



Practice Management Roundtable

Topic: Negotiating Your Future: Strategies for Successful Contract Negotiation

Date of Event: January 9, 2024

The information provided in this document represents the opinions of the responder and does not represent the opinion or position of the CAP. This should not be used as a substitute for professional assistance. The information in this document is provided for educational purposes only and is not legal advice.

Questions and Answers		
Question(s) Asked	Answer	Responder(s)
How important is understanding the other party's interests and motivations in a contract negotiation process?	It is critically important because it helps you determine your negotiating strategy.	Mr. Walker
	You must begin with the end in mind. This means you must understand what both sides want as desired outcomes.	Mr. Raich
	As challenging as it may be to understand the other party's interests and motivations, especially when dealing with larger organizations, it's still important. At the very least, I suggest identifying and reviewing the other party's major strategic issues & challenges.	Mr. Decolfmacker
How do non-salaried benefits such as SEP-IRA contributions factor into contract negotiations since they are one-time events?	Health systems and most groups negotiate based on the value of the total compensation package which includes SEP-IRA contributions in addition to vacation time, CME reimbursement, etc. The Medical Group Management Association (MGMA) annual salary survey data is an excellent source for this information. It is broken down by region, type of employer, and years of experience.	Mr. Walker
	It is typical to count these types of benefits as 20% of the total compensation package. Time off, educational coverage, etc. are all part of the deal.	Mr. Raich
	A contract can easily factor in any one-time or recurring monetary or non-monetary provisions.	Mr. Decolfmacker
How to negotiate as a recent graduate (first job search)?	Begin by prioritizing both your current needs and those that will be important to you in the future and researching the potential job in as much detail as possible. Know what you want your job to look like before you sit down to negotiate.	Dr. Novis
	I would recommend you get the Medical Group Management Association (MGMA) annual salary survey data which provides what new graduates are getting for salary and benefits broken down by region and type of employer	Mr. Walker
	This is a process and it starts with knowing exactly what you want.	Mr. Raich
What are ways to show our value without the RVU system of other physicians?	Value metrics may include the number of accessions performed per pathologist, gross revenue generated, tumor boards, clinical coverage, lab oversight, etc.	Mr. Raich
	In addition to Mr. Raich's comments, I would add both physician satisfaction and evidence of your contribution to the support, and perhaps the existence of revenue-generating clinical services.	Dr. Novis

How to collect an outstanding debt for the TC component that hospital refuses to pay? How to renegotiate?	Not paying fair market prices for physician services performed on Medicare patients is a legal issue in which the hospital compliance team would likely want to be involved.	Mr. Raich
Part A and medical director reimbursement; how to get fair technical component reimbursement for labs processing hospital cases?	Fair compensation (e.g. Medicare rates) must include the cost of specimen processing, courier, billing, etc.	Mr. Raich
	The US Department of Justice may regard payments below Medicare or other fair market rates as illegal inducement.	Mr. Raich Dr. Novis
Equal Pay Act- what to do when you find out male colleagues are making more than female colleagues?	I would recommend that you present your data but make sure that it is truly an apples-to-apples comparison. Are the other parties more productive, working more hours or have additional skills, etc.?	Mr. Walker
	If you have firm evidence, I'd recommend a confidential discussion with an attorney familiar with equal opportunity law.	Mr. Decolfmacker
Is it truly necessary to have a contract lawyer look over one's contract? If so, do you recommend region-based lawyers?	I would have a lawyer with physician contract experience in the state you are going to be employed review your contract and explain the terms and conditions to you. Try to negotiate a price upfront for this service.	Mr. Walker
	Failure to use a lawyer on a contract worth hundreds of thousands of dollars is myopic. Yes, you need a lawyer.	Mr. Raich
	One of my attorney's favorite expressions is "It's all ok until it's not." Given that contracts are typically legally enforceable, multi-year commitments, I believe legal review is advisable. I'd recommend you engage an attorney familiar with healthcare contracting.	Mr. Decolfmacker
When is the right time to negotiate? When you get the offer letter or a formal contract.	You should make sure that you are comfortable with what is in the letter of intent before you sign it. If you are not, you will need to negotiate at that time and not wait for the contract.	Mr. Walker
	I'd start negotiations before the offer letter, if possible, but if not possible, start negotiations before a formal contract is drawn.	Mr. Decolfmacker
	I would start as early as possible.	Mr. Raich
What data on our practice will a large insurance company have? What data should we have?	Assume the insurance company knows all about your practice: charges, payments, appeal rates, fee schedule...everything. Likewise, you should have all the information you can about your insurance company payors: actual payments versus allowed rates, NSA denials and appeals, back-end denial rates, unpaid claims, timing to payments, etc. These are all tools you will need to negotiate.	Mr. Raich
How do I establish adequate compensation? Hospitals do not want to pay for services. Some pathologists do not charge for clinical.	Do your research. Do not rely solely on MGMA or CAP for salary information as these sources are typically skewed towards academic or salaried practices. Work with a national billing agency as they will have real data. Not charging for billable services isn't a good business strategy.	Mr. Raich
How do we balance the pricing that the market will bear (per our market research analysis) with the cost to perform our assays?	This question is out of the scope of this topic. We recommend you consult your billing agency and/or business advisor.	
How do you respond to the hospital's position regarding laboratory costs when they won't supply data to back up assertions?	I would not respond to their position unless they are willing to share their data.	Mr. Walker

What are considerations Canadian trainees/pathologists from Canada should be aware of when working in the US?	You will need to know the visa issues you will face including any geographic restrictions. Usually, H1B and J1 visas require individuals to work in areas that are underserved by healthcare manpower.	Mr. Walker
What is the best practice for Expert Consult contract negotiations?	I suggest engaging an attorney experienced in health care contract law and who is also familiar with your local health care market.	Mr. Decolfmacker
	If you are asking if there are best practices specific to negotiating contracts with pathologists who will be providing you with expert case reviews and opinions, we know of no specific practices other than those provided in the advice of this webinar and this questionnaire.	Dr. Novis
What are 2 or 3 of the most valuable, emerging job skills in Pathology (e.g., artificial intelligence)?	This question is out of the scope of this topic.	
How do you structure an incentive-based bonus? Discuss productivity-based compensation -fair revenue %per case for pathologists.	This question is out of the scope of this topic. We suggest you consult your institution's human resources department, billing agent, and business advisor.	
What would you like to be paid?	Base your salary and benefits expectations (total cash compensation costs) upon recent survey data. Two of the best sources are the Medical Group Management Association (MGMA) Salary Survey and Sullivan Cotter Physician compensation data.	Mr. Walker
How can you negotiate your salary without coming off as greedy? When is the best time to negotiate? Should a lawyer be involved?	Base your salary and benefits expectations (total cash compensation costs) upon recent survey data. Two of the best sources are the Medical Group Management Association (MGMA) Salary Survey and Sullivan Cotter Physician compensation data.	Mr. Walker
	Data, data, data. Negotiate before a draft contract is prepared and engage an attorney to represent your interests.	Mr. Decolfmacker
How to negotiate as a trainee?	Base your salary and benefits expectations (total cash compensation costs) upon recent survey data. Two of the best sources are the Medical Group Management Association (MGMA) Salary Survey and Sullivan Cotter Physician compensation data.	Mr. Walker
What are reasonable salaries for entry-level positions for hematopathologists?	Access databases: Medical Group Management Association (MGMA) Salary Survey, Sullivan Cotter Physician compensation data, salary.com, etc.	Mr. Walker
How to best negotiate salary? What else to ask for?	Base your salary and benefits expectations (total cash compensation costs) upon recent survey data. Two of the best sources are the Medical Group Management Association (MGMA) Salary Survey and Sullivan Cotter Physician compensation data.	Mr. Walker
	As for what else to ask for, begin by prioritizing both your current needs and those that will be important to you in the future. Research the potential job in as much detail as possible. I also suggest retaining a contract attorney who will suggest contract elements that are specific to your needs. Know what you want your job to look like before you sit down to negotiate	Dr. Novis
Is it realistically possible to have a win-win scenario for both sides? Will the session be recorded for future reference?	Most good negotiations result in a win/win proposition for both parties.	Mr. Walker
	Yes, it is possible to negotiate and execute a contract mutually acceptable to both parties.	Mr. Decolfmacker

	I know of no recorded contract negotiation session. Contracts should be complete and, unambiguous enough not to require recording.	Dr. Novis
How to ensure equitable compensation of long-time employees in comparison to newly hired pathologists?	The market determines what the differential should be. The two best sources for this data are the Medical Group Management Association (MGMA) and Sullivan Cotter Physician compensation data.	Mr. Walker
	This depends. Does tenure matter? Is the experience worth more? Are you tracking productivity for each member? This has been a group decision.	Mr. Raich
	During your negotiations, you must have an open and frank discussion about those issues along with a discussion about performance expectations.	Mr. Decolfmacker
How to negotiate additional roles you're not comfortable with that are included in your job description?	As with all aspects covered in your contract, during your negotiations, you must make your employer aware of the items with which you are not comfortable. The purpose of the negotiation is to reach an agreement that works for you both. A working relationship needs to be based on trust, transparency, and openness.	Dr. Novis
How to negotiate an initial job offer. What skills are most valued coming straight from residency/fellowship?	How to negotiate an initial job offer should be no different from that described in the webinar and in this questionnaire. Determining what skills are most valued depends on what skills your specific potential employers are seeking. Perusing job ads should provide you with some insight.	Dr. Novis
How to change the usual concept of the Lab being an expense center & emphasize its role in revenue building in a hospital setting?	Most organizations still view the lab as a revenue center even though many tests are now performed outside of the hospital...	Mr. Walker
	...and changing that view may not be possible. However, a frank discussion of this issue with your institutional administration might reveal some possibilities.	Dr. Novis
	I have never seen a hospital lab that is actually a loss leader for the hospital. If you understand hospital billing you can see that they never actually track collected dollars back to the revenue center. They only track billed charges.	Mr. Raich
The role of the clinical pathologist synchronizes with a clinical physician to achieve accuracy in diagnosis & Management	I iterate the advice of our panelists: build relationships with members of your medical staff. Your question indicates to me that you are on that track.	Dr. Novis
How to separate from any legal issues brought on by the owners of the lab vs the lab director who is meeting compliance.	If you are performing work at a lab that you believe is having legal issues with compliance, the Department of Justice may agree and if so, take legal action. Distance yourself from this situation.	Mr. Raich
	CLIA's definition of a laboratory "operator" includes a "director of the laboratory." If CMS determines that the laboratory is not compliant with CLIA regulations, CMS can prevent operators from serving as laboratory directors for several years. I recommend you document meticulously, all activities that you believe to be illegal, and seek legal counsel.	Dr. Novis
	These concerns can be adequately addressed by a competent healthcare attorney representing your interests.	Mr. Decolfmacker
On first job search after fellowship, what can, or must one negotiate	The salary survey data provided by the Medical Group Management Association provides all of this information.	Mr. Walker

besides salary when looking for an academic job?	PTO, education time, partnership track, 401K, insurance, malpractice.	Mr. Raich
	Know what you want your job to look like before you sit down to negotiate. I suggest beginning by prioritizing both your current needs and those that will be important to you in the future and researching the potential job in as much detail as possible. I also suggest retaining a contract attorney who will recommend contract elements that are specific to your needs.	Dr. Novis
How to best determine an appropriate salary range at an institution you do not know well?	Health systems and most groups negotiate based on the value of the total compensation package which includes which include SEP-IRA contributions in addition to vacation, CME reimbursement, etc. The Medical Group Management Association (MGMA) annual salary survey data is an excellent source for this information. It is broken down by region, type of employer, and years of experience	Mr. Walker
	Research wants ads. Pathologyoutlines.com lists the most open pathology positions. Call around and ask for starting salaries. Also, billing companies have this information.	Mr. Raich
How to know your value? What is a good salary for my level in my location? Any resources that you can suggest would be great.	Health systems and most groups negotiate based on the value of the total compensation package costs which includes which include SEP-IRA and other retirement contributions. Other costs include but are not limited to health insurance, vacation time, CME reimbursement, etc. The Medical Group Management Association (MGMA) annual salary survey data is an excellent source for this information. It is broken down by region, type of employer, and years of experience	Mr. Walker
Tips regarding contract negotiation for final year residents applying for first job.	This was covered in many of the other questions in this survey.	Mr. Walker Dr. Novis
Negotiating first attending contract. Contract considerations for persons on a visa/visa waiver.	There should be no difference in your negotiating strategy other than making sure that the contract respects the conditions of your visa. You may be able to negotiate having your employer pay the legal costs of getting the visa.	Mr. Walker
	One of my attorney's favorite expressions is "It's all ok until it's not". Given that contracts are typically legally enforceable, multi-year commitments, I believe legal review is advisable. I'd recommend attorneys familiar with healthcare contracting	Mr. Decolfmacker
When should you start looking for jobs and what to look for in a job, should a lawyer look into the contract for sure?	I recommend you begin looking for a job in early September of the year before the completion of your training. I would have a contract attorney review the contract before signing it with a particular emphasis on any non-compete clauses and payback provisions (details on what you must pay back to your employer for bonuses, relocation reimbursements, and student loan payments if you leave the job or are terminated) and notice provisions (how many weeks or months' notice you are required to give your employer if you want to leave and how much notice they need to provide you if they wish to terminate your contract.)	Mr. Walker