



Checklist for Physician Employment Contracts: Key Provisions and Elements

Thoroughly reviewing your physician employment contract is an important step in negotiating the best opportunity for your career. Is the contract complete and accurate enough to protect your interests and avoid future concerns? Do you fully understand all of the proposed terms and conditions of employment? Has your prospective employer given you all relevant documentation regarding policies, compensation, and benefits?

The American Academy of Family Physicians (AAFP) developed this resource to help you review your contract before you sign it. The questions refer to provisions and elements that ideally would be stated in the language of a physician employment contract as a best practice.

Your contract may not include every item on the checklist. If that's the case, talk with your attorney about the potential impact of not having certain elements spelled out in your contract and how you might negotiate to have them included.

Other AAFP resources to help you navigate your career pathway, including advice on hiring an attorney and negotiating your employment contract, are available online at www.aafp.org/employment-contracting.

Pre-employment/Employment Conditions	YES	NO	NOTES
Does the employment start date allow you sufficient time to meet all employment conditions?	<input type="checkbox"/>	<input type="checkbox"/>	
Are all employment conditions clearly stated and reasonable to complete?	<input type="checkbox"/>	<input type="checkbox"/>	
Are you bound by the terms of the contract on the first day of employment and not before (e.g., upon signing)?	<input type="checkbox"/>	<input type="checkbox"/>	
Recruitment Incentives	YES	NO	NOTES
If the employer is offering any recruitment incentives (e.g., signing bonus, relocation allowance, advance), is it clear when you will receive payment?	<input type="checkbox"/>	<input type="checkbox"/>	
If you are required to repay certain recruitment incentives upon termination, does the repayment amount decrease on a prorated basis until it is fully forgiven?	<input type="checkbox"/>	<input type="checkbox"/>	
Are there circumstances under which the repayment of recruitment incentives may be forgiven? <i>These could include termination of the physician without cause, death or disability of the physician, closure of the practice, or breach of contract by the employer.</i>	<input type="checkbox"/>	<input type="checkbox"/>	

Work Life	YES	NO	NOTES
JOB DUTIES			
Do you have a clear picture of life as an employee, including essential duties and expectations?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the job align with expectations communicated during your interview process and discussions with the employer?	<input type="checkbox"/>	<input type="checkbox"/>	
Do the aspects of family medicine you will be able to practice align with your expectations and allow you to perform the services you want to include in your practice?	<input type="checkbox"/>	<input type="checkbox"/>	
Are all clinical, supervisory, administrative, academic, leadership, and research responsibilities that you have agreed to or declined clearly stated?	<input type="checkbox"/>	<input type="checkbox"/>	
Is an explanation of how your duties could change in the future provided?	<input type="checkbox"/>	<input type="checkbox"/>	
LOCATION			
Do all of the listed practice locations align with your expectations?	<input type="checkbox"/>	<input type="checkbox"/>	
After reviewing the listed practice location(s) and non-compete provisions, do you understand how your practice options will be impacted upon termination?	<input type="checkbox"/>	<input type="checkbox"/>	
SCHEDULE			
Are expectations for work hours (including time spent on patient care, administrative duties, teaching, and research) clearly defined?	<input type="checkbox"/>	<input type="checkbox"/>	
Are work commitments for evenings, weekends, and holidays clearly defined?	<input type="checkbox"/>	<input type="checkbox"/>	
Do you control the pace of patient scheduling?	<input type="checkbox"/>	<input type="checkbox"/>	
If you will have a part-time schedule, are work hours and other expectations clearly defined?	<input type="checkbox"/>	<input type="checkbox"/>	
CALL			
Is call shared equally with other family physicians?	<input type="checkbox"/>	<input type="checkbox"/>	
Is a cap set for your maximum amount of call?	<input type="checkbox"/>	<input type="checkbox"/>	
Will you receive compensation for accepting additional call?	<input type="checkbox"/>	<input type="checkbox"/>	
Compensation			
Is the type of compensation model clearly defined? <i>Common compensation models include the following: salary only; base salary plus a bonus based on productivity, quality, or value; or a productivity compensation formula tied to collections or relative value units (RVUs).</i>	<input type="checkbox"/>	<input type="checkbox"/>	
If the employer uses a compensation formula, do you understand how it works and how other physicians have performed under this type of agreement?	<input type="checkbox"/>	<input type="checkbox"/>	
If productivity is determined on the basis of work RVUs, does the formula use the current year's work RVUs?	<input type="checkbox"/>	<input type="checkbox"/>	

Compensation	YES	NO	NOTES
BASE SALARY			
If your base salary amount is only guaranteed for a certain period, is the ending date stated?	<input type="checkbox"/>	<input type="checkbox"/>	
If your base salary amount is only guaranteed for a certain period, is it the longest period possible?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the offered salary match regional compensation data?	<input type="checkbox"/>	<input type="checkbox"/>	
INCENTIVE COMPENSATION – QUALITY OR PRODUCTIVITY			
Do you know when you will be eligible for a bonus (e.g., immediately versus after your first year of employment)?	<input type="checkbox"/>	<input type="checkbox"/>	
Has the employer given you all incentive requirements, metrics, formulas, and benchmarks in writing?	<input type="checkbox"/>	<input type="checkbox"/>	
Is the employer prohibited from modifying compensation formula targets without your input and agreement?	<input type="checkbox"/>	<input type="checkbox"/>	
Is it clear how your quality or productivity goals and related bonus amounts will be set in the future?	<input type="checkbox"/>	<input type="checkbox"/>	
Is it clear how your quality or productivity data will be collected and submitted for bonus eligibility?	<input type="checkbox"/>	<input type="checkbox"/>	
Do you know when you will receive bonus payments?	<input type="checkbox"/>	<input type="checkbox"/>	
Are bonus amounts free of any repayment obligations? If not, are your potential repayment obligations clearly stated?	<input type="checkbox"/>	<input type="checkbox"/>	
Benefits	YES	NO	NOTES
TIME OFF			
Is the amount of paid time off (PTO) to which you are entitled stated?	<input type="checkbox"/>	<input type="checkbox"/>	
Is it clear whether there is one bank of PTO for all vacation, sick leave, and continuing medical education (CME) time or each type of PTO is separate?	<input type="checkbox"/>	<input type="checkbox"/>	
Is it clear whether holidays count against your PTO balance?	<input type="checkbox"/>	<input type="checkbox"/>	
If you will be paid based on productivity, is it clear how taking PTO will affect your income?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the rate of PTO accrual increase over time?	<input type="checkbox"/>	<input type="checkbox"/>	
Can a PTO balance be carried over from year to year?	<input type="checkbox"/>	<input type="checkbox"/>	
Is it clear how parental leave will affect PTO, compensation, future equity, or other contract provisions?	<input type="checkbox"/>	<input type="checkbox"/>	
HEALTH INSURANCE			
Are any insurance waiting periods (e.g., need for COBRA) clearly stated?	<input type="checkbox"/>	<input type="checkbox"/>	
Has the employer provided documentation regarding health insurance coverage, network, premium costs, and cost sharing (e.g., deductibles)?	<input type="checkbox"/>	<input type="checkbox"/>	
ADDITIONAL BENEFITS			
Are all additional benefits and perks provided by the employer, including any verbal promises the employer has made, reflected in the written contract?	<input type="checkbox"/>	<input type="checkbox"/>	

Malpractice Insurance Policies	YES	NO	NOTES
Is it clear what type of professional liability insurance will cover your clinical services (e.g., occurrence coverage, claims-made coverage) and who will pay for the insurance?	<input type="checkbox"/>	<input type="checkbox"/>	
If tail coverage is required, is it clear who will obtain and pay for the tail policy?	<input type="checkbox"/>	<input type="checkbox"/>	
Will the employer share the cost of the tail policy after your contract ends?	<input type="checkbox"/>	<input type="checkbox"/>	
Are there circumstances under which the employer will cover the full cost of the tail policy? <i>These could include closure or sale of the practice, breach of contract by the employer, or force majeure.</i>	<input type="checkbox"/>	<input type="checkbox"/>	
Future Equity	YES	NO	NOTES
If you are joining an independent practice owned by the physicians in the group, do you know when you can expect equity to be offered to you?	<input type="checkbox"/>	<input type="checkbox"/>	
Is it clear what will happen to your employment if equity is not offered on the expected date?	<input type="checkbox"/>	<input type="checkbox"/>	
Are you released from tail coverage and repayment obligations and non-compete provisions if equity is not offered on the expected date?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the employment contract continue if equity is not offered? If not, will the employer offer you a new contract?	<input type="checkbox"/>	<input type="checkbox"/>	
OWNERSHIP			
Do you understand the employer's legal structure?	<input type="checkbox"/>	<input type="checkbox"/>	
Will you be offered an equal ownership percentage?	<input type="checkbox"/>	<input type="checkbox"/>	
Are you promised true ownership and not profits interest (claims to the future appreciation of the practice's value)?	<input type="checkbox"/>	<input type="checkbox"/>	
Is the treatment you can expect upon becoming an owner (e.g., compensation, benefits, voting rights) clearly described?	<input type="checkbox"/>	<input type="checkbox"/>	
Has the employer given you information on the cost of ownership or the formula to be used in writing?	<input type="checkbox"/>	<input type="checkbox"/>	
Is it clear whether the cost of ownership is stated in pre-tax or post-tax dollars?	<input type="checkbox"/>	<input type="checkbox"/>	
Has the employer given you information on the payment schedule in writing?	<input type="checkbox"/>	<input type="checkbox"/>	
Term and Termination	YES	NO	NOTES
Does the required notice period for contract termination or non-renewal by the employer allow you sufficient time to find a new position?	<input type="checkbox"/>	<input type="checkbox"/>	
TERMINATION FOR CAUSE			
Do both parties have the right to terminate the contract for cause?	<input type="checkbox"/>	<input type="checkbox"/>	
Are all termination for cause provisions clearly defined, understandable, and reasonable?	<input type="checkbox"/>	<input type="checkbox"/>	
Is the employer required to provide written notice of the cause for termination and give you an opportunity to fix the issue, if possible, before termination occurs?	<input type="checkbox"/>	<input type="checkbox"/>	

Term and Termination, continued	YES	NO	NOTES
TERMINATION WITHOUT CAUSE			
If the employer is allowed to accelerate the termination date once you provide notice, will you continue to receive compensation and benefits for the entire notice period?	<input type="checkbox"/>	<input type="checkbox"/>	
Do both parties have the same required amount of notice for termination without cause?	<input type="checkbox"/>	<input type="checkbox"/>	
Restrictive Covenants	YES	NO	NOTES
NON-COMPETE PROVISIONS			
Are non-compete provisions clearly tied only to the exact location(s) where you will regularly work?	<input type="checkbox"/>	<input type="checkbox"/>	
Is the length of time you must comply with non-compete provisions reasonable (i.e., one to two years following termination)?	<input type="checkbox"/>	<input type="checkbox"/>	
Are restrictions on competition clearly limited to the services you provided while employed?	<input type="checkbox"/>	<input type="checkbox"/>	
Are there circumstances under which non-compete provisions will not apply? <i>These could include non-renewal of the contract by the employer, termination of the physician without cause, breach of contract by the employer, or force majeure.</i>	<input type="checkbox"/>	<input type="checkbox"/>	
NON-SOLICITATION PROVISIONS			
Are you free to provide care to patients from the employer's practice if you have not solicited these patients to your new practice?	<input type="checkbox"/>	<input type="checkbox"/>	
Is permission to use social media and general advertisements to promote your new practice carved out?	<input type="checkbox"/>	<input type="checkbox"/>	
General Provisions	YES	NO	NOTES
Has the employer provided copies of all referenced outside documents (e.g., policies, side letters, and exhibits)?	<input type="checkbox"/>	<input type="checkbox"/>	
Are all verbal promises from the employer reflected in the written contract?	<input type="checkbox"/>	<input type="checkbox"/>	
Can the contract only be modified if both parties sign an amendment?	<input type="checkbox"/>	<input type="checkbox"/>	

The AAFP does not intend for the information in this checklist to substitute as proper legal advice from a qualified health care attorney. The information is intended as general information as you prepare to receive a new or updated employment contract. The AAFP recommends that physicians seek the counsel and advice of a qualified health care attorney to review physician employment agreements and contracts properly.