DUE DILIGENCE

PRE-EMPLOYMENT DUE DILIGENCE CHECKLIST FOR PHYSICIANS

A. Preliminary Considerations

- Google the “Medical Practice” and “Physicians” – 4 Star review ****
- Review State of Michigan Medical License Lookup for issues
- Ask colleagues about the reputation of the Practice and its Physicians
- Staff retention/turnover rates
- Patient census – Who will you serve?
- Location, location, location
- Growing Practice or winding down?
- Is this a stepping stone or are you looking for a home?

B. Contracts/Legal Documents

1. Employment Agreement – Key Terms

   a. Term of Agreement – “for cause” versus at-will termination
   b. Compensation and bonuses (how determined: i.e. bonus formula based on billings or collections. Does formula take into account overhead). Bonus history?
   c. Health/welfare, retirement & fringe benefits

      (1) Health Insurance, Dental Insurance, Eye Care (review waiting periods, co-pays, coverages and exclusions)
      (2) Life Insurance
      (3) Short-term/long-term disability Insurance (review waiting periods and coverage). Any gaps in coverage?
      (4) Pension/Retirement (review waiting period and vesting requirements)
      (5) Vacation, personal, sick time
      (6) CME
      (7) Moving expenses
(8) Cell phone/pager

(9) Car allowance

d. Licenses, DEA certifications, & memberships (paid or unpaid)
e. Staff fees and parking

   
   (1) Duration
   
   (2) Geographical limitation
   
   (3) Scope (i.e. type of practice/specialty)

g. Non-Solicitation Provision
   
   (1) Applies to all patients employer serves or only those you see?
   
   (2) Definition of “solicit” not overly broad

h. Medical Malpractice/Professional Liability Insurance
   
   (1) Occurrence or claims based?
   
   (2) Indemnification and Hold Harmless
   
   (3) Tail Coverage

2. Stock Purchase Agreement

3. Buy-Sell Agreement