PHYSICIAN CONTRACT ISSUES IN LIGHT OF COVID-19

Ericka Adler JD
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- This information is current as of the date the lecture was written –
Physician Contract Issues in Light of COVID-19

American Osteopathic Association
What Do These Terms Mean?

1. Employee “at will”
2. Employee
3. Contractor
4. Layoffs
5. Furloughs
6. Written contract
Areas of Contracts Being Modified by Employers Related to COVID-19

1. Schedule
2. Location
3. Compensation
4. Bonus Targets
5. Exclusivity
Amendment to Agreements vs. Right to Unilaterally Modify

“This Agreement supersedes all previous contracts or agreements between the parties with respect to the same subject matters and constitutes the entire agreement between the parties. This Agreement may be amended only by an instrument in writing signed by both parties hereto.”

“X may revise or adjust Physician’s compensation from time to time during the term of this Agreement upon prior written notice.”
Termination For Cause vs. Without Cause

1. Termination for cause
   - Specific reasons related to license, DEA, breach of contract, etc.
   - Death, disability
   - Bankruptcy
   - Fraud, gross negligence
   - **Subjective provisions related to reputation and conduct**

2. Termination without cause. Typically requires notice between 30 and 120 days. Compensation and benefits typically continue during the notice period.

3. Force majeure and termination for impracticability
Other Provisions Impacted by Termination

1. Non-compete enforcement
2. Cost of Tail Coverage
3. Repayment of Bonus
4. Computation of Bonus Amounts Owed
Negotiating an Amendment

1. Signed by both parties versus memo or email
2. Limit to changes needed only
3. End date to changes (i.e. return to normal)
4. Make up financial loss?
5. No termination while compensation reduced or commitment not to terminate for period of time (1 year)
6. Commitment not to further amend
7. Waiver of repayment/some other benefit?
Other Contract Concerns

1. Benefits while furloughed
2. Exclusivity and non-compete provisions while furloughed
3. Productivity-based compensation
RESOURCES
https://www.physiciansupportline.com/
AOA Resources

www.osteopathic.org/covid-19
On-demand Covid -19 Webinars

- The CARES Act and the Paycheck Protection Program (PPP): Key Considerations for Physicians and Their Practices
- Federal Financial Relief for Physicians During the COVID-19 Emergency
- Telemedicine – Successfully practicing medicine from a distance Navigating HIPAA and Telemedicine during COVID19
- Get Paid for Telehealth; New Rules for Documentation and Technology
- Billing and Coding Under New Telehealth Rules
- Update on Telemedicine for Physicians

https://aoaonlinelearning.osteopathic.org
Upcoming Webinars

Updated Telemedicine Coding & Billing for the biller and coder
May 28  7:00 PM CT

June 3  7:00 PM CT

Updating Your Partnership/Shareholder/Buy-Sell Agreements
June 10  7:00 PM CT

Reopening your Medical Practice
TBD

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Questions & Answers

Physician Services Department
1-312-202-8194

physicianservices@osteopathic.org
Ericka L. Adler  
Roetzel & Andress  
30 N. LaSalle, Suite 2800  
Chicago, IL 60602  
312.580.1602  
eadler@ralaw.com
THANK YOU