

**Beyond the Employment Agreement:  
The Life-Cycle of a Medical Practice  
from Buy-In to Buy-Out  
and the Consequences of Restrictive Covenants**

**A Presentation For:**

**American Association of Physicians  
of Indian Origin**

by

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# OVERVIEW

- General Considerations
- Employment Relationship
- The Buy-in
- Governing Agreement
- The Buy-out
- Restrictive Covenant



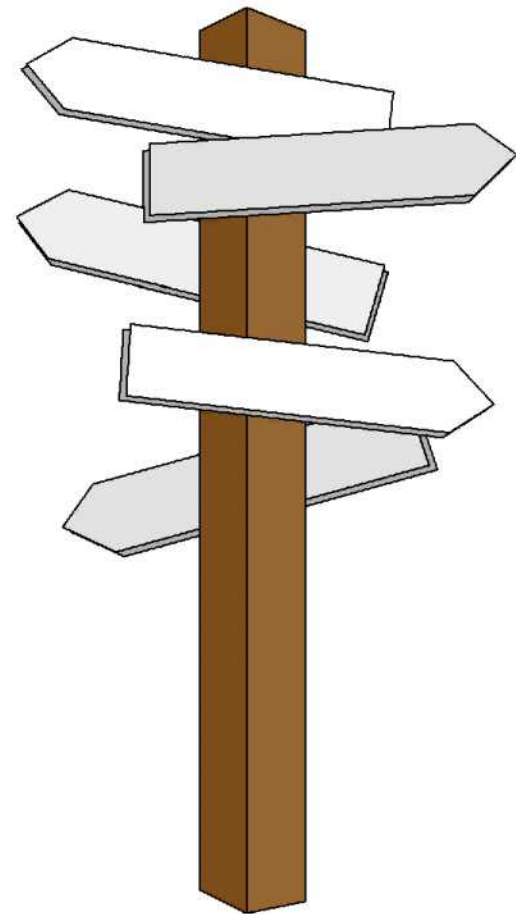
# GENERAL CONSIDERATIONS

What stage in the life-cycle are you in?

What are your goals?

Who are your professionals?

- Accountant
- Attorney
- Outside practice management consultants



# EMPLOYMENT RELATIONSHIP (BEFORE OWNERSHIP)



# EMPLOYMENT RELATIONSHIP

- Term of Employment
  - Commencement Date
  - Term
  - Automatic Renewal



# EMPLOYMENT RELATIONSHIP

- Duties
  - Full or part time
  - Call obligations
  - Location
  - Moonlighting
  - Privileges



# EMPLOYMENT RELATIONSHIP

- Compensation Package
  - Salary
  - Benefits
  - Vacation and CME
  - Malpractice Insurance and Tail



# EMPLOYMENT RELATIONSHIP

- Termination
  - Without Cause
  - For Cause
    - Absence
    - Breach
    - Loss of privileges or license
    - Criminal acts
    - Fraud
    - Board Certification
    - Malpractice Insurance
    - Loss of hospital contract (if hospital based)

