

How to Negotiate a Pediatric Surgery Employment Contract

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Disclaimers

- No conflicts of Interest.
- I have no law degree and have not attended a single law school course.
- Opinions are those of the author and do not represent those of my employer.
- This is/was true in 2019 and may not be entirely accurate in the future.

Highly
Recommended
Book:

A FORMER FBI TOP HOSTAGE NEGOTIATOR'S FIELD-TESTED TOOLS
FOR TALKING ANYONE INTO (OR OUT OF) JUST ABOUT ANYTHING

NEVER SPLIT THE DIFFERENCE

NEGOTIATING AS
IF YOUR LIFE
DEPENDS ON IT

CHRIS VOSS
WITH TAHL RAZ

Rule #1: Hire an attorney

- Find someone with employment/healthcare experience.
- Make sure there are no conflicts of interest.
- Guarantee “direct access” to the attorney.
- You may need to search beyond your immediate geographic area.
- Expect to pay \$4,000-\$10,000

Rule #2:

Learn all about the other side

- “Well informed is well armed”
- Learn all you can about who you are negotiating with
 - Local market
 - Competition
 - Alternatives to you joining/signing
 - Where are they coming from?
- Know your **BATNA** (**B**est **A**lternative to a **N**egotiated **A**greement)—your most advantageous alternative course of action if negotiations fail and no agreement (**not really synonymous with “safety net”**)

Rule #3:
Talk to your future
partners/associates

- Although your employer or “boss” may not disclose everyone’s salary/benefits/etc., your future associates probably will...

Rule #4:

A negotiation is not an operation

- Your employer is not a “disease” or “illness.”
- “The **situation** is the adversary.”
- The best negotiations occur when each party walks away somewhat disappointed.
- There is no “winner” (remember: if you “win” you will have to work with/for that person and he/she will ultimately want revenge...)
- Just like in surgery, it is okay to be “passionate” but try not to be “emotional.”

Rule #5: Every word counts

- Get as much as possible in writing
 - Call responsibilities
 - Locums coverage?
 - NP's/PA's?
 - “Protected time” (lab, research, etc.)
 - Research funding
 - Benefits

If somebody says “That doesn't really apply here” then ask that it be removed

Rule #6:

Many contracts are “standard”

- Especially true with universities and large physician groups
- Many now have annual renewal clauses
- “Tenure” has changed...
- Standardization does NOT prohibit changes/addendums/appendices
- This may give YOU an opportunity to help all of your colleagues

Rule #6 (continued)

- Most “standard” contracts now have “citizenship” or “quality” metrics
- What are they?
 - Charting/documentation
 - Community practice outreach/visits
 - Presentations-Grand Rounds, meetings, etc.
 - Teaching
- What % of your salary/bonus?
- How often might they change?

Rule #7:

Initial salaries should be “guaranteed”

- It typically takes 2-3 years to establish a clinical practice.
- Payment from insurers may lag 18-24 months (“accounts receivable”)
- Initial administrative errors ALWAYS occur
- Most contracts offer 2 years—ask for 3
- Become “bonus eligible” ASAP, just in case your volume takes off quickly and/or partners leave/retire

Rule #8:

Calculate your own salary

- **MGMA** (Medical Group Management Association) data
- **Sullivan Cotter** Compensation/Productivity surveys
- Websites that compare “cost of living” in geographic areas (free)
 - example: www.salary.com
- Remember: All lies will eventually be found out... (Don't tell your employer the typical ped surgeon makes \$1,000,000,000 a year...)

Rule #9: Pediatric Surgery is unique

- Different groups provide different services
 - Urology (testicular torsions?)
 - Endoscopy (esophageal foreign bodies?)
 - “Bowel management” and other nonoperative services?
 - PDA ligations?
 - CME/membership renewals/etc may need to be increased/doubled (ACS, APSA, AAP, etc)

Especially important with “capitation” (straight salary)...

Rule #9 (continued)

The Pediatric Surgery “Value Proposition” (also called our “Indirect Value”)

- We are needed for NICU coverage/certification
- We are needed for trauma certification/verification
- We are needed to cover pediatric ED's/emergencies/urgent cares
- We are needed for student/resident education

Rule #9 (continued)

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University pediatric surgery: benchmarking performance

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Rule #10: Understand RVU's

- CPT codes
- CMS valuation
- wRVU's
- Consider a “Fudge factor” for operations with ZERO wRVU's (laparoscopic pyloromyotomies, laparoscopic appendectomies for ruptured appendicitis, etc.)

Rule #11: Open access to financials

- Frequent errors
- Usually unintentional
 - Unbilled cases
 - Incorrect coding
 - Failure to update each insurer
 - Etc.

Rule #12: Don't be afraid to walk

- Lots of jobs available.
- The 2nd-most frequent time for physicians to change employment is 2 years after finishing training.
- It's not personal.
- “No deal is better than a bad deal.”

Good luck!