision, these issues are sufficiently sensitive that they should only be raised in a personal interview or when you are actually invited to the practice. In the interim, it is your job to know what compensation ranges are market comparable in different parts of the country. If you don't know, ask someone who does. If you don't know such a person, ask a recruiter.

The Personal Interview

Review the important coordination points for the personal interview, including the travel arrangements, directions, who you are going to meet and the agenda; others and yours. Similar to the phone interview, your initial concern is to make the proper impression. This is done by a combination of your appearance and attitude. Very often, keys to a good first impression are as simple as being neat, conservatively well dressed, pleasant and polite. If during introductions, you do not clearly hear the name of the individual, either restate the name that you thought you heard or ask for their name again. A good practice will ask all those who have met you for their impressions; so the best advice is to treat everyone in a warm, friendly and professional manner.

Throughout the interview, be aware of your body language. People who avoid eye contact, speak in a monotone, slump in their chairs, put their hands in front of their mouth when they speak or exhibit unusual mannerisms, arouse fear. The interviewers are observing how you will likely manage patient relationships and impress referring physicians.

Very often your interviewer will be very inexperienced, and uncomfortable in "interviewing" you. This may be shown as either a clumsy beginning or painful pauses during the interview. Do your best to put that person at ease; volunteer important aspects of your background, your training, the types of cases that you have performed, and the like should your interviewer have difficulty in forming the questions for you. Alternatively your interviewer may be "your Dad's age" or "like your brother" and therefore lapse into easy banter with you. This is not necessarily helpful for you, either, since you are there to decide whether (or not) you want to form a business relationship with the practice (not him), and keeping some distance between you (at least initially) makes that easier. If your interviewer is more skillful and has a series of questions already prepared, allow the interviewer to ask and complete those questions, before starting your questions.

Let the interviewer, not you, control the process. The more skillful interviewer will be able to move the focus of the interview from different related topics and will be able to cover all the important issues.

There are three main categories of topics that you should explore. These are: (1) the quality/quantity of work, including patient care issues, patient volume issues, opportunity for subspecialty work, including where it will come from, technology issues and hospital facilities; (2) lifestyle – call schedule, work schedule, access to recreational, religious, educational and social activities; and (3) the financial terms of an associate period, as well as potential of co-ownership, etc.

Your mission is to satisfy and insure yourself that you will be able to succeed and be happy in this practice/community setting. So concentrate your questions on those issues.

Your second objective is to make the practice very interested in you as a viable candidate. Do not worry about and do not initiate discussion of the financial arrangements. At this state, it is up to the practice to make you an offer, not for you to make demands. If you are successful in positioning yourself as having what they want, you will be the primary choice. When the practice raises the financial aspects you will have the best leverage in negotiating. But, you must first establish that the practice wants to "buy" what you have to offer.

Be prepared to deal with the financial discussion. Know the range of salary being offered in the specific practice area. Know the typical per doctor gross income and overhead rates for your (sub) specialty. Know why they believe you are the right candidate and how that might affect the offer made to you. Don't be surprised if finances are not raised in a first interview. Practices experienced in recruiting want to identify the right candidate in terms of skills, personality and "fit" – and they may want to see that their potential associate is not inappropriately aggressive in financial matters. So be prepared for a discussion of terms, but let the practice raise the issue.

Many orthopedic practices have managers or administrators who take an active role in the business aspects of the practice. If possible, spend time with the manager to learn about patient scheduling, employee staffing and turnover, practice marketing efforts and the like. During each discussion with a physician or manager, find something about the practice or community to honestly praise. Whether or not you end up accepting an offer from this practice, it won't hurt to create a good relationship.

In your interview with hospital administration, your discussion should elicit any plans for expanding the orthopedic/sports medicine department, including acquisition of new technology, outpatient and surgical suite availability and any marketing plans the hospital may have to assist new physicians in the community. Most administrators will have demographic information, growth trends, payor mix, and a feel for the community need for orthopedic physicians. Some administrators may also comment on the level of competition, the interaction of the medical community, and the "political" climate at the hospital. If the hospital is going to be involved in your recruitment, your arrangements are going to be more complicated and lawyers will be involved, so having the hospital Administrator on your side as go-to person would be a good ally to have at this point.

By following the suggestions, and more importantly by avoiding the great mistakes, your interviews will be more productive, will provide you more information, and will produce more offers for you. One of the keys in making a good decision is having good options available to you. Good interviewing skills will produce the offers, allowing you to choose the best situation.

The Negotiation Process

For some "negotiation" is a bad word. It conjures up images of loud greedy lawyers slamming their fists on tables, taking absurd positions and stalling this process until the last possible moment.

Not all negotiations are like that. In fact, many physicians are risk-averse, so few negotiations are this tense. On the other hand, the key to winning your point is to seeing both sides: knowledge is key. Focus on joint problem solving. The goal is to have a mutually satisfactory written arrangement that clarifies the intent of both parties. The tone you set in negotiating this employment agreement will certainly dictate your future relationship. If the other side feels taken advantage of, even years later, those feelings rarely go away.

Preparation is Key

To negotiate effectively, you must be fully prepared and understand the legal implications of the issues involved. Set objectives for each issue and then prioritize them. Only then can you establish your "bottom line." With your priorities clear, you are able to trade other terms to obtain your contract goals.

You must also understand what the other party wants. What are the objectives of the practice? For example, you may want compensation of \$250,000 for the first year. The practice is offering \$200,000, because it is uncertain about reimbursement and upfront costs. Perhaps the market comparable is \$225,000. Each of you may achieve what you want by taking the \$225,000 salary but adding in an achievable incentive bonus objectives that should permit you to earn at least \$250,000 and certainly \$275,000 if you do what you say you can. The employer perceives you as more affordable, and you have the opportunity to earn at least what you desire.

Flexibility is the key and being open to a purely percentage based compensation formula is another strategy you can prepare in advance. Know the range for compensation levels (e.g. 30-40% of cash collections) and ask those important questions that will allow you to work backwards into your expected compensation (average physician's gross revenue, etc.). A guaranteed minimum compensation amount is also very common in percentage based formulas.

Negotiation Tips

When negotiating an employment agreement, both parties are attempting to strike the best possible deal. Begin with finding a common ground and resolve any differences from there.

The “win-win” philosophy is important. Realize that you may not win all of your points. A group of six orthopedists, all of whom agreed to restrictive covenants may not want that language for you no matter how nicely you ask or how good an argument you have. Realize that each party must feel comfortable with the terms and conditions of the final employment agreement. If either of you feels taken advantage of, chances are that either there will be no agreement or your relationship will start off on shaky ground.

Identify all questionable issues up front and address each issue individually. Once both parties reach an agreement on an issue, move on. Do not revisit an agreed upon term.

Even if both parties are working through advisors, never stop communicating with your potential employer during the process. Feel free to address issues unrelated to contract negotiations. Remember, while in the short term the practice physicians will be your “bosses”, the long term objective is for them to be your colleagues and friends.

The purpose of contract negotiations is for both parties to be comfortable with the terms of their relationship. By clearly identifying your objectives, being open to suggestions, understanding the “win-win” philosophy, and keeping the lines of communication open, your contract negotiations will be completed in a timely and professional manner.

For additional salary information, see the *Physician Starting Salary Survey*.

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