

Good-Bye and Good Luck: Teaching Residents the Business of Medicine After Residency

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“May you always have work for your hands to do.
May your pockets hold always a coin or two.”

—Irish Blessing

A physician's first job after residency is the culmination of hard work, long hours of poring over books, and years of rigorous clinical training. Yet, few residents seem to receive training on what to expect after graduation, and how to negotiate the sometimes treacherous waters of postresidency employment. Few programs train their residents on risk management, job hunting, negotiation skills, employment contracts, and other key issues of the business practice of medicine after graduation.^{1,2} Of particular importance are “noncompetes” (or “restrictive covenants”) and “tail” liability insurance, which can significantly hinder a physician's career options and flexibility if not properly understood.¹⁻⁴ As a matter of fact, the American College of Physicians Center for Practice Improvement and Innovation calls restrictive covenants “one of the most important yet least understood and potentially most contentious aspects of an employment agreement,” because “these clauses seek to prohibit the physician from practicing medicine for a specified period of time in a specific geographical area.”⁴ Similarly, tail liability insurance can discourage a physician from considering a new practice because of the cost associated with it.⁴ Even for physicians who hire attorneys, knowing what items in a contract are the most important to them personally can help them “pick their battles” and negotiate more effectively, or guide their attorney on what matters most to them.

There is little published information about efforts to educate residents on these subjects; the few programs that have done this are in psychiatry, anesthesia, pediatrics, radiology, and surgery.^{3,5} One initiative offers psychiatry residents a hands-on experience at its “independent practice” clinic. Residents spend a half-day per week running the business aspects of the clinic concurrent with their clinical work.¹ Another effort to

teach residents these critical skills consists of an interactive curriculum, delivered during a weekend retreat, that educates anesthesia residents about how to find a job, including drafting a curriculum vitae, as well as coding and compliance, medical malpractice insurance, life and disability insurance, wealth management, and other topics. The program satisfies several Accreditation Council for Graduate Medical Education competencies.⁶ Other than this small number of focused interventions, very few programs specifically address employment contracts and negotiation tactics. As a result, the majority of newly graduated physicians are unlikely to have prior exposure to contract terms and negotiation.⁷ One of the barriers to educating residents about these matters is the time constraints in most residency programs, along with competing educational priorities.

Over the last few years, we have conducted a “Life After Residency” session for the residents in our internal medicine program. During this conference, we introduce residents to the basic concepts of the business side of medicine after graduation. The curriculum covers physician employment agreements, restrictive (noncompete) covenants, and malpractice insurance. It also teaches the basics of job hunting, interview skills, important negotiation tips, and pearls of wisdom. The conference does not provide formal legal training, but instead offers practical points learned primarily from personal experience, focusing on issues that all residency graduates will encounter sooner or later. The conference starts with a traditional lecture format that covers key concepts (see the TABLE summarizing the topics covered). This is followed by several faculty members sharing their experiences, then facilitating subsequent small group discussions, with a question-and-answer session at the end.

The Life After Residency session is conducted annually during 1 of our scheduled afternoon conferences, and all residents are expected to attend. A follow-up session that will address the peer-review process, hospital credentialing, and medical board investigations is being developed. There are also

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TABLE
Life After Residency Curriculum

Topic Covered	Educational Objectives
Job Search	
Preparing your CV	Understanding how to write an effective CV and cover letter: what to include; order of items; how to make the most of your CV and cover letter
Job opportunities	Understanding the basics of job searches and networking; when to use recruiters; and the process of job inquiry
Interviews	Recommendation letters; preparation; interviewing tips
Understanding the Basics of an Employment Agreement (Contract)	
Basics of compensation and benefits	Identifying the various models of compensation, partnership tracks, and the basics of benefits
Termination clauses	Understanding the basics of termination clauses
Noncompete clauses (“restrictive covenants”)	Comprehending the concept of the noncompete and its implication on job changes
Malpractice insurance basics	Recognizing the various types of malpractice insurance, as well as “tail” insurance
Negotiation Basics	
Negotiation basics	Appreciating the basic principles of negotiation (eg, employment contracts), including discussions about determining priorities, when to negotiate, and the fundamentals of effective negotiation

Abbreviation: CV, curriculum vitae.

preliminary discussions to expand this educational offering to all residency programs at our institution.

Overwhelmingly, residents have found learning the business side of medical practice to be very helpful. Most had never heard of these concepts prior to this educational conference, and many were surprised to hear about the issues they may face after residency. Topics relating to noncompetes, types of malpractice insurance (particularly tail insurance), and negotiation tips seemed to be of most use to the residents. Although our learning session makes these complex topics less intimidating and more accessible, residents understand that the goal is to provide a basic understanding, and that the session cannot replace expert advice during actual job negotiations, or in the purchasing of liability insurance. Moreover, residents learn that while mastering negotiation skills is important in the context of employment agreements, such skills can be invaluable in many other aspects of work-life balance as a practicing physician.

Transitioning from the “protected environment” of a residency training program to the “real world” presents unique challenges for young physicians. Residents need to understand these challenges so they can decide whether to seek timely advice from experts, such as attorneys, financial counselors, and insurance brokers, or to negotiate on their own with

just a basic knowledge of the issues involving the process. We believe that residency programs should carve out time to teach residents during their training about the business side of medicine, at least at an introductory level. It is imperative that such programs include an introduction to the basics of physician employment contracts, to ensure residents are exposed to these concepts prior to entering the real world of practice, so they are not left to learn some of these lessons “the hard way.” Residency programs may need to tailor the educational material and the format to the most efficient and effective method of delivering this curriculum, whether it be in the form of a retreat led by experts in the field⁶; the development of a comprehensive nonclinical curriculum⁸; a collaboration

with local business educators, attorneys, or financial counselors⁹; or another creative and innovative format. The most valuable lesson we learned is that regardless of how, when, or by whom this information is taught, some introduction to the basic concepts of the business of medicine is better than none at all, and is imperative for starting life after residency on the right track.

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