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# 10 THINGS ABOUT: CONTRACTS

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1. Any agreements that involve your medical practice should be in writing. Do not rely on verbal representations. This is particularly true when entering in employment as a subcontractor or when engaging the services of someone who will have access to patient information.
2. Once you sign a contract, unless it is found to be illegal, it is enforceable – even if you didn't read the contract or your signature merely consisted of checking a box in conjunction with an online agreement.
3. Typically, the contract you are presented with will have been written by an attorney whose job it was to protect the best interests of the *other* party to the contract. It is prudent to engage the services of your own attorney to make certain that your interests are equally protected. Contracts you sign as a physician may affect your professional and personal lives for many years to come.
4. Although you may be able to read and understand every word of a contract, you may not know whether there are provisions that are not in the contract but should be. Also, it may not be possible to fully grasp the long-term ramifications of various provisions if you are not well-versed in contract law or have experience with the type of contract you are signing.
5. When looking at any type of contract that involves your medical practice, you should recognize that there are two different types of risk with which to be concerned. One is risk to your business and your livelihood. The other is risk in the form of potential professional liability exposure. Be cautious of any provisions that require you to practice in any way that you believe to be inconsistent with the standard of care.
6. Do not rely upon representations of others regarding the need for licensure or insurance coverage for a particular activity. For example, if you enter into a contract with an entity to perform telepsychiatry in a state where you are not licensed, you must determine on your own the need for licensure. Also, check with your malpractice carrier to determine whether the activities you are being asked to perform are covered under your malpractice policy.
7. Ask for clarification of vague or ambiguous language and ask that it be clarified within the agreement. If the other party has agreed to terms that are not part of the contract, insist that they be written in. Somewhere within the agreement there will likely be a provision stating that the written contract represents the entire agreement between the parties which means that if it's not in the contract, it's not enforceable. Never begin a job until your contract is signed by all parties.

8. Psychiatrists should determine whether they also need a separate Business Associate Agreement. If you are a covered entity and you are entering into a service agreement with another party who will have access to patient information (such as an EHR vendor or a billing service), you will need to have a Business Associate Agreement in place *before* any information may be shared.
9. Avoid signing contracts with indemnification/hold harmless clauses. As an example, “Each party agrees to indemnify and hold harmless the other party from any claims, liabilities, losses, damages and expenses asserted against the other party and arising out of the indemnifying party’s negligence, willful, misconduct, and negligent performance of or failure to perform, any of its duties or obligations under this agreement.” What this means in plain English is that in the event any of your actions – or inactions – cause the entity/individual for whom you are working to be sued, you will be obligated to pay any settlements or verdicts rendered against them. And even if they prevail, you will be required to pay their attorneys’ fees.
10. Always know the term of your agreement – how long it is for, how it renews, and how you can get out of it if the need arises. Avoid agreements where you are required to give lengthy notice as it may preclude you from seizing on other opportunities or force you to continue working with a system that is a bad fit.

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