# PROVIDER EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into on the \_\_\_\_ day of , \_\_\_\_, (Effective Date) between [INSERT CLINIC NAME] a [INSERT STATE] limited liability company (Employer), and [INSERT EMPLOYEE NAME] (Employee, [INSERT CREDENTIALS]).

# RECITALS

The Employer is engaged in the practice of primary care medicine and the delivery of related health care. The Employer desires to employ [INSERT EMPLOYEE CREDENTIALS, IE CRNP, PA, MD/DO]. Employee is [INSERT CREDENTIALS] and wishes to be so employed.

So, in consideration of covenants and agreements of the parties contained in this Agreement, and for other good and valuable consideration, the parties intend to be legally bound, and agree as follows:

# TERMS OF THE AGREEMENT

1. *Employment of [INSERT CREDENTIALS].* Employee agrees to be employed by [INSERT CLINIC NAME], subject to the terms and conditions of this agreement. The Employee acknowledges that this Agreement is contingent on Employee’s continual maintenance of valid and unencumbered [INSERT STATE] licensure to practice as [INSERT CREDENTIALS].
2. *Term.* The term of Employee’s employment shall begin on [INSERT START DATE] and shall

continue through [INSERT END DATE OF INITIAL TERM] (initial term), unless terminated under the provisions of this Agreement. After the initial term expires, this Agreement shall renew automatically for successive one-year terms unless either party provides written notice of its intention not to renew this Agreement at least thirty days prior to the expiration of the then-current term.

1. *Representations and Warranties of [INSERT CREDENTIALS]*. [INSERT CREDENTIALS]represents and warrants as of the Effective Date and at all times during the Term of this Agreement that:
   1. [INSERT CREDENTIALS]is duly licensed and registered in good standing under the laws of the State of [INSERT STATE] to engage in practice as [INSERT CREDENTIALS]and has not been suspended, revoked, or restricted in any manner;
   2. [INSERT CREDENTIALS]has disclosed and will disclose to Employer the following matters occurring at any time during the Term:
      1. any disciplinary, professional or administrative review investigation, proceeding against the [INSERT CREDENTIALS], which is instituted by any organization or agency.
      2. any denial or withdrawal of an application in any state for licensure as [INSERT CREDENTIALS],
   3. [INSERT CREDENTIALS]is not currently excluded, or otherwise ineligible to participate in the Federal Health Care Programs as defined in 42 U.S.C. Section 1320a-7b(f) (the “FederalHealth Care Programs”); is not convicted of a criminal offense related to the provision of health care items or services; and is not under investigation or otherwise aware of any circumstances which may result in [INSERT CREDENTIALS]being excluded, debarred, or suspended from participation in the Federal Health Care Programs;
2. *Duties of [INSERT CREDENTIALS].* Principal duties to the [INSERT CREDENTIALS]shall be:
   1. To perform all duties required in delivering primary care within the scope of practice of [INSERT CREDENTIALS], whether independently, or with the collaboration of a physician;(NOTE – THIS LAST STATEMENT MAY BE STATE AND CREDENTIAL SPECIFIC)
   2. To build, accept, and be responsible for a panel of patients (members) to reach a minimum of $300,000 in annual revenue ($25,000 monthly) from [INSERT CLINIC NAME] membership fees (as determined by Employer’s fee structure in the Direct Primary Care model). The [INSERT CREDENTIALS]may carry a larger panel if mutually agreed upon with the Employer. [INSERT CREDENTIALS]has exclusive responsibility to provide full-continuity primary care services to this panel of patients, which will collectively be known to the practice as “[HIS/HER/THEIR] patients.” The Employer will handle all billing and collection services;
   3. To follow the professional policies and procedures established or adopted by Employer, to include any professional behavior as would be expected of a medical professional as dictated by common sense and usual and ethical practice regardless of the existence of any written policy;
   4. To comply with all statutes, rules and regulations including Stark, Anti-kickback, HIPAA, etc., established by applicable federal, state and local agencies, with jurisdiction over Employer and [INSERT CREDENTIALS];
   5. To perform any clinic tasks as directed by employer from time to time, as needed within the general daily functions of the clinic;
   6. To be available for scheduled “on-call coverage” (both during and after clinic hours) of patients of Employer or other providers in the practice when they are unavailable due to emergency or have taken time off (Employer and other providers will likewise be available for scheduled on-call coverage for [INSERT CREDENTIALS]’s patients as needed);
   7. To maintain [HIS/HER/THEIR] license to practice medicine as [INSERT CREDENTIALS] in the State of [INSERT STATE] throughout the term of this employment agreement, and shall schedule and attend all necessary continuing education necessary to maintain [HIS/HER/THEIR] license outside of the scheduled employment hours set forth herein, unless otherwise agreed with Employer. Furthermore, Employee shall maintain malpractice insurance in amounts not less than $1,000,000.00/$3,000.000.00 of "claims made" insurance coverage naming Employer as an additional insured and provide proof of such coverage to Employer at least annually. Employer will pay the premium for such insurance upon submission of the invoice.
   8. To opt-out of Medicare, as is required of a Direct Primary Care provider to legally charge a DPC membership fee to patients who are eligible for medicare, and sign contracts as is legally required with all of [HIS/HER/THEIR] patients, both Medicare-eligible and otherwise at intervals as required by law. Employer (or [HIS/HER/THEIR] delegate) will assist with the process of opting out, as well as tracking and saving these contracts and will notify [INSERT CREDENTIALS]with regard to any changes regarding opting out of Medicare that occur as a result of any changes in the law once Employer is aware of them;
   9. To, recognizing the importance of providing excellent continuity of care to [HIS/HER/THEIR] panel of patients, upon any circumstance of [HIS/HER/THEIR] resignation and pending departure from the practice, assist Employer with the task of recruiting and training [HIS/HER/THEIR] replacement to whom [HIS/HER/THEIR] panel of patients will be assigned. Although the Employer recognizes the uncertainty of the future and recognizes that no perfect guarantee can be given to this effect, as a service to [HIS/HER/THEIR] panel of patients, [INSERT CREDENTIALS]will make [HIS/HER/THEIR] best-faith effort to delay [HIS/HER/THEIR] departure (or assist in any other ways even after [HIS/HER/THEIR] departure) until such time as [HIS/HER/THEIR] replacement has been hired, trained and can begin.
3. *Extent & availability of Services.* The [INSERT CREDENTIALS] agrees to devote [HIS/HER/THEIR] time, attention and skills to the performance of [HIS/HER/THEIR] duties to [HIS/HER/THEIR] Employer. To this end, the [INSERT CREDENTIALS]shall be:
   1. Available to schedule clinic visits for a minimum of 8 hours each day during regular clinic hours of Monday-Friday, 9a-5p and for a minimum of 40 hours per week, unless taking allowed “time off” (as described in Section 6. below), clinic is closed for holidays or other reasons, or with special permission from Employer;
   2. Available by phone or other electronic means outside of regular clinic hours and able to respond in a timely manner to [HIS/HER/THEIR] patients’ needs, including responding to such needs in-person in the case of medical urgencies (or emergencies that fall within the [INSERT CREDENTIALS]’s scope of practice), unless taking allowed “time off” (as described in Section 6. below), holidays, clinic otherwise closed or with special permission from Employer;
   3. Employee shall provide a proposed schedule of regular office days for [HIS/HER/THEIR] vacation days and evenings free from phone call coverage at least ten (10) days prior to the requested time off. In the event of an emergency which would prevent Employee from performing [HIS/HER/THEIR] scheduled duties under this agreement, Employee agrees to notify Employer or Employer’s designated office person as soon as possible, but in any event, no later than 24 hours prior to the urgent absence.
4. *Salary and Benefits.* In consideration for [HIS/HER/THEIR] services the Employer agrees to compensate [INSERT CREDENTIALS] in the following manner:
   1. *Salary.* As of the Effective Date, the Employer shall pay the [INSERT CREDENTIALS] a bi-monthly salary based upon a percentage of revenue generated by assigned patient’s membership fees on the following schedule: Employee receives a percentage of [HIS/HER/THEIR] gross annual revenue, starting at 90% and reducing by 10% for each $25,000 revenue produced to a maximum annual salary of $100,000, as in the table below:

| Annual Membership Revenue Produced | Percent of revenue earned as salary |
| --- | --- |
| $0 - $25,000 | 90% |
| $25,001 - $50,000 | 80% |
| $50,001- $75,000 | 70% |
| $75,001 - $100,000 | 60% |
| $100,001 - $125,000 | 50% |
| $125,001 - $150,000 | 40% |
| $150,001 - $175,000 | 30% |

Employee shall receive 90% of the first $25,000, 80% of the next $25,000, 70% of the next $25,000, and so on, until [HE/SHE]THEY] reaches an annual salary of $100,000. A spreadsheet will be maintained with details of [HIS/HER/THEIR] compensation calculations to be produced upon request.

* + 1. If [INSERT CREDENTIALS] wishes to build a panel of patients greater than the size generating an annual membership revenue of $300,000, and this is mutually agreed upon by Employer and [INSERT CREDENTIALS], the [INSERT CREDENTIALS] shall receive 70% of any revenues generated by the additional [INSERT CREDENTIALS] patient panel memberships as revenue.
  1. *Benefits.* Employer shall provide [INSERT CREDENTIALS] with the following benefits per calendar year:
     1. As of the Effective Date, the [INSERT CREDENTIALS] shall receive:
        1. Twenty-five (25) days off (paid time off) from clinic duties/coverage. This paid time off can be used for vacation, illness, continuing medical education activities, or other desired time off. If not used, these off days may be saved (rolled-over from one year to the next) up to a maximum of 35 days.
        2. Six (6) holidays off (paid time off) from clinic duties/coverage which shall include, Memorial Day, July 4th, Labor Day, Thanksgiving, Christmas, and New Year’s Day as well as other days when [INSERT CLINIC NAME] clinic is not open as determined by Employer;
        3. Thirty (30) evenings (Monday-Friday, 5p - 9am) off (paid time off) free from phone call coverage. The [INSERT CREDENTIALS] is responsible for scheduling these evenings;
        4. Thirty (30) weekend days (Saturday or Sunday, 9am - 9am) off (paid time off) free from phone call coverage. The [INSERT CREDENTIALS] is responsible for scheduling these weekend days;
        5. A mobile phone and cellular service of the Employer’s choosing to be used for work duties, or a monthly stipend Employee may use toward a mobile phone and cellular service.
     2. As of the [INSERT CREDENTIALS] carrying a panel of patients that equals a total membership revenue of $100,000 annually ($8,333 monthly) or higher, the [INSERT CREDENTIALS] shall receive:
        1. Professional education allowance of $500 annually;
        2. Payment of state licensing fees annually;
        3. Payment of [INSERT CREDENTIALS] board certification fees;
        4. Payment of DEA licensing fee every 3 years;
     3. As of the [INSERT CREDENTIALS] carrying a panel of patients that equals a total membership revenue of $250,000 annually ($20,833 monthly) or higher, the [INSERT CREDENTIALS] shall receive:
        1. Additional professional education allowance of $1,500 annually;

1. *Non-Compete Agreement.* In further consideration of this Agreement, Employee hereby agrees not to compete in the practice of medicine in the Direct Primary Care model at any time for a period of five years from the date of the termination of this Agreement within a geographical distance of 40 miles from the Employer’s business location of [INSERT CITY], [INSERT COUNTY], [INSERT STATE]. Employee hereby agrees not to compete in the practice of medicine in outside of the Direct Primary Care model at any time for a period of five years from the date of the termination of this Agreement within a geographical distance of 10 miles from the Employer’s business location of [INSERT CITY], [INSERT COUNTY], [INSERT STATE]. The parties agree that this non-compete agreement shall not limit the rendering of medical services to Employee’s immediate family members.
2. *Dispute Resolution.* If any dispute arises between Employer and Employee, the parties shall seek to resolve it by mediation. Either party may initiate mediation by giving the other party written notice of mediation. This notice shall bear a current date and shall briefly state the matter or matters to be mediated. The parties shall endeavor to agree on a third-party mediator. If they are unable to agree, each party shall select a mediator, who shall together pick a third mediator to conduct the mediation. Each party shall bear an equal share of the mediation expenses.
3. *Warranty.* [INSERT CREDENTIALS] represents that [HE/SHE/THEY] is not subject to any restrictive covenant, agreement or judgment of any kind, which would prevent [HIM/HER/THEM] from legally entering into this Agreement.
4. *Effective Waiver.* The waiver by any party, of a breach of any provision of this Agreement shall not operate as a waiver of any subsequent breach.
5. *Severability.* If any part of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, such part shall be deemed to be severed from this Agreement. All other covenants and provisions of this Agreement shall continue in full force and effect.
6. *Amendment*. This Agreement may be amended or modified only by an Agreement in writing signed by [INSERT CREDENTIALS] and Employer.
7. *Entire Agreement.* This Agreement is complete, and all promises, representations, understandings, warranties, and agreements with reference to the subject matter herein have been fully and finally expressed herein.
8. *Counterparts.* This Agreement may be executed in two or more counterparts, each of which shall be deemed to constitute an original, but all of which together shall constitute one and the same instrument.
9. *Captions.* The titles to the Sections herein are not considered part of this Agreement.
10. *Governing Law.* The rights and liabilities of the parties, whether arising in contract or tort shall be governed by, and construed in accordance with the internal laws (as opposed to conflicts of laws provisions) of the State of [INSERT STATE]. In the event of a dispute, the parties agree that the proper jurisdiction and venue shall be in the state and federal courts located in [INSERT COUNTY], [INSERT STATE].
11. *Prior Agreements.* This Agreement shall supersede all prior Employment Agreements between the parties hereto, whether written or oral. Any such agreements are cancelled and revoked in their entirety.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

EMPLOYER: [INSERT CLINIC NAME]

By:

[INSERT PHYSICIAN’S NAME], Owner

EMPLOYEE:

[INSERT EMPLOYEE’S NAME], [INSERT CREDENTIALS]

Date:

Date: