

Physician Employment Contracts

2025 Business of Retina Meeting
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1

Caroline Patterson, Esq.

Partner | Healthcare Group



Overview

- Represents practices and professionals in the health care industry in a variety of transactional, corporate, and regulatory matters.
- Experience ranges from providing counsel in mergers, acquisitions, sales and private equity investments to helping establish strategic partnerships and joint ventures among organizations.
- Provides advice to health care organizations on compliance with the Health Insurance Portability and Accountability Act (HIPAA) and federal and state fraud and abuse laws, as well as drafts and advises on ownership and compensation arrangements and assists with employment negotiations.

Degrees

- J.D., cum laude, Villanova University School of Law, 1998
- B.A., magna cum laude, Cabrini University, 1995

Honors & Awards

- Named to The Best Lawyers in America list, Health Care Law, 2023 to present

Professional Involvement

- American Academy of Ophthalmology, 2013 to present
- Member, Healthcare Businesswomen's Association, 2019-2021
- American Health Lawyers Association, 2021 to present
- Member, Pennsylvania Bar Association
- Member, New Jersey Bar Association
- Member, Montgomery County Bar Association

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The Process

- Letter of Intent
- Negotiations
- Formal Agreement
- Engaging a Lawyer



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Term & Termination

Term

- Start Date
- Length of Term
- Expiration
- Automatic Renewal v. Agreement to Renew or Extend
- Relevance to Partnership

Termination

- Right of Termination at Any Time upon Required Notice – i.e., “Without Cause”
 - Required Notice Period
- Immediate – i.e., “For Cause”
- Termination issues

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Compensation

Basics

- Base Salary
- Annual Raises (Or Not)
- Relocation Allowances
- Signing Bonuses
- Net Collections Transition

Incentive Bonuses

- Individual vs. Group Profitability
- Mechanics
- Likelihood of Achievement
 - Reason for Hire
 - Adding Physician
 - Replacing Physician
 - Entering New Market
 - Incorporating Specialist

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Expenses

Business Expenses

- Malpractice Insurance
 - Occurrence vs. Claims Made
 - “Tail” Upon Termination
- State License; DEA; Hospital Fees
- Dues; Subscriptions; Journals
- CME Allowance
- Cell Phone
- Automobile Allowance
- Board Certification

Fringe Benefits

- Health Insurance (family)
- Dental Coverage
- Disability Insurance
- Group Term Life Insurance
- Retirement Plans
- Time Off
 - Vacation
 - Education Leave
 - Sick Leave
 - Maternity Leave

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Restrictive Covenants

Non-Competition

- Non-Compete Restrictions
 - Enforceability
 - Geographic Scope and Duration
 - Public Interest
 - Liquidated Damages or Buy-Out Clauses
- Negotiating Options
 - Limit Geography
 - Limit to Termination For Cause
 - Limit if Part-Time or Employed Less Than a Year

Non-Solicitation

- Non-Solicitation Restriction
 - Enforceable
 - Less Negotiable
 - Patients
 - Referring Sources and Contractual Relations
 - Employees
 - General Advertisements

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Partnership

- Commencement Date
- Ownership Interest Sold
- Purchase Price
 - Tangible Assets
 - Accounts Receivable
 - Goodwill
- Structure
- Timing



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Questions?



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9