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Contract Negotiation: Negotiating Your First Position Post Residency or Fellowship

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Disclaimers/Acknowledgements

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- I have spent my entire professional career working in academic positions. Most of my presentation will be centered around academic positions. But issues related to clinical care positions have some generalizability.

- I am an interventional cardiologist and some of my examples are drawn from cardiology research and practice. Most of these are relevant to other specialties.

- Thanks to Drs. Rick Kraemer, Stephanie Harman and Sang Chang for help with this presentation.

Presentation Outline

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- Background for context
- Mega-trends in American medicine (how this may/will impact your future)
- Organization of Academic Health Systems and departments (appreciate the complexities for negotiation)
- Types of positions
- What's in a job/position offer
- Key issues for success
- General advice on negotiating
- Questions

An Introduction

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- Grew up Somerville, MA (Winter Hill)
- BA, English, College of the Holy Cross (Worcester, MA)
- Dartmouth Medical School (Pre-clinical)
- MD, Tufts University School of Medicine
- Residency, UMass Med Ctr (Worcester, MA_
- Fellow, Duke University Med Ctr (Durham, NC)
  - Interventional cardiology
  - Duke Databank for CV Disease
- Faculty, Duke University 1993-2012
  - Attending cardiologist, interventional lab and CCU
  - Director, Duke Clinical Research Institute, 2006-12
- Faculty, Stanford University, 2012-present
  - Chairman, Department of Medicine

Negotiating the First Contract: Big Societal Issues and Themes

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- Ongoing consolidation of health care delivery systems, including growing academic health systems
- Quality and accountability as key components of health care reform
  - Increasingly care delivery will be in ACOs driven by quality and value
  - Evolving models of physician compensation trying to balance productivity incentives w quality and value
  - Population health models of care
- NIH funding stagnant for more than a decade w pay lines routinely 10% or less across most NIH institutes

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Healthcare

journal homepage: www.elsevier.com/locate/hjdsi

The Leading Edge

How 10 leading health systems pay their doctors

Dhruv Khullar [a,*], Robert Kocher [b], Patrick Conway [c], Rahul Rajkumar [c]

[a] *Massachusetts General Hospital, United States*
[b] *Venrock Partners, United States*
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ABSTRACT

We conducted interviews with senior executives at 10 leading health systems to better understand how organizations use performance-based compensation. Of the organizations interviewed, five pay physicians using productivity-independent salaries, and five use productivity-adjusted salaries. Performance-based pay is more prevalent in primary care than in subspecialties, and the most consistently identified performance domains are quality, service, productivity, and citizenship. Most organizations have less than 10% of total compensation at risk, with payments distributed across three to five domains, each containing several metrics. Approaches with many metrics—and little at-risk compensation for each metric—may offer weak incentive to achieve any particular goal.

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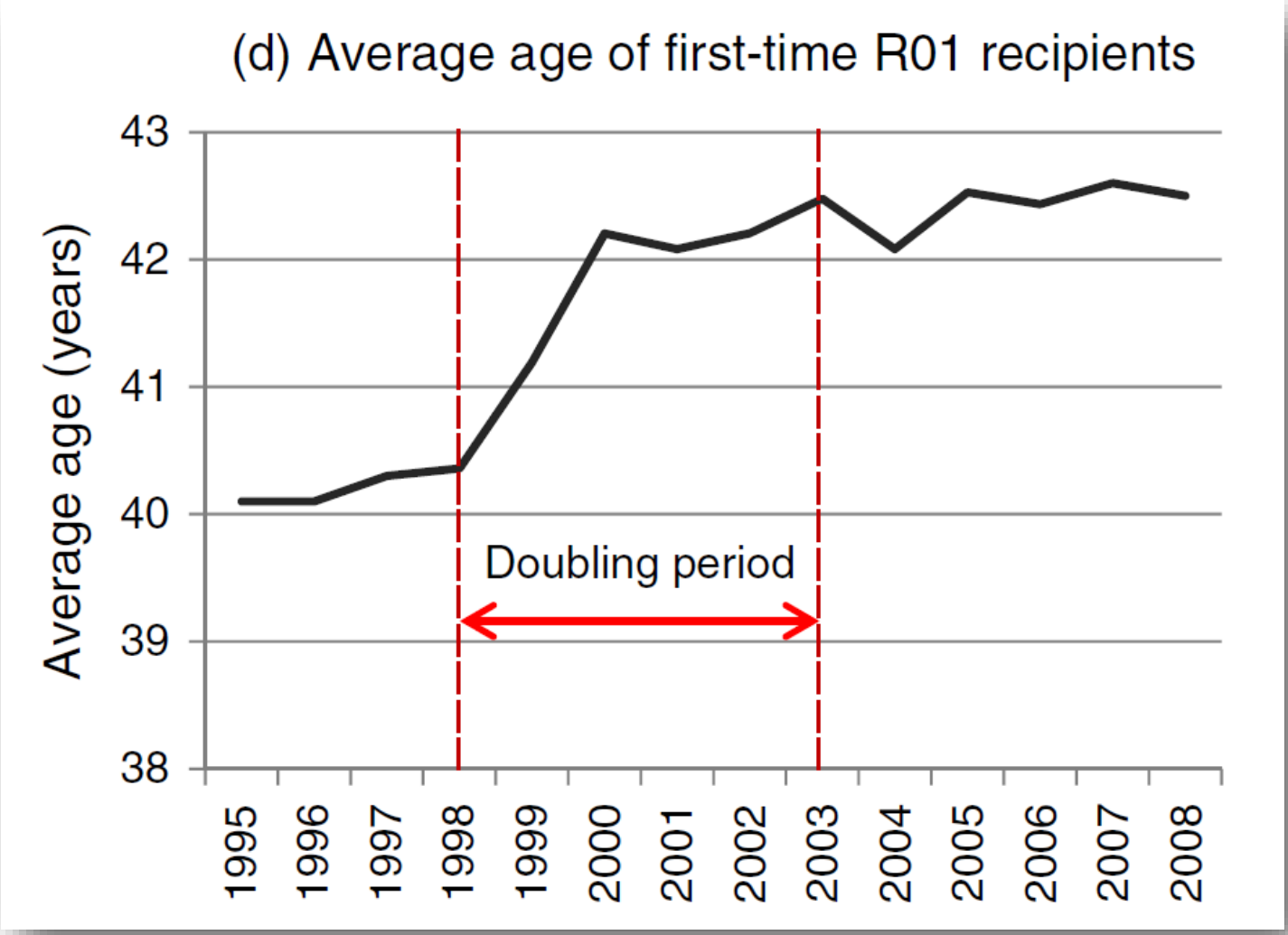
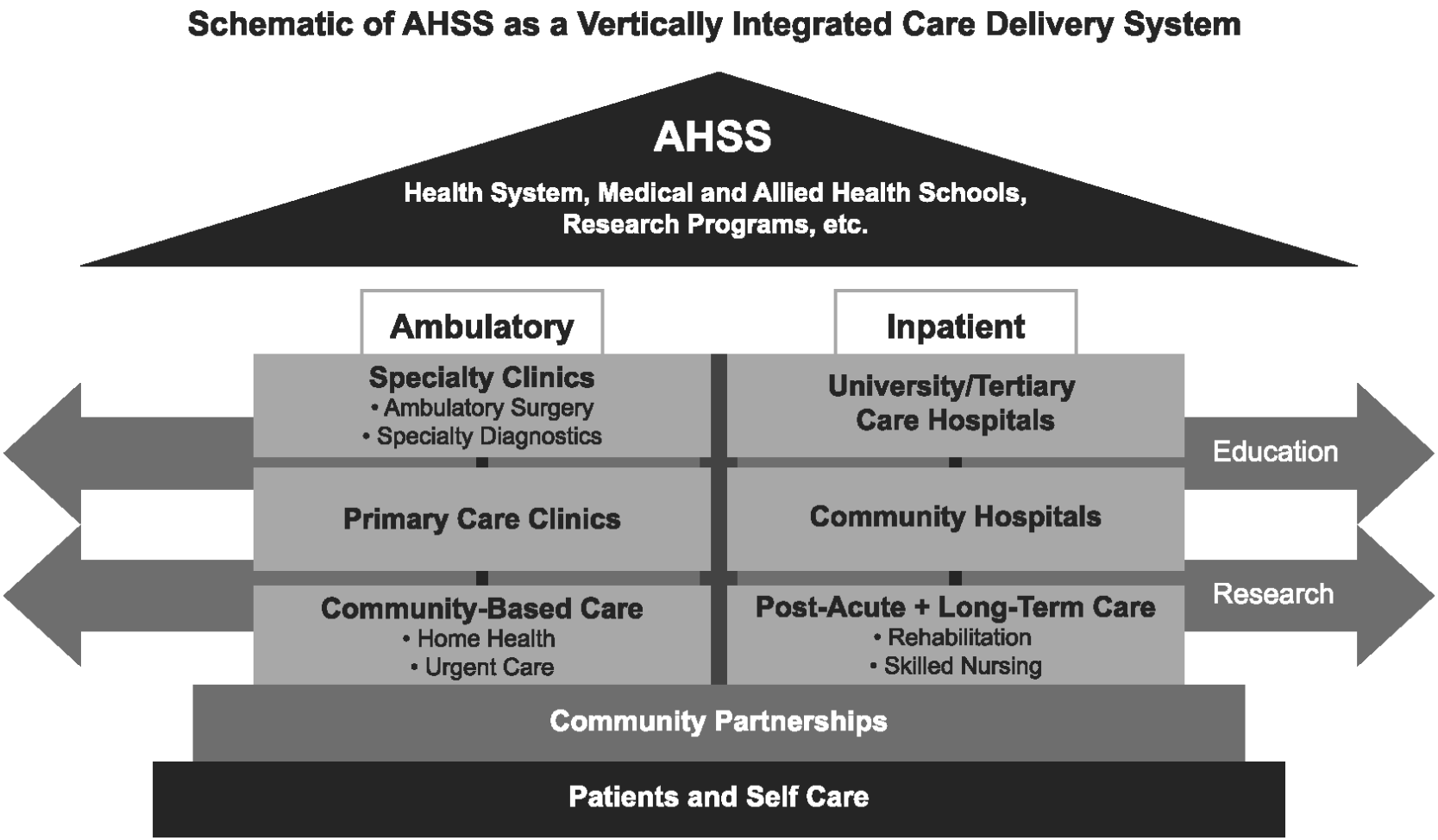
Doubling and Recipient Age



Larson RC et al. Serv Sci 2012;4:382-95

National Heart, Lung, and Blood Institute

Academic Health Science Systems



-Dzau V et al, Lancet, 2010

The American Journal of Medicine (2006) 119, 457–462

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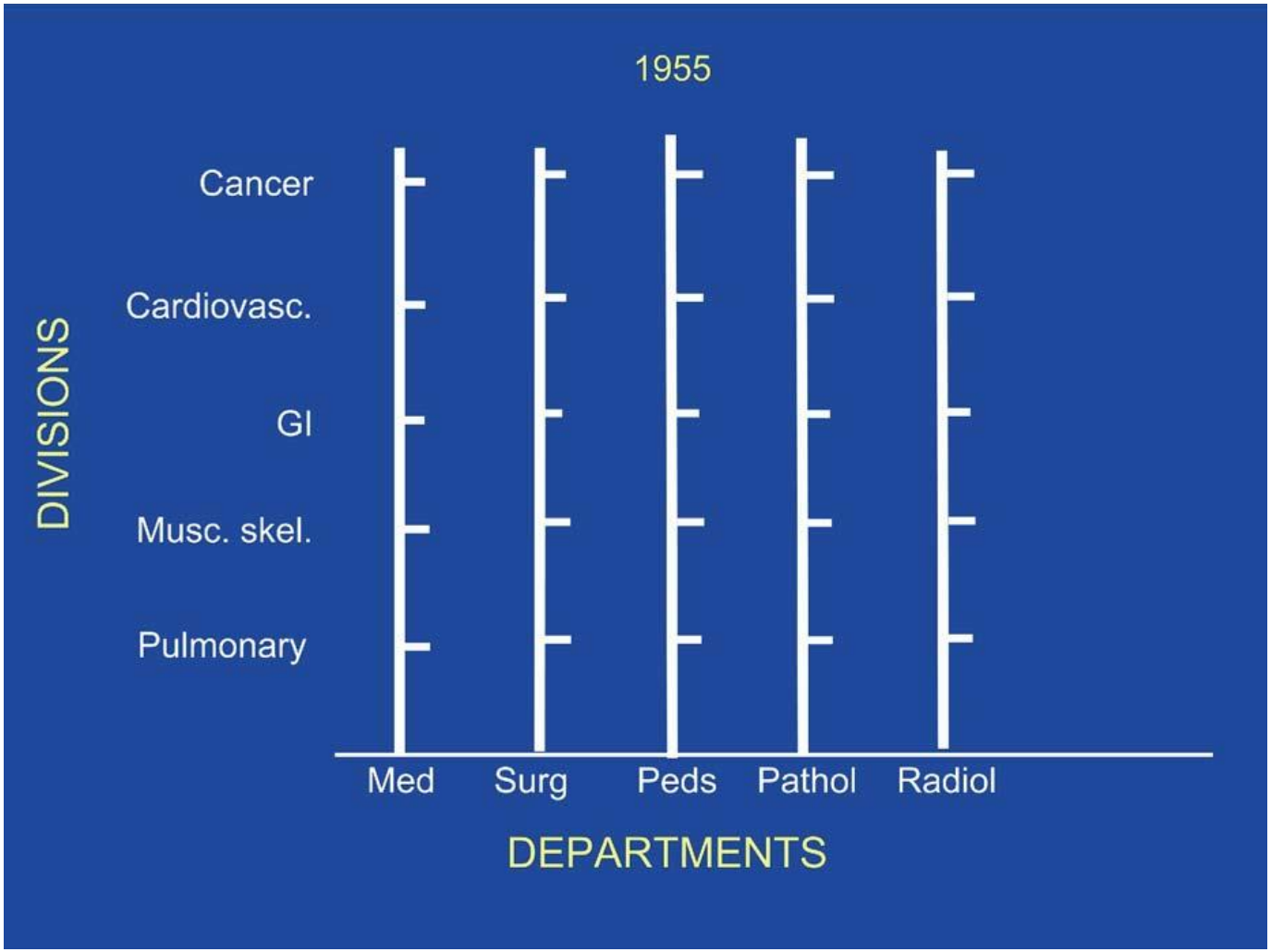

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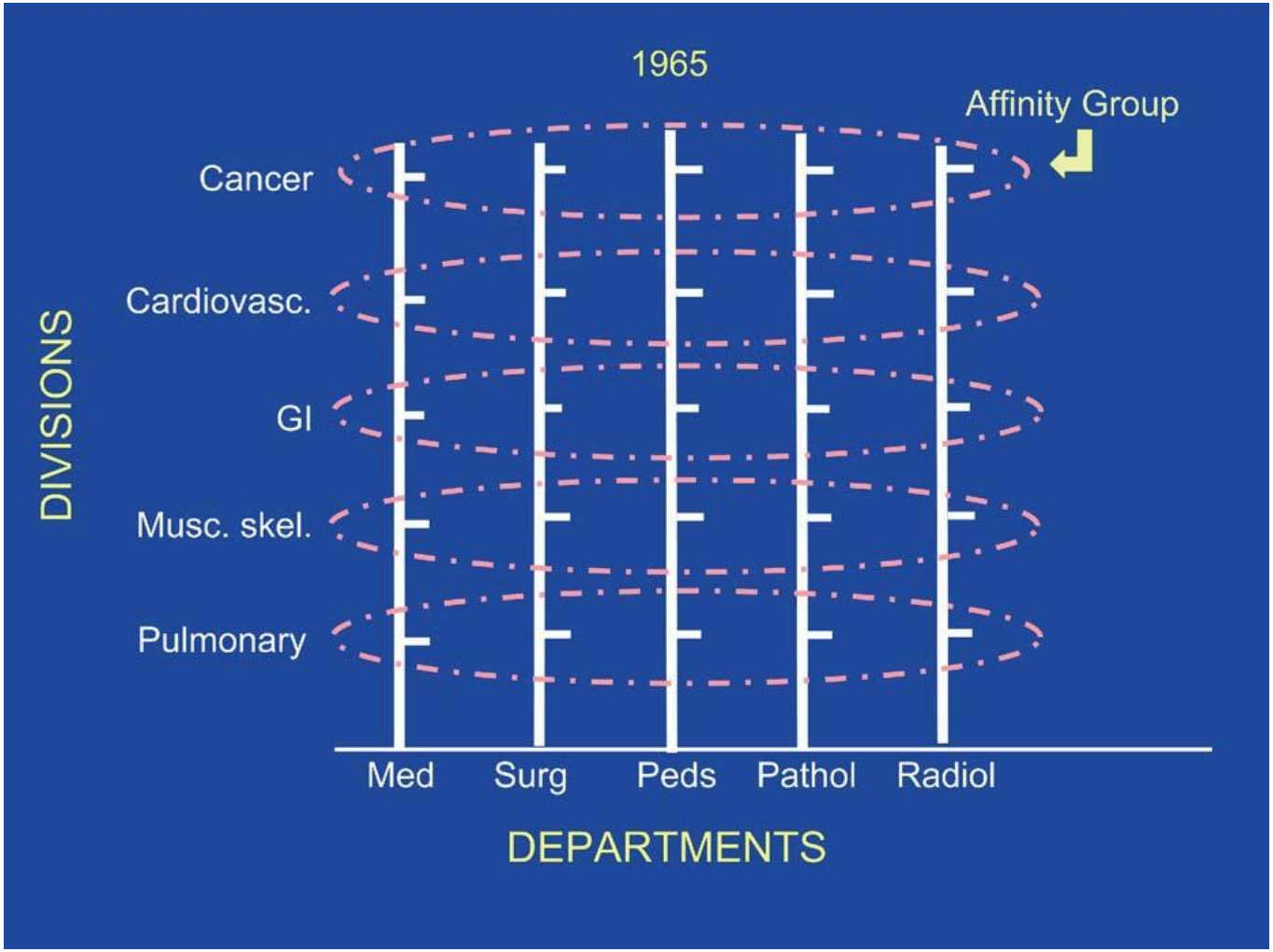

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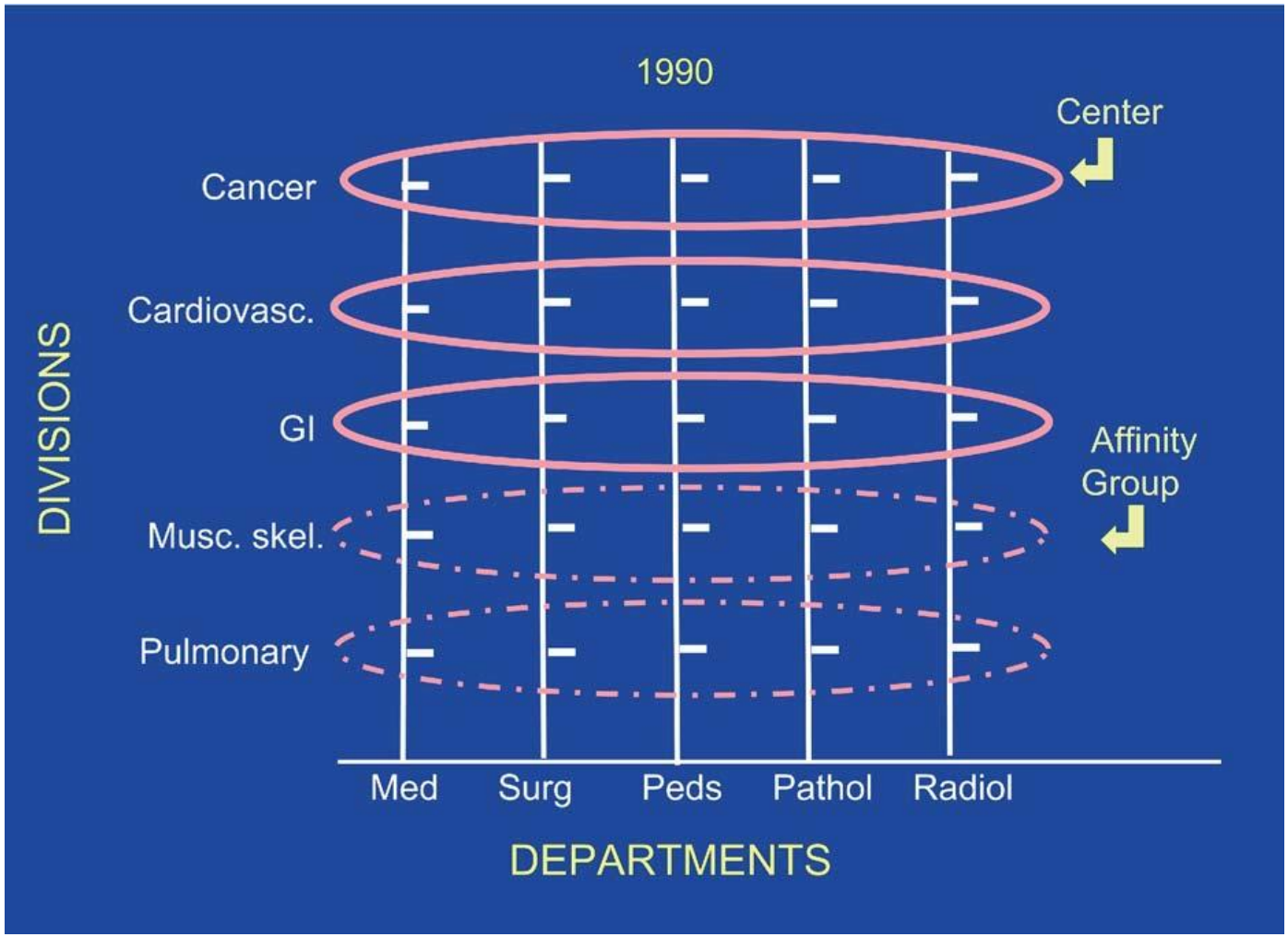

The American Journal of Medicine (2006) 119, 457–462

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Departments, Divisions and Centers in the Evolution of Medical Schools

Department Leadership

Changing leadership structure to reflect and adapt to needs of department

Paul Heidenreich, MD
Vice Chair, Clinical Quality-Analytics

Andrew Hoffman, MD
Vice Chair, Academic Affairs

Kenneth Mahaffey, MD
Vice Chair, Clinical Research

Abraham Verghese, MD, MACP
Vice Chair, Education

Ann Weinacker, MD
Vice Chair, Clinical Quality-Implementation

Sumbul Ahmad Desai, MD
Vice Chair, Strategy and Innovation

Mary Goldstein, MD
Vice Chair, Veteran Affairs

Calvin Kuo, MD
Vice Chair, Basic Science Research

Cathy Garzio
Vice Chair, Director of Finance and Administration

Julie J. White
Associate DFA

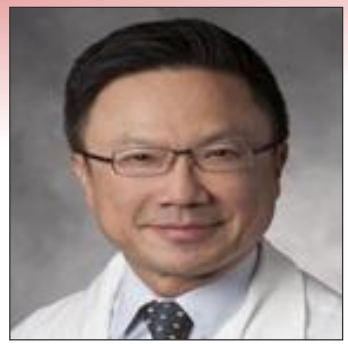
Errol Ozdalga, MD
Director of Communications

DOM Division Chiefs

Robert Negrin
Blood & Marrow Transplantation

Mark Musen
Biomedical Informatics

Thomas Quertermous
Cardiovascular Medicine



Alan Yeung
Cardiovascular Medicine

Fredric Kraemer
Endo/Geron/Metab

W. Ray Kim
Gastroenterology & Hepatology

Sang-ick Chang
General Medical Disciplines

Linda Boxer
Hematology

DOM Division Chiefs

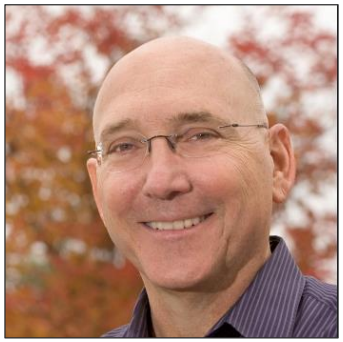
Cornelia Weyand
Immunology & Rheumatology

Upinder Singh
Infectious Diseases

Glenn M. Chertow
Nephrology

George W. Sledge Jr.
Oncology

Neera Ahuja
Hospital Medicine



Douglas Owens
Primary Care & Outcomes Research

Mark Nicolls
Pulmonary & Critical Care Medicine

John P.A. Ioannidis
Stanford Prevention Research Center

Types of Academic Cardiologist

- Clinician-scientist
  - Direct patient care and research as principal investigator
- Scientist-researcher
  - Nearly 100% effort to research
- Clinician-educator
  - Significant amount of time to educational activities
- Clinician-educator-administrator
  - Administrative duties in addition to the role of clinician-educator
- Pure clinician
  - Primary role is providing direct patient care

AMERICAN COLLEGE of CARDIOLOGY

What is Negotiable?

- Potentially Everything!!
- Rank, Title, Salary, Space, Support Staff, Clinic Time, % “protected” time, Duration of appointment, Time for faculty development/continuing education, Responsibilities

Physician Scientist

- Title/appointment
  - Dual appointments
- Salary/compensation
- Lab space (office)
  - Size, renovations
- Start-up package
  - Money, equipment, computers, other support staff
- Clinical/teaching load (protected time)
- Administrative support
- Start date
- Housing
- Moving expenses
- Spousal opportunities

Clinical Investigator

- Title/appointment
- Salary/compensation
- Effort allocation – research vs clinical
- Office space
- Administrative support
- Clinical support
- Start-up package
- Access to infrastructure
  - CTSA/GCRC
  - Hospital support
  - Pricing
  - Statistical support
- Start date
- Housing
- Moving expenses
- Spousal opportunities

Clinician Educator

- Title/appointment
- Salary/compensation
- Effort allocation – clinical vs teaching
- Office space
- Clinical support
- Administrative support
- Start date
- Housing
- Moving expenses
- Spousal opportunities
- Faculty development/continuing education

Private Practice

- Salary/compensation/benefits/malpractice insurance
- Partnership
- Terms and termination
- Academic clinical appointments
- Schedule and call
- Restrictive covenants
- Office space
- Clinical support
- Administrative support
- Start date
- Moving expenses
- Spousal opportunities
- Professional development/continuing education

Key Variables for Academic Success:
New Physician Investigator

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- **Mentorship, mentorship, mentorship…**
- **Resources: time and start-up funds**
- **Didactic training**
  - communication skills
  - research methods
  - regulatory requirements
  - understanding industry issues (RWI)
- **Supportive culture (environment of research)**
- **Personal characteristics**
  - curious, focus, patience, perseverance, humor, humility

Identifying Mentors:
Issues to Consider

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- Career role model
- Content expertise
- Methodological expertise
- Track record producing independent researchers
- Interest in and time for mentoring; personal style
- Team mentoring
- Mentors inside and outside home institution

Suggestions for Effective Negotiation

- Prepare for the negotiation process
  - Examine your priorities and their importance
  - Objectively determine your leverage
  - Obtain information on what resources are negotiable
- Understand the negotiation process
  - Assess your style
  - Understand the style of the person with whom you are negotiating
  - Think of likely responses
- View negotiation as an ongoing process
  - Establish rapport
  - End each session politely and comfortably

Steps to an Effective Negotiation Outcome

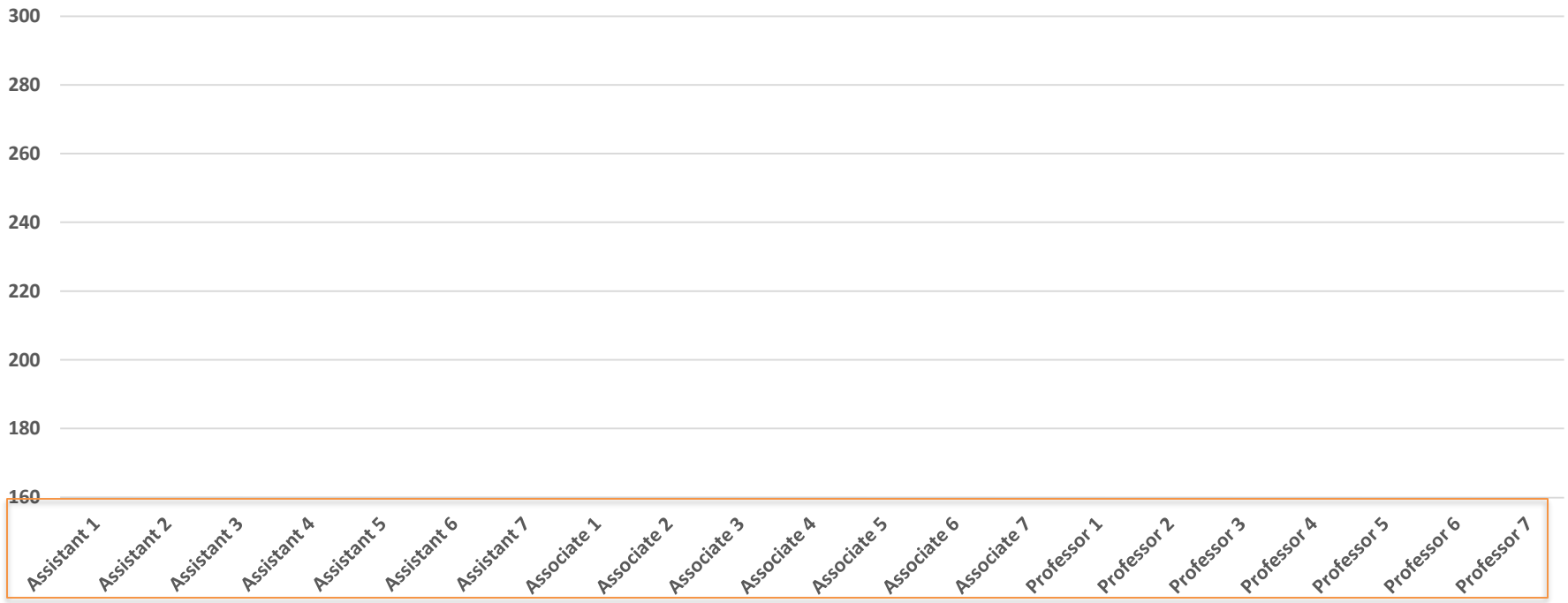
- **Ask for what you want**
- **Identify obstacles**. Prepare your responses; don't be caught off-guard in the middle of negotiation.
- **Do your homework**. Use salary surveys and the internet.
- **Define the best possible alternative**. Know your boss's best possible alternative too.
- **Don't wait until you are desperate**.
- **Establish a target or goal** (or several).
- **Keep calm**
- **Win-win**
- **Bounce back**. If you can't meet my request, how close can you come?

Objective

- To create a DOM salary scale and process that achieves the following:
  - Uses market data
  - Recognizes rank
  - Considers years in rank
  - Raise at promotion
  - Is an equitable, fair model
  - Simplifies the administrative process

Methodology

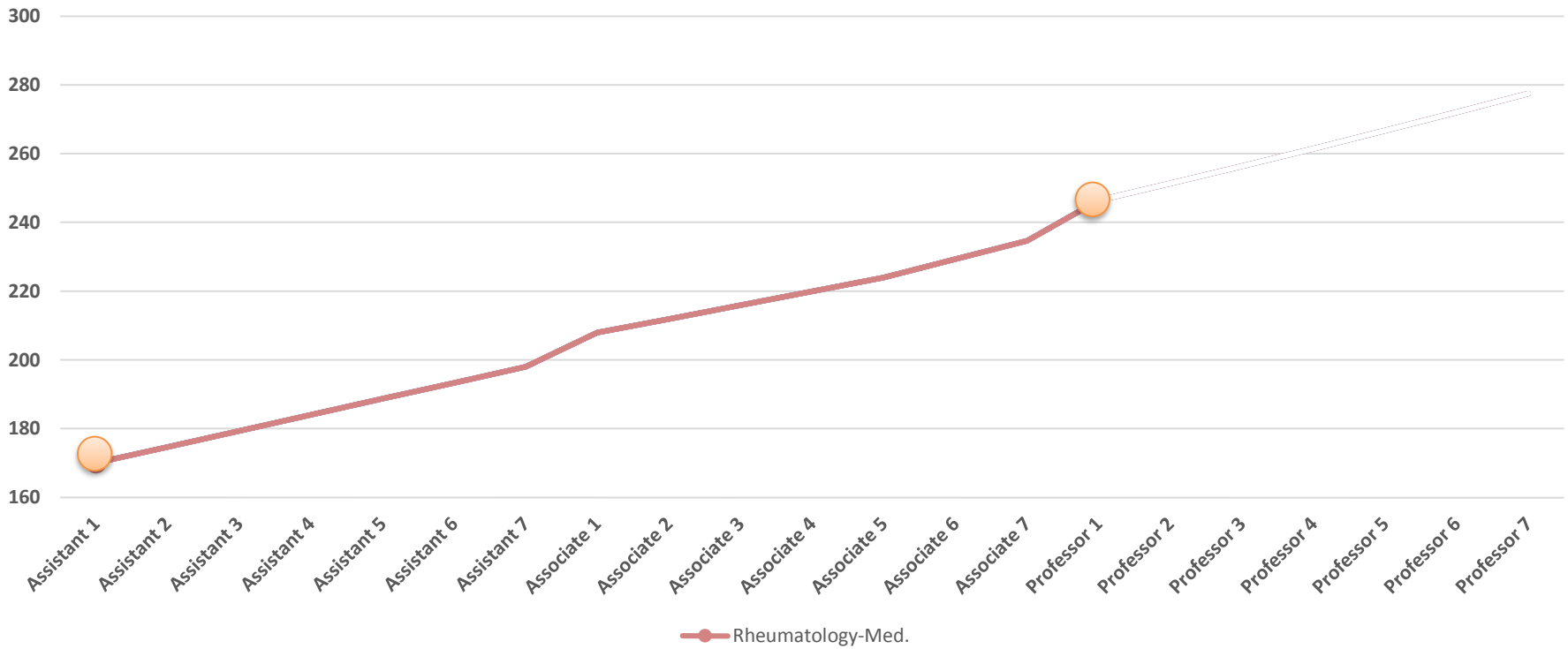
1. For each specialty we created steps 1 – 7 within each rank.



Rheumatology-Med.

Methodology

2. Using the the AAMC top 30 schools 50th percentile benchmark, we plotted Assistant 1 and Professor 1 values.
3. We set a floor of $170K at Assistant 1 (for clinical specialties), $230K at Professor 1.
4. We set a ceiling of $220K at Assistant 1, $280K at Professor 1.

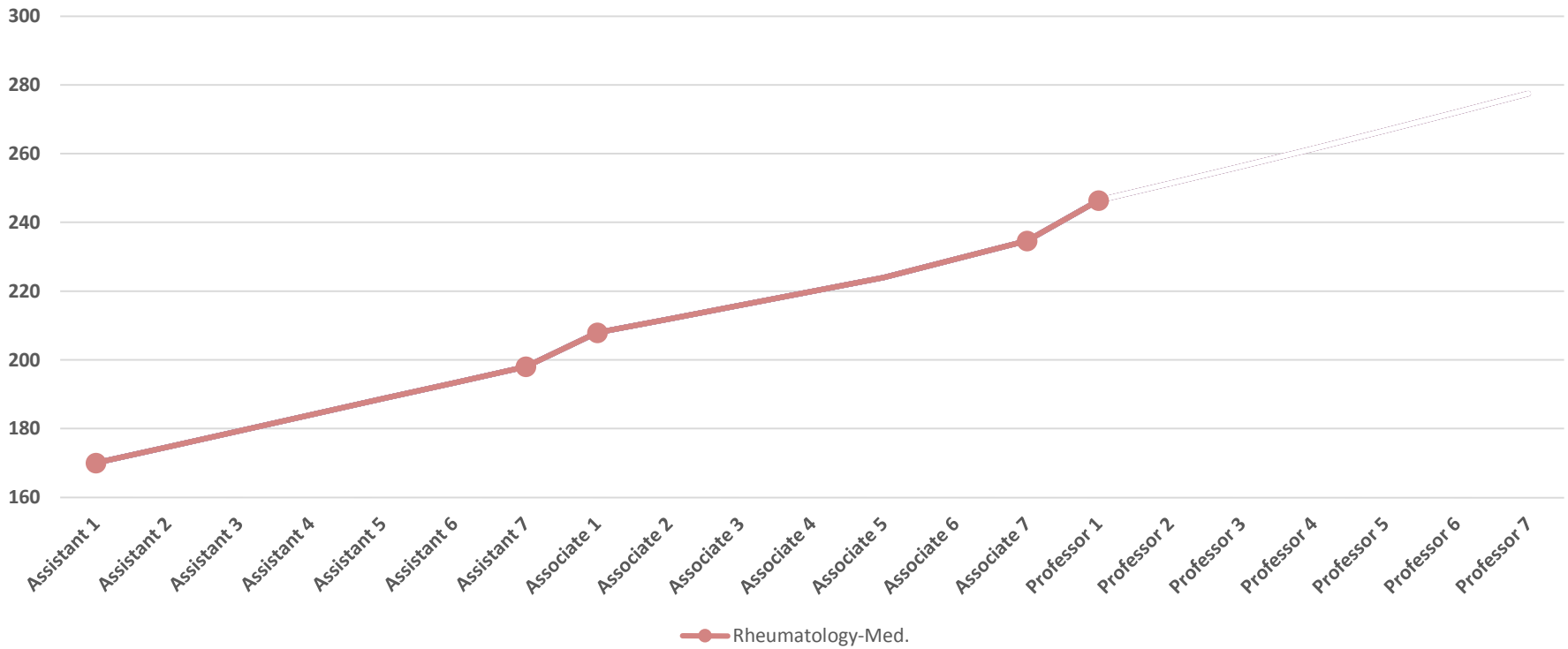


Methodology

5. We created a scale using this formula:

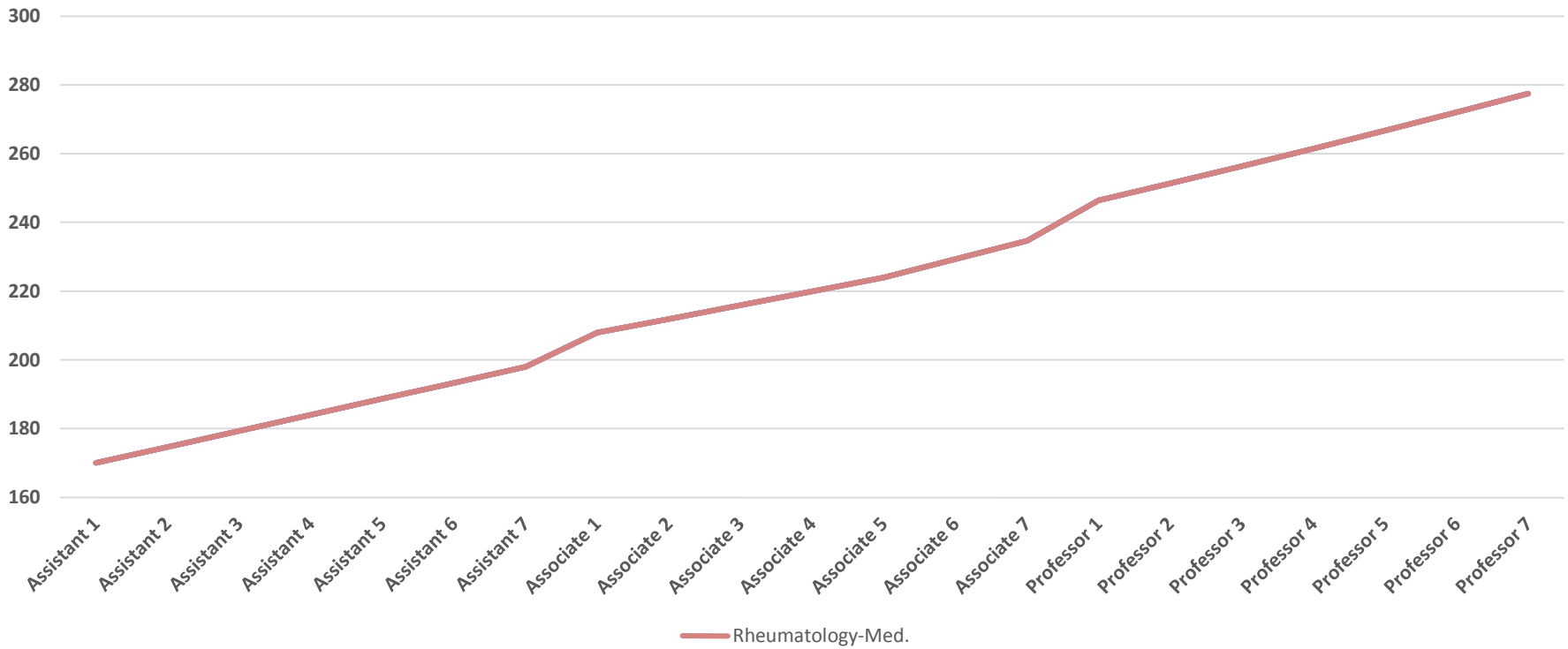
   (Professor 1 – Assistant 1 / # of steps remaining) + Assistant 1 = Assistant 2

6. We inserted a 5% raise at promotion.

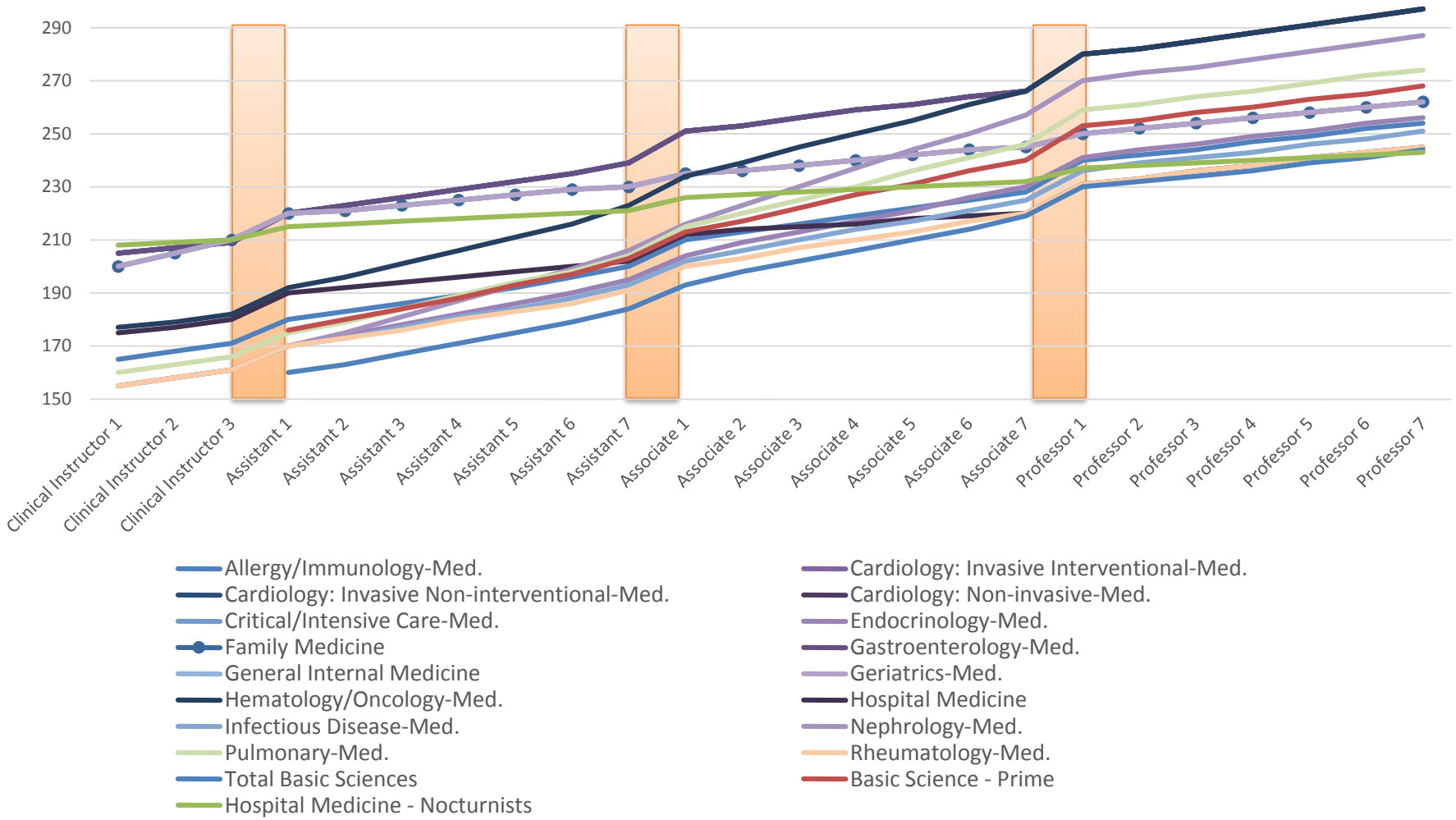


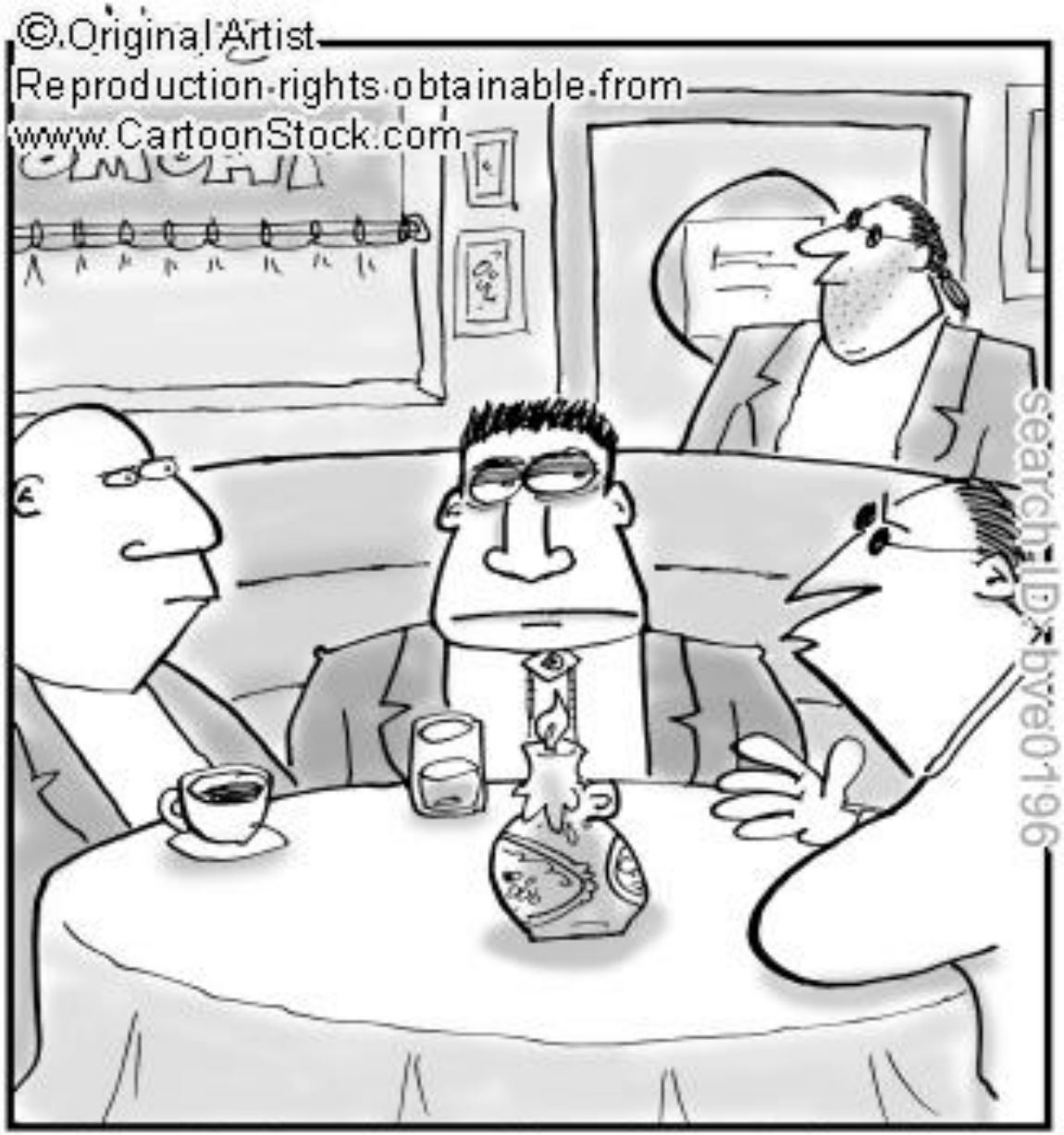
Methodology

7. Professor ranks were escalated by 1% each year thereafter, up to Professor 7.



Plot by Specialty





"For the last time, it's called a 'win-win' contract. Nobody gets whacked."

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Get it in Writing – Be Specific

"Here. We promised you a big lab."