Neurosurgery
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Neurosurgery Compensation Update

Neurosurgeon Compensation Is Stable, but Market Factors Are Having Noticeable Effects

By Bonnie Darves

Depending on which physician compensation survey you use, neurosurgeon earnings are holding steady, going up or declining slightly. The general take, however, is that the last few years haven't produced any major gains, and the next few aren't likely to do so, either.

"Overall, neurosurgeon compensation levels are still good, but we're seeing some trends that are likely to continue affecting compensation. We're seeing reimbursement changes and pressures on compensation on the practice side, from the federal level down to the private practice level," said Michael Radomski, CPA, chair of the research committee for the Neurosurgery Executives' Resource Value and Education Society (NERVES). "Both are reducing revenue opportunities in neurosurgery, and likely other specialties as well."

private practice and academic neurosurgeons, but we found that hospital-employed neurosurgeon compensation remained static," said Mr. Radomski, who is vice president of finance and chief financial officer for the Mayfield Clinic, Inc., in Cincinnati, Ohio.

The NERVES survey findings point to another, less prominent trend that is surely affecting compensation: a decline in practice collections. That drop was 4% in the 2013 survey, and 9% over the last five years combined. The NERVES Socio-economic Survey included 63 participating practices that, combined, represent a total of 415 neurosurgeons.

In more nuanced findings, the NERVES survey points to marked compensation differences depending on the neurosurgery sub-specialty, Mr. Radomski pointed out. Based on a definition

> **" I don't see any indication that neurosurgery compensation will go down significantly, because we're still in a situation where hospitals and health systems must have the services, and there just aren't enough neurosurgeons. "**
>
> **- Tom Dobosenski**
>
> *President, AMGA Consulting Services, LLC*

The news is hardly dire, however. Mr. Radomski notes that the NERVES compensation survey, the most comprehensive and detailed one covering the specialty, found a median compensation of $734,000 in its 2013 report. That's down slightly, approximately 5%, from the 2012 report findings, but it's still higher than the 2011 report findings.

Interestingly, the recent NERVES survey found slight differences depending on setting. "The compensation declines are evident with the

of greater than 50% of their practice time, spine and pediatric cranial specialists topped the compensation list at a median of $784,000, followed by adult cranial at $739,000 and pediatric cranial at $732,000. Medians for vascular/endovascular and functional neurosurgery specialists were $632,000 and $589,000, respectively.

Interestingly, one major factor contributing to continued strong earnings in neurosurgery is call pay trends, in Mr. Radomski's view. The Level 1

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Submissions of articles and perspectives on the neurosurgery job market that may be of interest to practicing neurosurgeons are welcomed. Please contact the publisher or editor for more information and guidelines.

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Neurosurgery Compensation Update

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trauma daily call pay came in at $2,175 in the most recent survey, up 45% over the last five years. "That's a fairly substantial increase," he said, noting that call pay is an area strongly driven by regional market forces.

Some hospitals may be moving to the employment model not only to ensure sufficient neurosurgery services, recent physician compensation reports have suggested, but also to get away from paying sky-high call rates and even out the budgeting process.

Demand Still Key Driver

The 2014 American Medical Group Management Association (AMGA) Compensation & Financial Survey found an increase in neurosurgeon compensation, to a median of $701,399 from $656,250 the previous year. Median compensation for practices in the 90th percentile was $1.109,691, and $498,362 at the 20th percentile. The survey included 92 group respondents representing a total of 399 neurosurgeons.

The third major national survey, the Medical Group Management Association (MGMA) Physician Compensation and Production Survey, found only a slight increase in its 2014 report, to $710,000 from a median of $697,255 in its 2013 survey.

Tom Dobosenski, president of AMGA Consulting Services, LLC, in Alexandra, Va., says that he doesn't expect any major compensation changes one direction or the other in the next few years, provided demand for neurosurgeons continues to outstrip supply. "I don't see any indication that neurosurgery compensation will go down significantly, because we're still in a situation where hospitals and health systems must have the services, and there just aren't enough neurosurgeons," he said, to fill all of the need nationally.

"What I do see, though, is that with the trend toward employing neurosurgeons, some of the organizations are having to 'buy away' neurosurgeons from other places because the sheer numbers in the specialty are so low. This is keeping compensation high for now," Mr. Dobosenski said, "but I think we'll likely see a leveling off in the next few years."

On a regional level, the AMGA and MGMA surveys found little change from previous years. Earnings were highest in the South and Midwest (including the northern Midwest), and relatively lower in the Eastern and Western regions. Following is a breakdown:

AMGA 2014 Regional Median Neurosurgeon Compensation	
Eastern	$655,820
Western	$708,019
Southern	$752,939
Northern	$703,358

MGMA 2014 Regional Median Neurosurgeon Compensation	
Eastern	$631,867
Midwest	$794,735
Southern	$736,129
Western	$711,961

Productivity Shows Shifts

There's been a general sense that neurosurgeons, and physicians in other procedure-based specialties, now have to work harder to maintain their income levels in recent years. The MGMA report, in particular, found this trend in several surgical specialties from 2005 through 2010. But there appears to be a shift afoot, with slight declines in RVUs. Nationally, the median number of work relative value units (wRVUs) for neurosurgeons was 9,368 annually, compared to 9,421 in 2011 but significantly down from the median 10,772 in 2010.

In the MGMA report, the Southern region neurosurgeons tallied the highest number of RVUs, at 11,713, and Eastern region neurosurgeons the lowest, at 8,939.

The AMGA 2014 survey RVU figures were comparable, at a median of 9,675. As with the MGMA survey, the AMGA found the highest productivity among Southern neurosurgeons, whose median annual RVUs at 11,853. Not surprisingly perhaps, neurosurgeons in mid-sized medical groups and multispecialty practices, those with fewer than 50 to 150 physicians, logged more RVUs, a median of 10,934, than their counterparts in very larger organizations (151 to 300 physicians). In the latter group, the median was 9,917.

The NERVES survey data provides a detailed picture on how much neurosurgeons earn per RVU in the various subspecialties. For instance, while the median overall compensation per wRVU is $74, neurosurgeons with greater than 50% of their time in pediatric cranial care are compensated at $110. "That's the highest level of compensation per wRVU in the field," Mr. Radomski noted.

The NERVES survey also found that the shifting reimbursement marketplace and health reform are having a noticeable effect on

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" Neurosurgeon compensation levels are still good, but we're seeing some trends that are likely to continue affecting compensation … reimbursement changes and pressures on compensation on the practice side, from the federal level down to the private practice level. "

- Michael Radomski, CPA

NERVES Research Chair and CFO, Mayfield Clinic, Inc.

both neurosurgery practice revenue streams and market positioning. He points to two key findings in these regards:

- Neurosurgery compensation from ancillary services and other non-direct patient care-related sources has doubled over the last five years, and now represents 27% of total practice compensation.
- Neurosurgery practices are moving into Accountable Care Organizations (ACOs) at a relatively rapid rate; 27% of practices surveyed are now in ACOs. In another health reform driven finding, EMR usage hit 90% in the latest NERVES survey.

As for the future, even if neurosurgery compensation levels remain stable, neurosurgeons can expect to see continued shifts in how their compensation breaks down in terms of productivity and incentive components, Mr. Dobosenski predicts.

"Compensation structures are a big issue for neurosurgery practices now, as practices try to figure out which quality metrics they'll use," he said. "We're seeing practices move toward putting more compensation in pay-for-performance structures instead of RVUs, but figuring out what works best in these highly specialized practices is challenging."

Bonnie Darves is a Seattle-based independent healthcare journalist and editor of Neurosurgery Market Watch.

UPCOMING U.S. NEUROSURGERY EVENTS/CMEs

AOSpine Course–Complex Spine Surgery: Innovations in Practice
❏ October 31 - November 1
Phoenix, Arizona

SVIN 7th Annual Meeting and 2nd Annual Stroke Center Certification Workshop (SCC)
❏ November 6 - 9
Hollywood, Florida

NASS–North American Spine Society
❏ November 12 - 15
San Francisco, California

43rd Annual AANS/CNS Section on Pediatric Neurological Surgery
❏ December 2 - 5
Amelia Island, Florida

18th Annual Meeting North American Neuromodulation Society
❏ December 11 - 14
Las Vegas, Nevada

Comprehensive Training Program in Gamma Knife Radiosurgery
❏ January 26 - 30
New York, New York

International Stroke Conference
❏ February 11 - 13
Nashville, Tennessee

2nd Annual North American Skull Base Society Meeting
❏ February 20 - 22
Tampa, Florida

The Winter Clinics for Cranial & Spinal Surgery
❏ February 22 - 26
Snowmass, Colorado

83rd AANS Annual Scientific Meeting
❏ May 2 - 5
Washington, D.C.
Meet us there!

UPCOMING INTERNATIONAL CMEs

9th World Stroke Congress
❏ October 22 - 25
Istanbul, Turkey

XXIth Brussels International Spine Symposium
❏ November 21 - 22
Brussels, Belgium

UK Stroke Forum
❏ December 2 - 4
Harrogate, UK

9th Annual Meeting of the German Spine Society
❏ December 11 - 13
Leipzig, Germany

▶ For more information regarding any of these events, or to post your upcoming CME or neurosurgery event, please contact ***info@harlequinna.com.***

PRACTICE PROFILE

SpineNevada: Thriving Solo in a Fast-Consolidating Marketplace

By Bonnie Darves

In an era when specialty practices are getting snapped up by hospitals and health systems at nearly the speed of light, many independent practices are having a tough time keeping the wolves away from the door—whether the preying entities are prospective purchasers or simply the specter of declining revenues.

Not so for SpineNevada. The Reno-based neurosurgery group, established a decade ago and given a "face-lift" by virtue of the recent opening of its dedicated Minimally Invasive Spine Institute, a nationally credentialed center of excellence, is not just hanging on. It's making the most of a turbulent market by engaging in strategic, proactive growth.

"Most neurosurgery groups that operate in competitive markets think that the key to survival is to keep increasing [procedure] volume, but it's not," said James Lynch, MD, the group's chairman. "It's really about differentiating yourself. And it's about offering comprehensive services and having enough ancillaries to support the practice regardless of what happens with reimbursement." That, in Dr. Lynch's view, is the "survival strategy of the future" for all neurosurgery practices.

SpineNevada's modern and convenient facilities and full-services practice are big draws for patients.

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>
> **- James Lynch, MD,** *Chairman*

To that end, SpineNevada has pursued the most-under-one-roof model. The four-physician group of all fellowship-trained surgeons (a fifth will join next summer), provides onsite physical medicine and pain medicine services, imaging and physical therapy. It is affiliated with five regional inpatient facilities or surgery centers. The intentional full-services model is underscored by the group's guiding philosophy, Dr. Lynch notes: to enable patients to explore all conservative treatment modalities that might help, before moving to surgical procedures.

In addition to the neurosurgeons, the clinical staff includes two fellowship-trained physical medicine specialists, and a large contingent of specialized physician assistants and physical therapists. Dr. Lynch thinks that the practice's reputation for both a conservative approach and convenient services is the key contributor to its impressive referral rate—fully 53% of new patients come to the practice by way of direct patient referrals.

Convenience, Customer Service are Calling Cards

"Patients realize that they don't have to go all over town to receive the services they need, and I think it's a big draw to our practice," Dr. Lynch observes. Patients can, for example, obtain durable medical equipment, including custom braces, and a range of physician- or therapist-recommended home-care supplies onsite.

"We also offer a modern, comfortable and welcoming environment—our receptionist is called our 'Director of First Impressions,' and

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our staff are all trained in Ritz-Carlton service practices. The patients seem to appreciate that," Dr. Lynch said. For example, patients and families can obtain snacks and beverages onsite in the SpineNevada "café."

That might seem like a small thing, Dr. Lynch acknowledges, but it's an amenity that the patients frequently mention. "I think that a lot of practices lose sight of the fact that patients are very busy, too. And the more you can do to make your services convenient for them, the more they'll appreciate the practice," he said. "Patients really do want one-stop shopping, and centralized care, as opposed to the silos that we've made them deal with in healthcare."

On the clinical side, the group's primary focus is on ensuring all of its physicians are trained to provide the latest in both evidence-based procedures and minimally invasive techniques. The group has been compiling and publishing outcomes data from its inception, another fact that differentiates it in the market, in Dr. Lynch's view. "We truly follow all of our patients, for years after we treat them—and that's more than a lot of the big institutions do," he said.

All of SpineNevada's clinical staff are both encouraged to pursue training in new procedures, techniques and devices, and are financially supported to participate in those learning opportunities to the extent they expect it will enrich and enhance their practice. "Our practice philosophy is to attract the best-trained neurosurgeons and physical medicine specialists, and then support them financially and with the infrastructure they need to set up their practices," Dr. Lynch said. "Of course, we also try to give them the opportunities they need to grow their practice. We want to keep them here."

Dr. Lynch, center, with the staff of SpineNevada.

GLOBAL HEALTH NEUROSURGERY FELLOWSHIP OPENING

Bugando Medical Center and MOI in Tanzania, East Africa

Weill Cornell Brain and Spine Center, under the direction of Dr. Roger Hartl, Professor and Director of the Spine Center, offers a one year position for a young trained Neurosurgeon interested in a Global Neurosurgery Fellowship at two medical centers in Tanzania. The position entails training and teaching of Tanzanian surgeons and medical staff as well as ongoing research work together with Weill Cornell Medical College, Neurological Surgery Department, Spine Center.

Continued communication with Weill Cornell Medical College Spine Center is enabled through frequent visits by US faculty and weekly Skype conferences.

▶ For more information, please contact Dr. Hartl at ***roh9005@med.cornell.edu***

Weill Cornell Brain and Spine Center

Last Year of Training: Planning Your Job Search

By Katie Cole

If you are in your last year of residency or fellowship, now is the time you should be interviewing for your first job out of training. Your last year of training includes not only a demanding clinical schedule, but additional pressure as you take time to identify your first practice position. And typically, it takes the entire year to take all of the necessary steps to start your first day of your first job. That's something many neurosurgeons in training don't realize, and failing to plan well ahead can cause problems later.

> "Realistically, you can only visit a few groups—three or four—during your last year of training because of the clinical demands on your time."

Because the process of identifying your optimal job is so time consuming in every step, I've broken down a timeline of where you should be in each quarter of your last year of training.

Summer

Get a feel for the marketplace. If you aren't ready to speak with prospective employers, start speaking with a recruiter and start exploring the job opportunities in the locations or sub-specialty you are interested in considering. Start getting an idea of the type of job you will seek; narrow down five to 10 potential geographical locations; and try to gain a basic understanding of the different types of employment models.

If you have any personal contacts in departments or groups you may be interested in, start putting out feelers for what types of positions may be open when you are available.

Fall

Get ready to start interviewing, both on the phone and in person. Make sure your CV is up to date with any recent publications or accolades, and be prepared to start speaking, confidently, about your accomplishments during training. Also start thinking of the times you would be available over the next few months for possible site visits.

After you speak with prospective employers on the phone, determine the top three to five facilities you would like to visit. Site visits are essential, but they're also time consuming. Realistically, you can only visit a few groups–three or four–during your last year of training because of the clinical demands on your time. And after you visit a group initially, a second visit often is scheduled.

Winter

Send thank-you notes to key administration staff or department chairs you met during site interviews–and send those notes within a few days of your return. Identify a lawyer you can work with on contract negotiations, even if you don't have one to review yet.

Evaluate the opportunities you have either visited or explored during phone interviews. Then make a list of pros and cons on a spreadsheet of the opportunities that meet your key search criteria. At that point, you should determine which opportunities may be worth further exploration–and that should be a relatively short list.

Spring

It may seem like the hard part is over once you've identified one or two groups you might join, but the most cumbersome part is actually just starting. Once you start receiving an offer, or multiple offers, speak with a lawyer who can help you go over the offers and decipher the employment agreements. Make sure you have a full understanding of the offer(s) presented to you.

The first thing you should do after you sign an employment contract is apply for the state license, if you don't already have one. It can cause tremendous delays to your start date if you are not licensed, as some states now require more than six months to obtain a license. In short, get your application in immediately to ensure you can start your new job on time.

Keep in mind that particularly for candidates starting in the summer, state boards are bombarded with applications at this time of year. Credentialing can also take longer than you might expect, so fill out the necessary paperwork (which can be involved and cumbersome) as soon as possible to ensure you can start on time.

Once you've signed an employment agreement, applied for the state license, and turned in your credentialing paperwork, you still aren't finished! You have to identify where you're going to live, and if you own your home now, sell that residence. Both processes can be stressful and time consuming, so it's inadvisable to start looking for a new home just weeks before you must start practice. Deciding on your new home and settling in to the community a bit will help ensure that you start your first job with peace of mind and satisfaction.

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> **" Credentialing can also take longer than you might expect, so fill out the necessary paperwork as soon as possible, to ensure you can start on time. "**

Although it's important to choose the best area for your family—including analyzing school systems, community amenities, and proximity to other important features such as airports—it's also key to make sure your commute is realistic. Ensuring satisfaction in your first job out of training is not just a matter of job satisfaction; you also need to do what you can to achieve balance in your life.

Ms. Cole, a Denver resident, is publisher of Neurosurgery Market Watch.

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Determining the Strategic Sources of Your Value

Use a "Five-Force" Analysis

By Mahesh B. Shenai, MD, MBA

For candidates entering the job market, assessing your "value" can be a challenging and surprising business. The preconceived notions of reimbursement, often acquired from acquaintances and predecessors, begins to clash with the stark reality of market forces. Published surveys, such as the MGMA or NERVES benchmarks, might further fuel the fire of confusion and entitlement. To successfully navigate the balance between expectations and reality, the candidate should conduct his or her own exercise in "valuation," from the perspective of the hiring organization (e.g. hospital, employed medical group).

> " In a highly saturated market, lack of differentiation or marketing would provide a high barrier to success for an entering candidate, and lower net value. "

Although the process of valuation is a well-known concept in the corporate world, for physicians, it might be a more abstract notion. Put simply for this purpose, the term candidate "valuation" can be defined as the total potential revenues collected (e.g. CPT-based, DRG-based, or intangibles), less operating costs (including salary/benefits/bonuses, malpractice, clinical support, marketing, etc.), aggregated over a specific time horizon. However, the correct method for determining this value is far from clear, and always debatable. Quantitative methods of valuation should always be put in context by the qualitative assessment of the market.

Consequently, the published salary surveys are somewhat limited; they serve to quantitatively and retrospectively report the metrics of an aggregate (and somewhat limited) pool of neurosurgeons, but fail to address the qualitative and prospective aspects of individual markets. And while the organization may use this data to fill in the salary line item for strategic planning purpose, your value to them is more a function of the organization's microeconomics and the nuances of its underlying cost structure.

An organization generally knows its cost structure (which is difficult to change anyway), but estimating the microeconomics of a subspecialist is more challenging. The key driver of a potential candidate's value, therefore, is the underlying market dynamics of the specific opportunity.

In business analysis, a classic model for market analysis is the "Five Force Analysis," championed by Michael Porter, a leading business strategy professor at Harvard Business School. In this framework, he defines five key dynamics that shape the attractiveness (and therefore, value) of an industry or opportunity. A candidate can use the same analogous forces to qualitatively analyze the market dynamics of a potential position:

1 Competitive Rivalry

This describes the level of competition for a particular service or product, within a certain market, and the barriers to entry into the market. For the neurosurgeon, analysis of this domain should focus on (a) the number of specialists (including the pool of other candidates for the same position) within a service area, (b) the size of the reachable market, (c) the ability to market and advertise the practice, and (d) the factors of differentiation (fellowship training, reputation, facility superiority and other factors). In other words, can one leverage a competitive advantage to attract patients? In a highly saturated market, lack of differentiation or marketing would provide a high barrier to success for an entering candidate, and lower net value. Conversely, in underserved markets, value is less driven by marketing or differentiating characteristics. Additionally, one must address the potential threat of a future entrant into the market, which could intensify competition.

2 Buyer Power

This refers to the leverage of a particular "customer" choose a particular service provider. In this case, the "customers" are the insurance providers, as chosen by individual patients (or their employers). Practices or hospitals that are dependent on a few powerful payors are likely more constrained in their bargaining power, as compared to those entities that have a diversified payor mix. This concept relates to the candidate's value, as the practice must judge the value of reimbursement for a given unity of productivity (e.g. wRVU).

3 Supplier Power

In the business sense, this refers to the leverage a practice or hospital may have in obtaining supplies needed to deliver a product or service. In the context of a neurosurgical position, this notion relates to the strength of the referral system in place for a particular candidate. A position that is affiliated with a strong referring physician network is more likely to be productive quickly, as opposed to a position that will require a network to be nurtured over time. However, a "growth"

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position could extract greater value in the long run, particularly in breakthrough markets, if new referral streams are initiated.

4 Threat of Substitutes

This refers to the notion that a customer may be able to achieve a similar outcome, with a different type of service or product. In the neurosurgical sense, the availability of alternate treatments or providers is a crucial part of the value equation. For example, an open vascular neurosurgeon may have to compete with interventional neuroradiology for patients. A candidate who is evaluating a position should look beyond the obvious competition, and determine if there are hidden threats to a service line.

5 Power of Complements

This explains the synergistic value that a particular service or product brings, in the context of pre-existing services. For example, the hiring of a neurosurgeon may allow a hospital to upgrade its overall trauma designation, elevating the entire institution. Or, a subspecialized candidate may fill a specific strategic need in the development of a neuroscience institute, which can market itself as such. The filling of a position may be more than the direct clinical productivity anticipated, and this adds perceived value.

Like any well-established theory or framework, this analysis has its own limitations. For instance, it simply evaluates the externalities of a potential opportunity, but does not address the activities or politics internal to an organization. Nevertheless, it provides a comprehensive first-pass approach for candidates to screening for good opportunities or identifying market red-flags that might inhibit future success. Just as one would buy a public stock anticipating a rise in the future price, knowing the specifics of the market dynamics surrounding your position will optimize the long-term returns on the most important decision of your career.

> **" A position that is affiliated with a strong referring physician network is more likely to be productive quickly, as opposed to a position that will require a network to be nurtured over time. "**

Understanding these driving forces are the key to assessing the deviations from the metrics of published salary surveys, and holding leverage in your negotiation process. If, for example, you are the only candidate for a position that presents all five of these forces favorably (a highly unlikely scenario), you have substantial grounds to negotiate upwards from the reported median values. On the other hand, if you are being offered a substantially higher salary despite these forces being negative, you should strongly question the long-term sustainability of the position or the salary.

Mahesh B. Shenai, MD, MBA is a neurosurgeon with Inova, located in Northern Virginia. The views expressed are his own and do not necessarily represent the views of Inova or its affiliates.

CONTRIBUTORS WANTED!

Neurosurgery Market Watch welcomes submissions of articles of potential interest to practicing neurosurgeons. We are particularly interested in opinion articles about how trends occurring in the neurosurgery marketplace or in the health policy arena might affect the practice environment.

▸ To discuss a potential idea, please contact Bonnie Darves at **425-822-7409** or **bonnie@darves.net**

IN BRIEF

Neuromodulation Market Is Growing Rapidly

The aging population is having implications for physicians in many specialties, but a new report suggests that neurosurgeons may see increased demand for services focused on peripheral nerve issues and injuries, including potentially associated medical diseases such as Parkinson's and Alzheimer's.

The report, from Micromarket Monitor, valued the neuromodulation market at $2.8 million in 2013 and predicted a 10.6% growth rate $4.7 million in 2018.

Of the overall nerve repair and generation market, which the report valued at $4.5 billion in 2012, neuromodulation is the largest segment. For more information on the report, which provides an extensive analysis of the leading companies in nerve repair and regeneration, go to: http://www.micromarketmonitor.com/market/north-america-nerve-repair-regeneration-5746942773.html.

Proximity to Family Top Criterion for Job Seekers

A recent survey from Becker's Healthcare found that proximity to loved ones is the top criterion for physicians seeking a first practice opportunity. More than one quarter of respondents ranked it tops. The others that made it into the top five included the organization's location, at No. 2, following by compensation relative to cost of living, total compensation, and the reputation of the practice, hospital or program.

All things being otherwise equal, the two top factors that would lead a physician to choose one opportunity over another were fewer call hours and more vacation time.

LEGAL CORNER

By Roderick J. Holloman

Q: Recently, I was presented with an employment contract for a position that would involve establishing a trauma program. The contract contains a salary guarantee period, but then switches to pure productivity, measured in work relative value units (wRVUs). How can I ensure that the productivity goals are achievable? Also, how can I request that my contract be modified to enable rethinking/revising these clauses as needed?

A: When neurosurgeons—or any specialist, for that matter—is being recruited to establish a program, as opposed to fill a void within a well established program, it is critically important to have a guaranteed base salary through the first two years of your employment. Two year should be the absolute minimum guarantee period, regardless of the practice's marketplace expectations.

Additionally, after the initial guarantee is over, ideally, you would want the effect of the productivity model to have as little negative impact on your compensation as possible. In other words, ensure that you can't be unfairly "penalized" for not meeting a target that might be unreasonable.

Accordingly, you should consider proposing a cap on the decrease in your compensation after the initial salary guarantee period ends. An example of such language is: "Notwithstanding the generality of the foregoing, Physician's annual cash compensation beyond the guarantee period shall not be less than $XXX,000 annually.

To your question regarding modification/revaluation, I find that the degree of leverage a physician has to negotiate more favorable terms is greatest prior to the commencement of employment. That leverage starts dipping between commencement of employment and such time as the physician's practice is profitable, and then picks up again when the surgeon has demonstrated the ability to generate sufficient revenues for the practice (provided this doesn't occur when retirement is imminent).

> **" After the initial guarantee is over, ideally, you would want the effect of the productivity model to have as little negative impact on your compensation as possible. "**

Accordingly, you should aggressively negotiate for low productivity thresholds prior to execution of your initial employment contract.

Q: I am actively interviewing for positions this fall. What are three potentially problematic employment con-tract clauses regarding compensation that many physicians fail to pay enough attention to, and why are they important in your view?

A: Here is the No. 1 worst: "This Agreement may be terminated by either party without cause upon thirty days advance notice." While there is no direct reference to compensation, it has the power to yield an offer to revise the physician's compensation that the physician cannot refuse. To illustrate, a physician could sign a three-year contract with a base salary of $600,000; however, one year into the contract, the employer could notify the physician of the need to reduce the base salary to $450,000 or exercise its right to terminate employment.

Here's another one: 2) "Any and all compensation earned during the term of employment shall belong to the employer." If the contract contains such a provision, along with an obligation to participate in a hospital's emergency room call coverage and the practice's general call, it could mean forfeited compensation. This is because hospital may very well pay handsomely for call coverage, and unless specified, all of that money belongs to the employing practice and not to the surgeon who actually provided the services.

The third problematic clause that I see relatively frequently is: 3) "During the first two years of the term of this agreement, your annual salary will not be less than $XXX,000, subject to and payable in accordance with the Employer compensation plan."

The issue with this clause is that the annual salary is subject to a condition (the compensation plan), which could result in the annual salary being decrease during the first two years if that plan is modified either without notice or without the neurosurgeon's ability to influence the change.

Author's note: Roderick Holloman is the principal of The Holloman Law Group, PLLC, a national healthcare law firm. He welcomes readers' questions and can be reached at 202-572-1000 or rjholloman@hollomanlawgroup.com.

NEUROSURGERY POSITIONS

HOSPITAL EMPLOYED

New Mexico
Tennessee
Texas
North Carolina
Ohio
Northern New Jersey
Mississippi
Connecticut
Central California
New York

ACADEMIC

Wisconsin *(Peripheral Nerve)*
Ohio *(DBS/Functional)*
Upstate New York *(Spine)*
N. Carolina *(Neuro-Critical Care)*
Missouri *(Pediatric)*
Texas
Pennsylvania

PRIVATE PRACTICE

Northern California
Northern New Jersey
Maryland
Nevada
New York City
California
North Carolina

PRIVA-DEMIC

Wisconsin *(Spine)*
Pennsylvania *(Endovascular)*
Ohio *(Spine)*
Connecticut *(DBS/Functional)*
West Virginia *(Spine)*
North Carolina *(Complex Spine)*
Central California *(Skull Base)*
Pennsylvania *(Complex Spine)*
North Carolina

2015 RESIDENTS & FELLOWS

Tennessee *(General Neurosurgery)*
Cincinnati, OH *(General Neurosurgery)*
New Mexico *(General/Spine Neurosurgery)*
Missouri *(General Neurosurgery)*
Ohio *(Academic DBS/Functional)*
Northern New Jersey *(Spine, Private Practice)*
Texas *(General/Spine Neurosurgery)*
Pennsylvania *(Complex Spine)*
West Virginia *(Spine, Academic)*
Upstate New York *(Spine, Academic)*
California *(Skull Base)*
Northern New Jersey *(Spine, Hospital Employed)*

- For more information on these positions, or if you are interested in hiring a neurosurgeon for a permanent position, please contact ***info@harlequinna.com.***
- If you have any locums assignments available, or if you are interested in locums positions, please contact Aaron Risen at The Surgeons Link at ***aaron@thesurgeonslink.com.***

FEATURED OPPORTUNITY

New Jersey Spine Surgery Position

A very well-established and reputable private practice in northern New Jersey is seeking a spine neurosurgeon to join the practice. The incoming neurosurgeon will be an employee of the group. This is one of the largest neurosurgical groups in northern New Jersey, and the position is available because of the group's expansion.

The practice will consider both experienced spine neurosurgeons and 2015 spine fellows. All neurosurgeons in the group are fellowship trained with sub-specialty expertise in neuro-oncology, skull base, endovascular, spine and functional. The incoming neurosurgeon will have the opportunity to pursue a nearly complete sub-specialization in spine. The group also has a physical therapist and three neurosurgery PAs supporting the practice. The practice offers comprehensive treatment for all brain and spinal disorders. Physical therapy and rehabilitation services are located on the premises.

Call is shared by all neurosurgeons, and to help ensure work/lifestyle balance, extra time off is provided after each week of general neurosurgery call. The group offers a competitive salary and comprehensive benefits package, and a designated partnership track for the incoming neurosurgeon.

The practice is located within 25 minutes of New York City, and it operates in a very strong reimbursement area.

Neurosurgery MARKET WATCH™
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