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VIA EMAIL

Physician Contract Evaluation and Negotiation

Thank you for contacting us about your physician contract. You have trained and sacrificed for a long time, and now it's time to transition out of training and begin the career you have been waiting for. This transition can be confusing and there is a lot on the line, but we are here to help. We proudly serve as the guide for hundreds of physicians who are seeking to navigate this transition with clarity and confidence. We have extensive experience counseling physicians on career decisions in all specialties and across the country. Through working with us, we are confident that you will gain much more insight into whether this contract is a good fit for you, and proceed with a personally tailored plan of how you may want to negotiate. Our rates and offerings are outlined below, and we look forward to discussing your options to find the best fit.

12-Month Payment Plan for Residents and Fellows

We do not want upfront costs to dissuade you from doing this right. Payment for all contract evaluation and negotiation packages can be spread out over 12 months, interest free. All you need is to provide a credit card to get the process started, and your card will be charged in equal installments over the next 12 months. If you would like to resolve your remaining invoice in full, we are happy to offer you a 15% discount. Just let us know at any time.

Single Contract Evaluation Flat Fee Package

We guide you through the entire process for one contract with one employer. It is best for us to conduct an initial evaluation during your interview stage, and we will personally help you evaluate the offer letter, then the actual contract, and handle negotiations for you until conclusion. You deserve an experienced ally in your corner to navigate this transition, and we are here to help!

We offer two payment options for residents and fellows:

- If you would like to pay for your package over 12 months no interest, we will charge you **12 monthly installments of \$133.33**, for a total of \$1,600.
- If you would like to pay in full, we offer a **15% discount and will charge you \$1,360** after we complete Step 2 as outlined below.



For physicians who are already out of training and are not evaluating their first post-training contract, our single contract evaluation package is \$1,600, which will be charged in full after we complete Step 2 as outlined below.

Evaluating partnership agreements is excluded from this package and is more appropriate under the Hourly Consulting option below.

STEP 1: One Hour Initial Evaluation via Zoom Meeting.

We first need to have a detailed conversation with you to learn about your unique situation. Personal details matter in contract evaluations and career mapping. We need to know what matters to you so that we can most effectively advise you. The best way to connect with us and maximize our service is for us to have a virtual face-to-face zoom meeting. This usually takes about an hour. All analysis will be with Michael Johnson Esq. or another lawyer in the firm. If you hire us after STEP 1, you will provide us with an executed Lawyer Client Agreement, method of payment, and the contract or offer letter that you would like us to evaluate with you. You will also schedule your next follow up zoom evaluation for 5 business days thereafter.

OPTIONAL STEP: Offer Letter Evaluation via Zoom Meeting.

Some employers will push you to only negotiate the offer letter and will make you feel like the employment contract is meaningless, non-negotiable, and should be ignored. We are not a big fan of this because the offer letter rarely contains the most important and punitive legal issues and details, like the non-compete, non-solicit, compensation clawback and waiver issues, malpractice tail insurance, term and termination issues, and various penal issues associated with physician employment agreements. Even if they stick to their position that they never change anything about the contracts (we hear this often, not always true), you still need to understand and evaluate it to determine whether the job is right for you.

If your employer sends you an offer letter and asks that you approve of it before they send you the contract, then we recommend reviewing that offer letter with us. We will consider and discuss whether you would benefit from making negotiation requests at this stage, or if you would be best served by pausing on making negotiation requests. It often does not benefit you to make many requests at this stage because we do not have full information, but you often benefit from negotiating “walk away deal breakers” at this stage. If you have a few negotiation priorities that need to be addressed at this stage, we will prepare a ghostwritten email or other writing to help you negotiate. If we decide to negotiate at this stage and you do not proceed with evaluating a contract, then we will reduce our legal fees by 50%.

Please note that not all employers handle their onboarding with an offer letter-then-contract timeline, and this step is not always required. Some utilize a two-step process with the offer letter then contract, but some will send these two documents to you at the same time. Some will also not have an offer letter at all and go straight to contract, and there is not a right or wrong way here. If you do not have an offer letter and your employer goes straight to contract, the package costs will be the same. Also, if you have an offer letter in hand during STEP 1, then we will often handle the



offer letter evaluation step during our STEP 1 evaluation.

TIME: 5 business days after you hire us and provide us with the offer letter. Make sure you go back on our calendar and schedule your follow up meeting.

STEP 2: Written Contract Analysis.

We take a deep dive into your existing or proposed contract and perform an email summary analysis of compensation, obligations, and leverage and exit that is tailored to your personal preferences. We will utilize MGMA compensation data and compare your compensation and volume expectations to market norms for your specialty, practice setting, and geographic region. MGMA does not always have full data for every specialty, but we will discuss what MGMA does provide for you. We will then provide an initial draft of your negotiation writing with an initial proposal of primary negotiation points to review in advance of our discussion of your contract. Do not send this to the employer until we have discussed!

TIME: 5 business days after you hire us and provide us with the contract. Make sure you go back on our calendar and schedule your follow up meeting.

STEP 3: One+ Hour Contract Evaluation via Zoom Meeting.

Next, we have another detailed conversation by zoom, typically more than an hour, though some contract analysis may dictate a longer discussion. We use this discussion to comb through the written analysis and contract with you and address your questions and concerns. An important aspect of this step is comparing our understanding of the deal by review of the contract, against your understanding of the deal that will primarily be driven by information gleaned during the interview process. We will evaluate whether any further information is required to fully evaluate the attractiveness of the position. We also discuss negotiation options and whether you would be best served by accepting, negotiating with this employer, or exploring other options.

TIME: Immediately after STEP 2.

STEP 4: A Writing to Start Your Negotiations.

We edit the proposed negotiation writing based on our detailed discussion in STEP 3. This draft writing is often used as a ghostwritten email to the employer or as a list of conversational talking points for direct verbal negotiations. This writing could also be a proposed contract addendum, redline track changes directly in the contract, or formal letter from our law firm, depending on what makes the most sense for you. We will likely recommend all negotiations flow through you instead of us, as we often find it more effective to put the physician in control as the “leader” of the negotiation. We will discuss negotiation strategy in thorough detail.

TIME: 0-1 business days after STEP 3.



STEP 5: Evaluate the Employer's Response via Zoom Meeting.

After you send our proposed writing, draft addendum, verbal negotiations, or obtain the additional information, clarifications, and/or request for changes, you will almost certainly get a response from your prospective employer. Send us that response and set up another call or zoom conference to evaluate your options. This follow up will likely be around 30 minutes to 1 hour, depending on the complexity of your situation. Occasionally, this can be handled in a simple email exchange and we may not need this meeting. We will discuss whether the responses, new information, and changes are appropriate and meet your needs. If not, we can discuss whether you benefit from negotiating further, or whether you have enough information to proceed with signing or if you will be seeking out other opportunities.

Our experience is that approximately 90%-95% of first contract physician contract negotiations conclude after one round of negotiation. However, if you are in a unique situation and would benefit from additional assistance and multiple rounds of negotiation, we will simply repeat STEP 4 and STEP 5 until conclusion.

TIME: Some employers will respond right away. Sometimes your requests must go to their legal department or outside counsel, which will likely mean they need about 1-3 weeks to provide a meaningful response. As soon as you have that response, send it to us and schedule a call or zoom conference to discuss.

Negotiating the Academic Appointment Letter: Academic appointments are often very negotiable, despite what they may tell you. Some of our most interesting and enjoyable negotiations have been for specifics regarding academic appointments, particularly regarding how the employer defines your work expectations, protected time for research, teaching, or other non-clinical goals, and other physician-specific issues. However, they sometimes handle their physician contracting process differently than hospital-based employment, private practice, or other relationships. If you are applying for an academic position, including clinical or faculty track, let's make sure we understand how that institution handles their physician agreements. We often see academic appointments contained in a document that looks a bit more like an offer letter, and it can be confusing. If your prospective employer only provides an academic appointment letter, then that letter will make up your 'physician contract' in conjunction with the Employee Handbook, Policies and Procedures, likely an external Compensation Plan Document, potentially with links provided in the letter, and the like. We should collect those documents to understand and evaluate the most important legal issues that apply to you, such as the non-compete, non-solicit, compensation clawback and waiver issues, malpractice tail, term and termination, and various penal issues associated with physician employment agreements. Academic appointments come with vastly similar legal issues to other practice settings, and we can help you navigate that process.

Evaluating partnership agreements is excluded from this package and is more appropriate under the Hourly Consulting option below.



Multiple Contract Evaluation Flat Fee Package

This service is for physicians who have more than one contract to evaluate, and we repeat Steps 2-5 for a new contract with a second employer. This is also appropriate when the physician is seeking to compare two or more offers and want assistance evaluating the pros and cons of each. We find the quality of outcomes improve dramatically when physicians have the option of evaluating more than one contract. We will use an email confirmation for your desire to pursue the add-on package, and no additional Lawyer Client Agreement is required.

We offer two payment options for residents and fellows:

- If you would like to pay for your package over 12 months no interest, we will charge you ***12 monthly installments of \$83.33***, for a total of \$1,000.
- If you would like to pay in full, we offer a ***15% discount and will charge you \$850.00*** after we complete Step 2 as outlined below.

For physicians who are already out of training and are not evaluating their first post-training contract, our multiple contract evaluation add-on package is \$1,000, which will be charged in full after we complete Step 2 as outlined below.

Evaluating partnership agreements is excluded from this package and is more appropriate under the Hourly Consulting option below.

Traditional Hourly Rate Consulting

A traditional hourly rate consulting representation with appropriate budget expectations may be best for physicians who are looking for assistance in negotiating a current or potential employment contract or amendment, properly terminating their employment, or wanting to explore legal claims against their employer.¹ This can be particularly helpful to physicians who wish to modify their current contracts to resolve dissatisfaction with changing employer demands.

Our flat fee packages as outlined above are intended to cover a thorough offer letter and contract evaluation, and negotiations for that one contract. A traditional hourly budget would be required to pursue a different type of physician contracting issue. For example, if you suspect your employer is violating your contract, some terms of the agreement may need to be enforced using formal legal action in court or in front of an arbitrator, like claims against a sign-on bonus, termination for cause or for convenience, or enforcing or defending a restrictive covenant. Our firm has prepared and filed lawsuits, sometimes in the form of a declaratory judgment action, to enforce specific provisions of employment contracts.

¹ We evaluate and negotiate physician employment contracts in all specialties and across the country. For evaluating legal claims for enforcement, including arbitration or litigation, or for evaluating partnership agreements, we may be limited to our current home states as outlined above. There may also be opportunities for us to co-counsel with local counsel or provide a referral on a case-by-case basis.



A traditional hourly rate consulting representation is also most appropriate for evaluating partnership agreements. Our experience has been that the depth and breath of issues related to considering partnership are often much more variable and may require an unpredictable amount of time and analysis. If this is you, let's discuss your situation and how to best handle it. In some instances, evaluating a partnership agreement in conjunction with an employment contract under the Multiple Contract Evaluation package makes sense, and we will discuss this option with you depending on the complexity and scope of the partnership agreement.

Our hourly rate is \$300. We bill sensibly, and clients often find our hourly billing quite fair. We offer many fixed-price services because many clients want to know full costs up front. If you are uncertain which choice is best for you or have unique needs, a traditional hourly rate may be the best fit for you. We also sometimes recommend selecting a contract evaluation package and upgrading from there as necessary.

Compensation Data: Do we use it? What is it good for?

All contract evaluation packages will include analysis of macro-level compensation data from the Medical Group Management Association (MGMA). MGMA collects comprehensive data from various physician employers and produces searchable data sets. We can often build specific datasets related to geography, demographics, ownership and size of practice, FQHC and rural practice, physician years in specialty, and other issues. We can sometimes combine these into very nuanced reports.

A helpful element in the vast majority of MGMA compensation data sets is Compensation to Work RVUs. Many physician compensation plans for large hospital system and in academic clinical billable positions are silent on current and future \$/RVU values. Asking for this information and comparing it to macro-level datasets is often part of our standard due diligence for physician employment contracts. We can also often pull data for the 10th, 25th, median, mean, 75th, and 90th percentiles, and rate them against your offer.

We firmly believe that compensation isn't everything, and MGMA is not the holy grail. You will see the numbers within a specialty can vary wildly. However, we can use it to discuss market trends within your specialty and as a general guide to compare against a particular set of work obligations. We offer it as one of the several factors we use to evaluate whether your contract is fair and appropriate and in crafting a negotiation strategy. We also recommend you consider local competitive offers and compare them to the current offer, as that information will often capture local market nuances better than MGMA. MGMA also cannot capture the unique value that you may bring to a practice, whether it is adding a specific service line, your reputation within the community, or other important factors. Please note that we are limited by whatever MGMA provides and do not attest to the veracity of their information or reports.

If you would *only* like to discuss compensation and compare it to benchmarks and do not need a full contract evaluation, we don't really do this as a stand-alone service. We recommend you select the Single Contract Evaluation Express package, and we can address all of your compensation-related questions within that service.



When Will I Pay?

The obligation to pay the full amount of the selected flat fee package occurs when we produce the written analysis in STEP 2. Moving forward with the remainder of the flat fee package is ***optional*** for you, but we highly recommend you complete our entire process. If you do not move forward with the final optional steps as outlined in our packages, you will not be entitled to a pro-rated refund. If you are a physician in training, our Lawyer Client Agreement will allow for the option to pay in full with a 15% discount or proceed with the 12 month no interest payment plan. If you choose the latter, your first monthly payment will begin when we produce our written analysis. If you are a practicing physician, we will charge your card at the time we produce our written analysis in STEP 2.

If you would like to discuss further, please go ahead and schedule an initial evaluation.

Very truly yours,

A handwritten signature in black ink, appearing to read 'MJL'.

Michael Johnson