

APA | How Did You Get That Job?

Workshop: Negotiating Your Private Practice Position

Presenter: Jeff Zimmerman, PhD, ABPP
The Practice Institute, LLC

August 23, 2019 | 3:00 PM – 4:00 PM EDT

THE WEBINAR WILL BEGIN MOMENTARILY



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Welcome!

- Today's workshop will cover negotiating your private practice position
- Time: 60-minutes
- Q&A with audience

HAVE A QUESTION?

- Please submit your questions for our presenter by using the “Questions” field located in the webinar control panel.



Jeff Zimmerman, PhD, ABPP

The Practice Institute, LLC

- Jeff Zimmerman has over 35 years of professional experience, having been in independent practice virtually his entire career. He was a founding and managing partner in a group practice that grew to 7 offices and 20 professional staff. He frequently mentors and consults to early career professionals who are looking to join a practice.
- He co-authored or edited four books on practice, *If You Build It They Will Come*, *The Handbook of Private Practice*, *The Ethics of Private Practice*, and *Financial Management for Your Mental Health Practice*.
- Recipient of the 2019 Mentoring Award, American Psychological Association, Division 42, Independent Practice



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Negotiating Your Private Practice Position

BY

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Tips for Negotiating



The negotiation begins at the *first* contact.
Don't wait until the job offer.



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Tips for Negotiating

- Ask questions all along
- Interview with multiple people
- Learn about the culture (what is important to them and to you)
- Understand their obvious and not so obvious needs. Why do they want *you*?



More Tips for Negotiating

- *Be* a partner (without pressuring to become a partner)
- Use the words “we” and “you”, more than “I”
- If this is your top choice tell them.
- Discuss time-lines.
- Make it easy for them to on-board you.
- Address their concerns and fears.



Be Sure You Have the Info You Need

Ask your questions...

- Culture (learning and professional development, collegiality, productivity, etc.)
- Compensation (flexibility in the future based on productivity)
- Office space and sharing (how are decisions made – seniority, partners, etc.)
- What challenges do they face? (competition, low revenue, managed care, etc.)



Vocabulary

- ***Compensation:*** The value of *all* tangible and intangible benefits you receive from the employer
- ***Incentives:*** Extra compensation for surpassing expectations
- ***Benefits:*** Other items you receive beyond your base pay (e.g., some of your health insurance premiums paid)



Vocabulary (continued)

- ***Productivity***: A measure of what you produce for the practice (dollars collected, billable hours, etc.).
- ***Ramp-up***: The time it takes (or the process used) to build your caseload to expected levels.
- ***Origination***: The referrals into the practice that you generate.
- ***Restrictive Covenant***: Restrictions on what work you can do outside the practice (sometimes present even after termination of the job).



Evaluating the Offer

They want you. Do you want them?

- What is their organization like (e.g., competitive vs. supportive)?
- Is the compensation package reasonable?
- What else are they offering (mentoring, experience, opportunity)?
- What is their long-term commitment to you and your long-term opportunities?
- Is this a place you want to work? Culture?
- How much support, demands, and competition are present?



Compensation Packages

- Salary
- Cost based
- Production based
- Incentive programs



Compensation Packages

Is 60% more or less than 50%?



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Do the Math

JOB OFFER SCENARIOS							
	60%	60%	TOTAL		50%	50%	TOTAL
	1st Year	2nd Year			1st Year	2nd Year	
Number of Patients/Wk	22	30			18	25	
Weeks/Yr	46	46			46	46	
Avg Collected/Visit	\$60	\$100			\$90	\$200	
Direct Compensation	\$36,432	\$82,800	\$119,232		\$37,260	\$115,000	\$152,260
Supervision/Mentoring	2hrs	1hr			3hrs	3hrs	
Training Funding	0	0			0	0	
FICA @ 7.65%)	\$2,787	\$6,334	\$9,121		\$2,850	\$8,798	\$11,648
Health Insurance Premium	4800	5280	\$10,080		4800	5280	\$10,080



Evaluate the Entire Compensation Package

- Benefits
- Incentives
- Long-term prospects
- What will you learn (mentoring and supervision)



1099 vs. W-2

Independent contractor vs Employee

- Who decides?
- Is there really a difference?
- Do the math – all the math (taxes, benefits, etc.)



Non-compete Clauses

- Geographical (# of miles)
- “Our” current patients
- Future patients from “our” referral sources
- Diagnoses?
- Which activities?
- During course of employment and/or after?



Interest-Based Negotiation

- Competitive vs. Interest-based Negotiation
- Seek to understand their interests
- What are your interests/priorities?
- Where do you *want* to work?
- How well does this job fit with what you need in terms of career, income and lifestyle?
- How well does this job prepare you for your next position?



Things to Say (but they have to be true)

- “You are my top choice. I am very excited about your offer.”
- “Presuming things go well, I plan to be here for the long term.”
- “How quickly would you expect for my caseload to increase, or for my ramp-up to be?”



Things to Say (continued)

- “What is your time frame for signing the agreement and my start date?”
- “I’d like to have some time to have the contract reviewed by my attorney.”
- “I would like to establish criteria for when I can earn more.”
- “Besides direct compensation, what support is there for conferences, publications, training, etc.?”



Things to Say (continued)

- “What flexibility is there related to my scheduling, working evenings or weekends, taking mornings off, etc.?”
- “What options are there for varying my practice, starting a niche practice, ordering pertinent equipment?”
- “What financial support do you provide for marketing my services?”
- “What can you provide to help cover the cost of relocating?”



Things Not to Say

- “I am in negotiations with another practice.”
- “This is all you’re offering?”
- “I could never sign an agreement that says this.”
- “My [friends, partner, professor, colleagues] say...”



Getting a Better Offer

Incentive bonus or
increase

Equity

Multi-year
agreement with
increases built in

Guaranteed increase
when licensed

Decreasing their risk

Doing extra

Building a niche or
program

Committed to
marketing (blogs,
presentations,
website design, etc.)



Multiple Offers?

- Be careful to not lose them both (the problems of bidding wars)
- Be clear about your priorities
- Look at the tangible gains *and* costs
- Assess the intangible gains *and* costs



Contract Review

- If it is important, it must be in the contract. What is promised verbally isn't real.
- Is the contract one-sided?
- Does the contract refer to other documents that are not included (e.g., Policies and Procedures)
- Read it. Read it. Read it - carefully
- Do the math. Does it make sense when things are good? What about when things aren't ok?
- What are *the specifics* about termination process (monies owed, accounts receivables, non-competes, etc.)?
- Have a practice consultant review it
- Seek legal consultation



Some Final Tips for Negotiating

- Be wary if it is too easy or too difficult
- A good deal should work for you and for them



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Audience Questions



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Psychologist Margaux Ascheri uses her training to help increase agricultural productivity.
- A Q&A with Organizational Psychologist April Berrian

- A Q&A With Clinical Psychologist Sean Sullivan
Dr. Sean Sullivan, PsyD, splits his time managing a full-time practice, authoring books and sharing his mental health expertise in the development of virtual reality tools for therapists.

Shawn T. Mason, PhD, LP

Director of Research & Outcomes, Johnson & Johnson

- Our next How Did You Get That Job? talk is September 17 from 1:00 – 1:30 pm EDT



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