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M E D I C I N E

# **Contract Negotiation:** Negotiating Your First Position Post Residency or Fellowship

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Chair, Department of Medicine  
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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

- 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

- 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

- 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



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## Healthcare

journal homepage: [www.elsevier.com/locate/hjdsi](http://www.elsevier.com/locate/hjdsi)



The Leading Edge

### How 10 leading health systems pay their doctors

Dhruv Khullar<sup>a,\*</sup>, Robert Kocher<sup>b</sup>, Patrick Conway<sup>c</sup>, Rahul Rajkumar<sup>c</sup>

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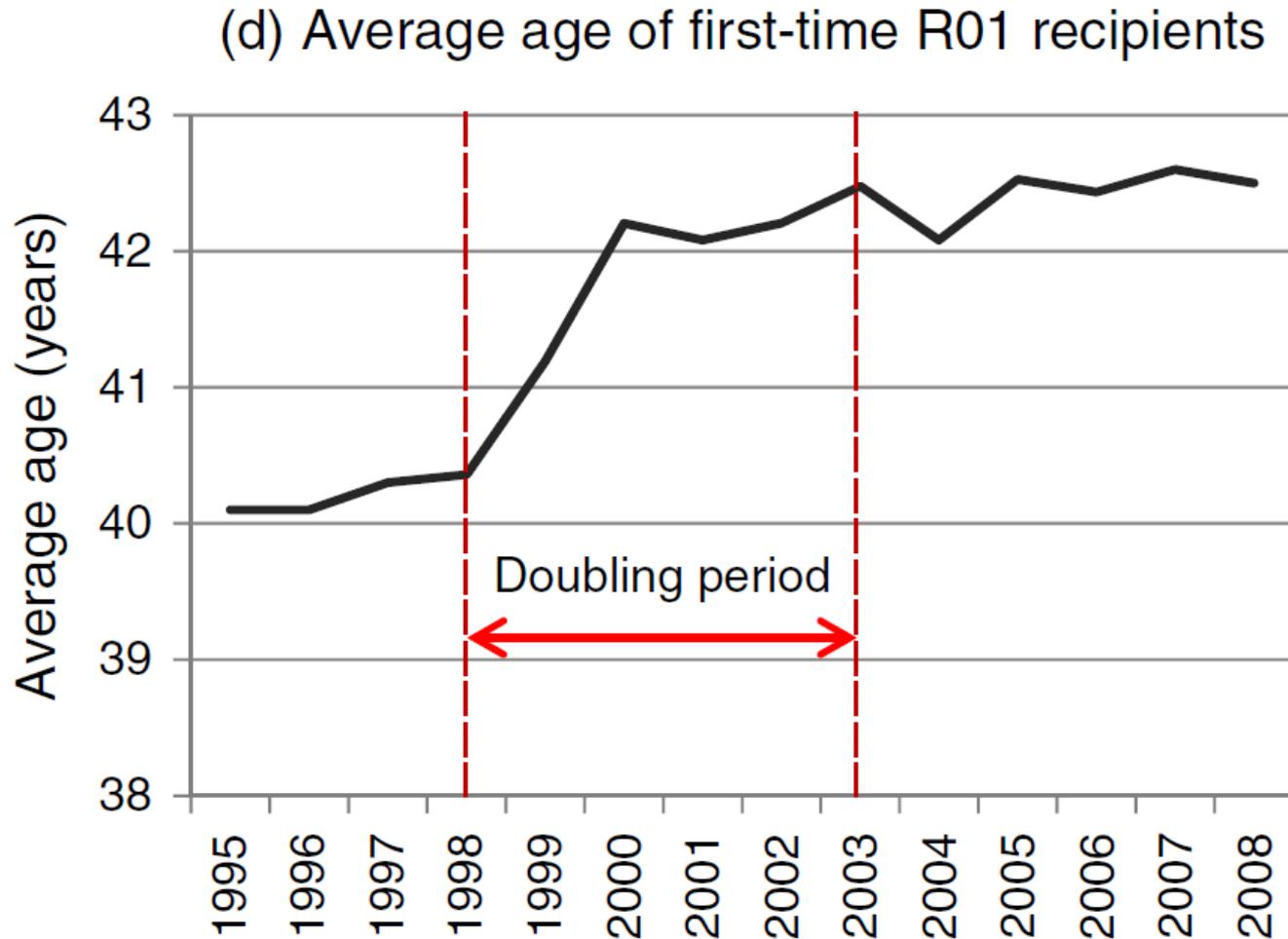
Quality improvement

#### 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.

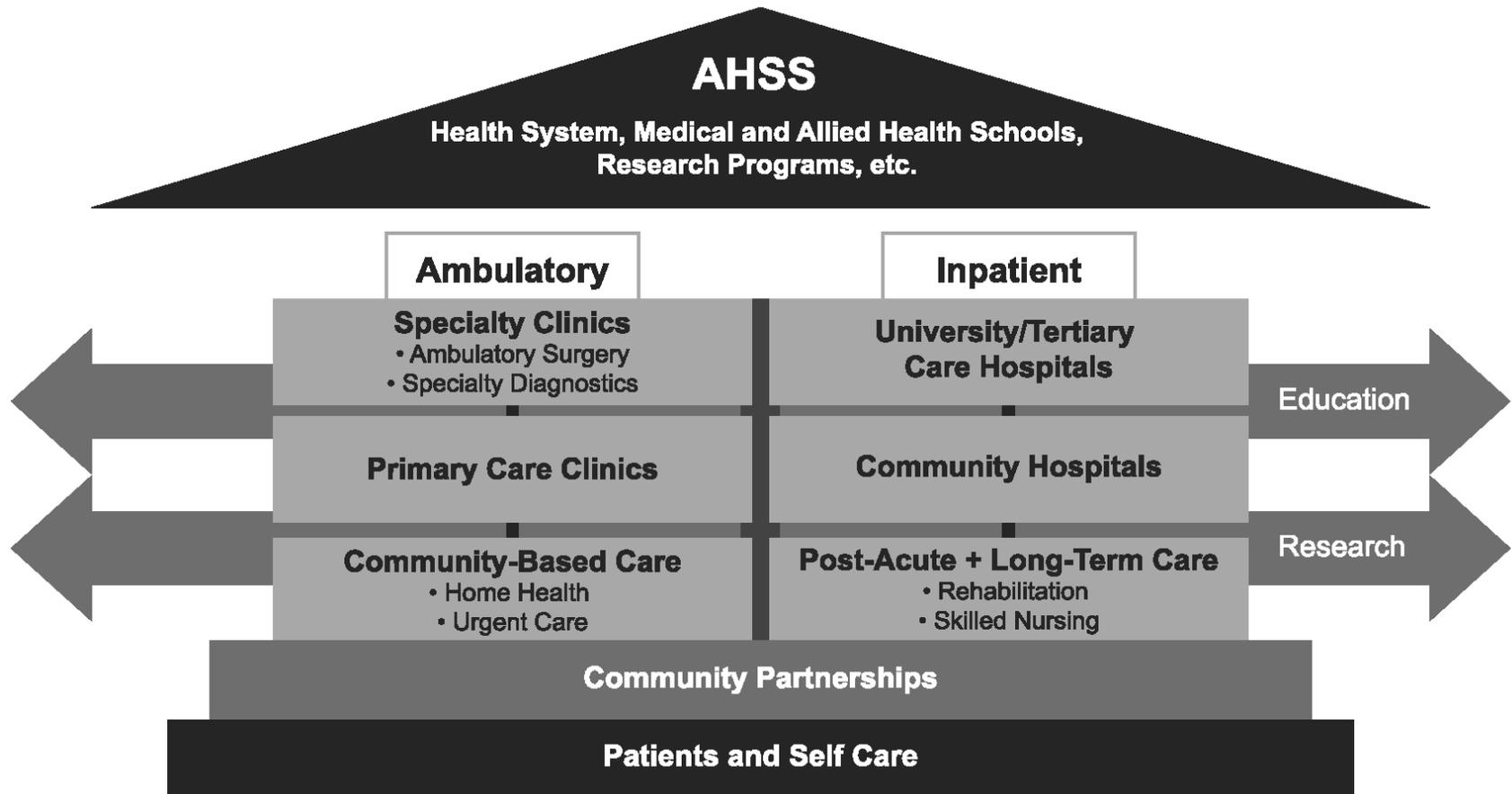
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# Doubling and Recipient Age



# Academic Health Science Systems

Schematic of AHSS as a Vertically Integrated Care Delivery System

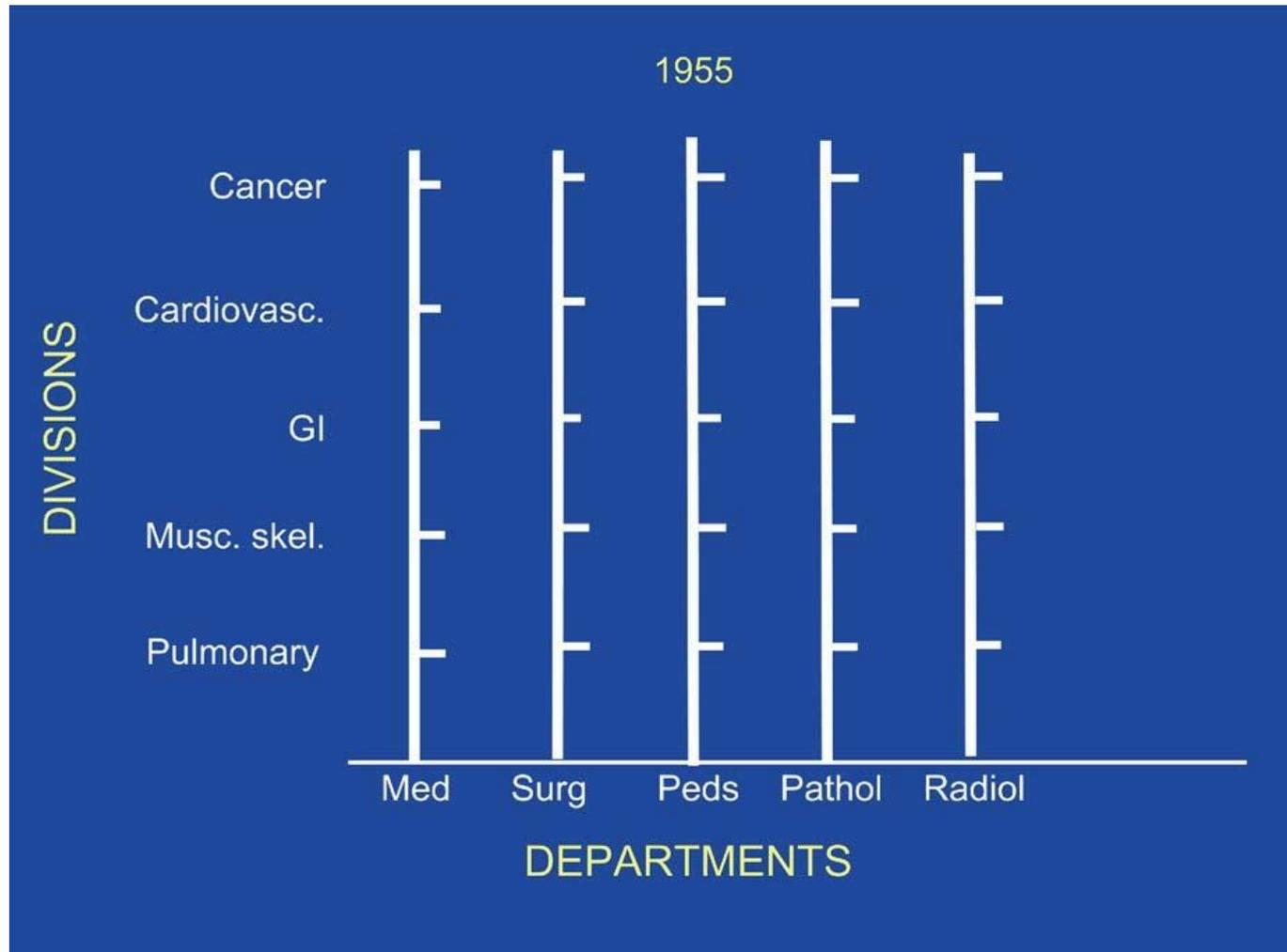


*-Dzau V et al, Lancet, 2010*



COMMENTARY

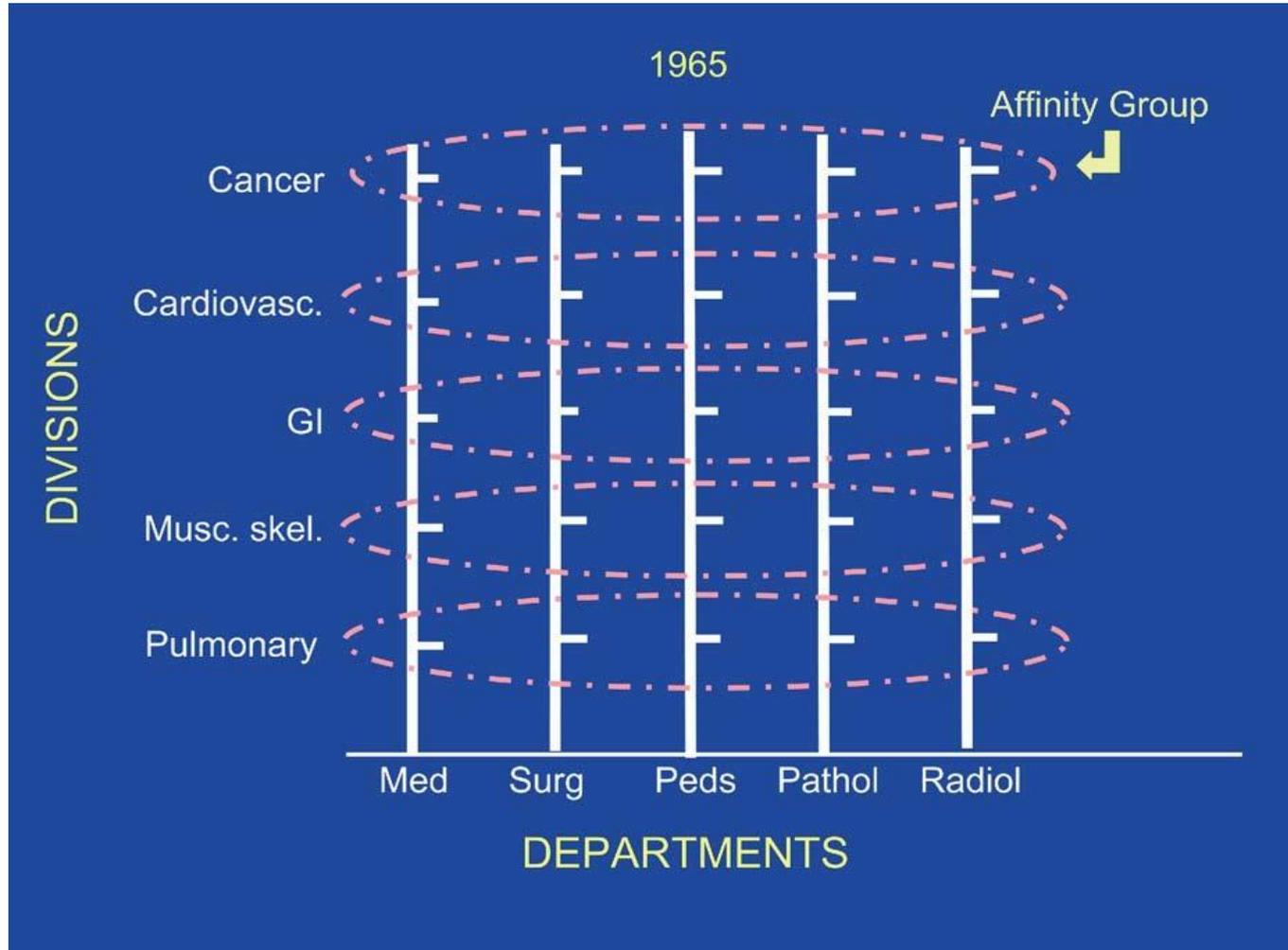
# Departments, Divisions and Centers in the Evolution of Medical Schools





COMMENTARY

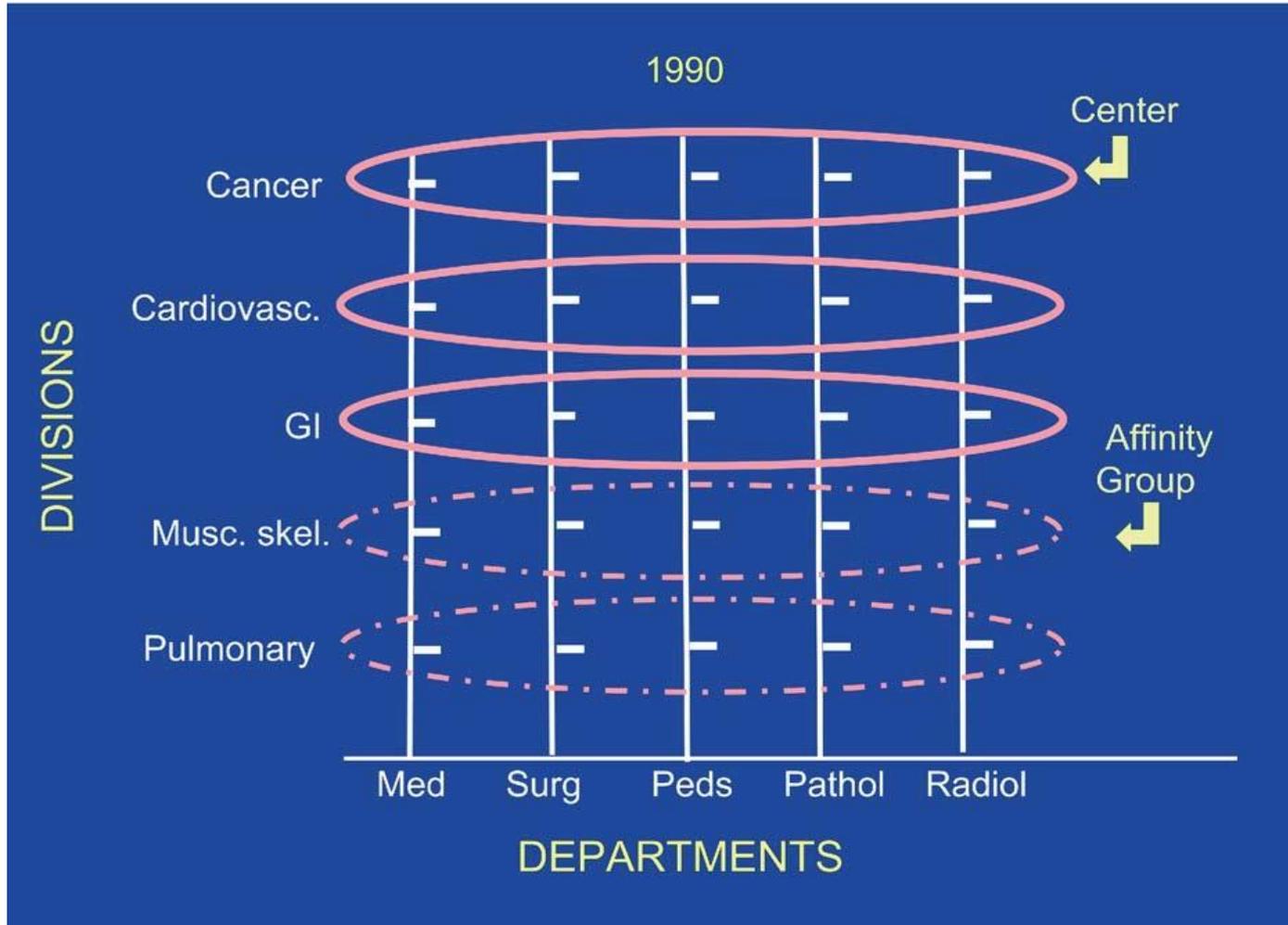
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COMMENTARY

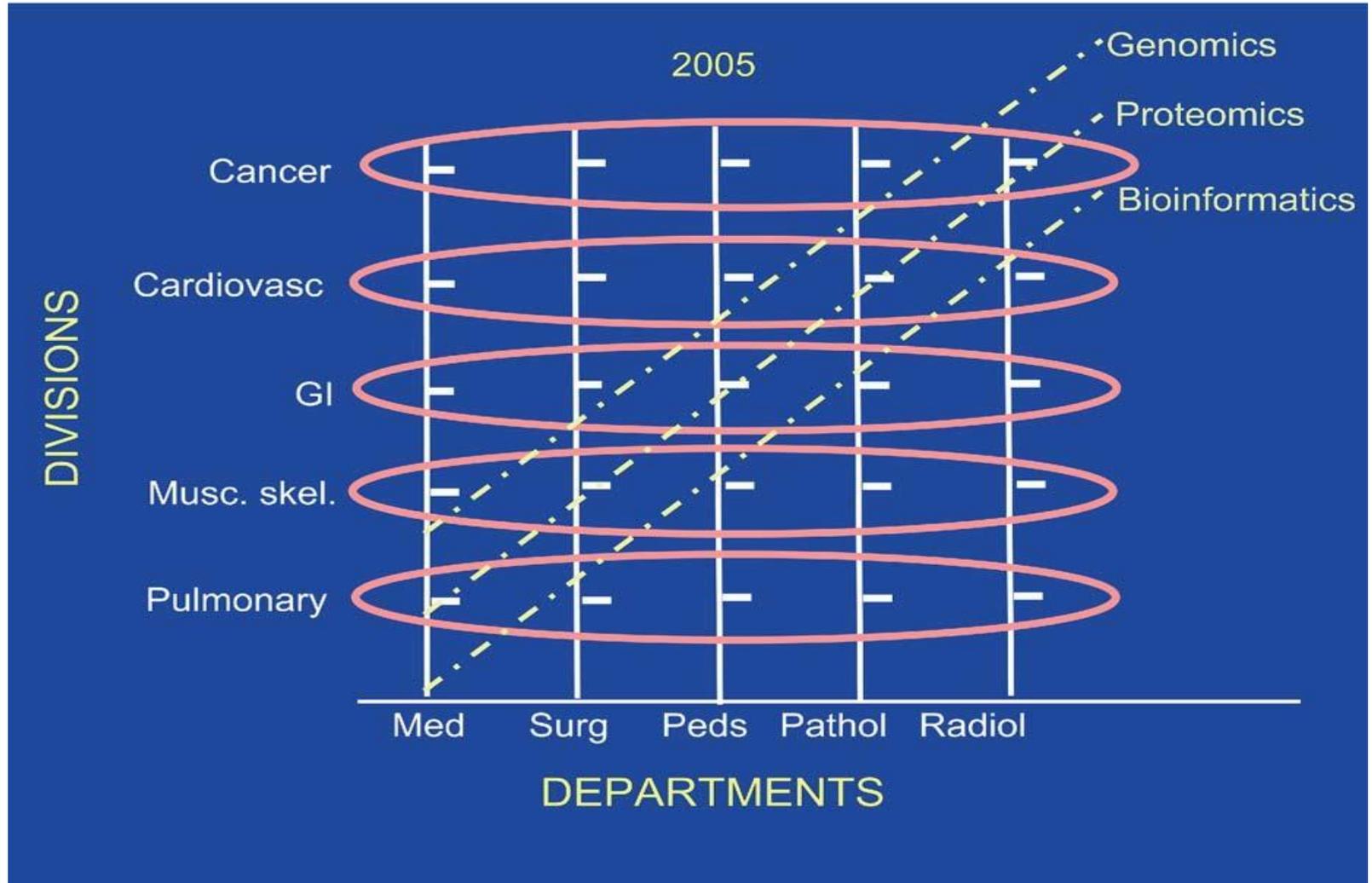
# Departments, Divisions and Centers in the Evolution of Medical Schools





COMMENTARY

# Departments, Divisions and Centers in the Evolution of Medical Schools



# DOM Leadership

## Division Chiefs



Robert Negrin  
Division Chief  
BMT



Mark Musen  
Division Chief  
BMIR



Thomas Quertermous  
Division Chief  
CV Med



Alan Yeung  
Division Chief  
CV Med



Fredric Kraemer  
Division Chief  
Endo/Geron/Metab



W. Ray Kim  
Division Chief  
GI & Hepatology



Mark R. Cullen  
Division Chief  
GMD



Linda Boxer  
Division Chief  
Hematology



Cornelia Weyand  
Division Chief  
Imm. & Rheumatology



Upinder Singh  
Division Chief  
ID



Glenn M. Chertow  
Division Chief  
Nephrology



George W. Sledge Jr.  
Division Chief  
Oncology



Douglas Owens  
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# 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?

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



# Physician Scientist

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- 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

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- 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

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- 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

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- 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



- **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

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- 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

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- **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?



# General Negotiating Advice from a DOM Division Chief (1)



“Your first job is not the time to haggle. You can win a few points but irritate your employer so much in the process that you lose trust you can never regain. Take the job first and succeed wildly so that your value is established beyond any doubt. Then negotiate at the next opportunity. If you're not sure you can succeed wildly, go work on that, not your negotiating skills.”

# General Negotiating Advice from a DOM Division Chief (2)



- First focus on selling how much you want the job and what a perfect match you are. Wait till the last appropriate moment to raise terms till you are certain they believe they have to have you.
- Use "words that work" to avoid turning employers off: "I'm wondering if you would consider...", "I'm really eager to accept this job, but I'm concerned about..." "I understand that sometimes you've been able to offer xxxx"

# General Negotiating Advice from a DOM Division Chief (3)



- Reveal counter-offers matter-of-factly, with regret not threat, again using words that work.
- Starting off on the right foot with mutual excitement on both sides is the most important goal; never let the short term obscure the long term.
- Turning down a job well is as important as how you accept. The profession is tiny and never generate bad will when turning down an offer.



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*“For the last time, it’s called a ‘win-win’ contract. Nobody gets whacked.”*



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