

with the pragmatic demands of the practice of medicine and employment law should be consulted.

12. Remedies

12.1 Arbitration/Mediation

Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgement on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

Comment:

It is recommended that the parties to an employment agreement arbitrate their disputes, as an alternative to litigation in the courts. While each process has its advantages and disadvantages, arbitration is generally faster and less expensive than litigation. It also avoids public exposure associated with court proceedings.

13. **Miscellaneous**

13.1 Amendment

This Agreement may be amended or modified only by a written document signed by both parties hereto.

Comment:

Restriction on amendment to the Employment prevents either party from changing the contract without the written consent of the other, either intentionally or through good faith misunderstanding. Contracts generally specify that no amendment or change to the terms of the Agreement is valid unless made in writing and signed by the Physician and a duly authorized representative of the Employer.

conditions, and privileges of employment.”

*American Medical Association
Annotated Model Physician Employment Agreement*

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June 5, 2000

Dear Colleague,

Physician employment has now become an integral part of the practice of medicine. Many physicians are employed by small group practices, multi-specialty group practices, medical faculty practice plans, hospitals, or other institutions. This trend is likely to accelerate among those physicians entering practice. At some point in their careers, most physicians will probably be party to an employment agreement.

The American Medical Association, Office of General Counsel, has developed this “Annotated Model Physician Employment Agreement” as a resource for physicians who want to be better prepared to negotiate an employment contract. While this manual is not a substitute for legal advice, it provides a description of the basic contract terms typically found in employment agreements, with explanations, recommended language and alternative provisions. It also includes a detailed summary of the tax implications of compensation and employee benefit packages, a description of the distinctions between employee status and independent contractor status, and a compilation of selected state laws on several other relevant issues effecting employed physicians such as corporate practice of medicine and restrictive covenants.

On behalf of the American Medical Association, we hope that you find this manual to be a useful resource. Should you have any questions, please call Rosary Payne, Division Counsel in the Health Law Area of the Office of the General Counsel, at (312) 464-4071.

Respectfully,

E. Ratcliffe Anderson, Jr., MD

Attachment

The American Medical Association wishes to acknowledge Charles Bond, Esq. of Bond, Gamma & Associates, Berkeley, California, for his substantial contribution to this Manual.

Mr. Bond is an attorney and strategic planner whose principal office is in Berkeley, California. For 25 years, he has advised physicians and medical groups nationwide in all aspects of practice organization and management. He has been actively involved in the development of physician-driven healthcare delivery systems and other healthcare reform, has developed and advised physician owned insurance companies and represents physicians in hospital medical staff matters. He maintains an active appellate litigation practice. He is a member of the California Academy of Appellate Lawyers, the California Academy of Attorneys for Healthcare Providers and the American Association Consulting Network.

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