

# NEGOTIATING EMPLOYMENT AGREEMENTS: KEY TERMS

MEDCHI'S CENTER FOR THE EMPLOYED PHYSICIAN AND  
CENTER FOR A HEALTHY MARYLAND • OCTOBER 23, 2013

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# TERM & TERMINATION

# TERM

- Length of Initial Term
- Renewal Terms
- “Evergreen”?

# TERMINATION: READ THE FINE PRINT

- Termination without cause
- Termination for cause
- Notice and opportunity to cure
- Mutual provisions
- Automatic
- Consequences

# TERMINATION: GETTING OUT

- Contemplate exit issues at the beginning
- Non-compete
  - Penalties for violation
    - Liquidated damages
    - Injunction
- Compensation
  - Payment of bonus upon termination

# RESTRICTIVE COVENANTS

# COVENANT NOT TO COMPETE

- Enforceability – check local jurisdiction
- Reasonableness
  - Geography
  - Time
- Restricted activity specified
- Termination related issues
- Concerns of your future employer
  - Indemnification
  - Tortious interference

# NON-SOLICITATION

- Staff/Employees
- Patients
- Medical records
  - Access
  - Ownership



# DUTIES, HOURS, ON-CALL

- Coverage
- Schedule
- Payment for on-call

# INSURANCE COVERAGE

# PROFESSIONAL LIABILITY INSURANCE

- “Claims Made” vs. “Occurrence” coverage
- Nose and Tail coverage
- Payment for the tail? (termination issues)
- Negotiating payment for tail

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