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The Plastic Surgeon as Employee: A Pilot Survey of the California Society of Plastic Surgeons

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INTRODUCTION

Plastic surgeons endure years of training yet remain ill-equipped to negotiate their first employment contracts.¹ Recent literature has only begun to assess plastic surgeon job satisfaction as new surgeons enter the employment market.² Practice management courses for new plastic surgeons do exist at the national level, such as those offered by the American Society of Plastic Surgeons (ASPS)³ and the American Society for Aesthetic Plastic Surgery (ASAPS).⁴ However, programming at the regional or individual residency program level is still lacking, and while anecdotal, the effectiveness of national programming from practicing plastic surgeons has not yet been formally assessed.

By seeking information directly from practicing, board-certified plastic surgeons, we evaluated elements in typical plastic surgeon employment contracts and assessed their comprehensiveness. Our goals were two-fold: (1) to determine plastic surgeons' awareness of various employment contract options and (2) to evaluate the degree to which they sought assistance in securing those options. With our investigation, we hoped to provide new plastic surgeons with useful data and advice to enable them to better negotiate their first employment contracts.

METHODS

A 15-question survey, designed to be completed in less than five minutes, was sent to CSPS members with valid e-mail addresses using the online SurveyMonkey[®] platform (Table 1). Responses were anonymous and collected over a two-month period. We sought information

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such as years in practice, geographic area, practice type, and number of surgeons within the practice, and we asked about legal standing of partnerships. We also asked whether respondents sought legal assistance in negotiating their first employment contract and whether specific elements were elaborated, such as medical malpractice and disability insurance coverage. “Salary” was defined as the starting salary when the respondent entered into an employment contract. In retrospect, our survey asked respondents how content they were with their initial contract, while allowing commentary as qualitative data. Frequency and percentage distribution of respondents for each question answered were then analyzed.

To study the correlation between ordinal starting salary and contract satisfaction score, we converted / recoded salary: < \$100,000 to be ‘1,’ \$101,000–\$150,000 to be ‘2,’ \$151,000–\$200,000 to be ‘3,’ \$201,000–\$250,000 to be ‘4,’ \$251,000–\$300,000 to be ‘5,’ and > \$300,000 to be ‘6.’ The Spearman’s rank correlation coefficient was also used to study the correlation between salary and contract satisfaction score. All analyses were done with Statistical Analysis Software (SAS) version 9.4 (SAS Inc., Cary, NC). A p-value < 0.05 was considered statistically significant.

RESULTS

Spanning October 1, 2015 – November 21, 2015, our survey was sent to 331 e-mail addresses of CSPA members (approximately half of the total CSPA membership), with 197 members opening the survey (59.5% of the total) and 113 of this group completing it (34.1% response rate); selected results of the survey are depicted in Table 2. Sorting 111 respondents by standard California regions,⁵ in-state geographic distribution accounted for 85.6% of respondents, while 14.4% reported having practiced out-of-state (Fig. 1). 50.0% of respondents reported having been in practice for at least 20 years, while 2.68% had been in practice for up to 5 years (Table 2). 62.5% reported being in private practice, with 27.7% reporting having been in academia (Table 2).

Practice size was diverse, with 41.4% of respondents having worked in a group practice consisting of three or more plastic surgeons, 27.9% in partnership (defined as two surgeons), and 23.4% in solo practice (Table 2). For those in partnership, 29.9% had made formal legal arrangements (e.g., a Limited Liability Company), while 20.6% had made informal arrangements (Table 1). Notably, 74.5% of respondents did not seek legal assistance in negotiating or reviewing their first employment contracts (Table 2).

Malpractice coverage varied from 51.6% of respondents with claims-made coverage, to 21.7% with tail coverage, to 33.0% with no coverage at all (Fig. 2). 63.9% of respondents reported having no group disability policy. 23.6% had and 53.6% did not have relocation expenses covered (Table 2). 6.6% reported having and 93.4% did not have a signing bonus (Table 2). 3% reported having and 97% did not have loan forgiveness (Table 2).

Starting salary data is as follows: 26.4% reported annual income of < \$100,000; 30.2% reported \$101,000 – \$150,000; 18.9% reported \$151,000 – \$200,000; 10.4% reported \$201,000 – \$250,000; 7.55% reported \$251,000 – \$300,000; and 6.60% reported > \$300,000 (Fig. 3). 50.5% of respondents stated that performance reviews did not apply to their

practices. Using a five-point scale, 7.69% of respondents reported being “extremely dissatisfied” with their first employment contracts, or a score of 1; 13.5% reported a score of 2; 24.0% a score of 3; 30.8% a score of 4; and 24.0% reported being “perfectly happy,” or a score of 5 (Table 2). Analyzing the correlation between starting salary and contract satisfaction score, the Spearman’s rank correlation coefficient was 0.223 (p-value = 0.025). Since salary amount was offered as ranges within the survey, additional sub-analysis was not performed to identify trends according to the maturity of the respondents.

Eighty-two respondents offered advice. Common themes included seeking legal counsel; considering solo practice; planning long-term professional and financial interests; not underestimating earning potential; seeking mentorship; and cautioning against third party interests.

DISCUSSION

Our pilot survey of the California Society of Plastic Surgeons demonstrates a representative in-state distribution of respondents, comparable to state population census data.⁶ With 113 respondents, our survey’s response rate of 34.1% is on par with or exceeds that cited in the plastic surgery literature. A sizeable frequency of out-of-state respondents is not unexpected, given the role of the CSPA as one of the nation’s largest regional or state plastic surgical societies. A selection bias for more experienced surgeons is also explained in part by the criteria for full CSPA membership, requiring board certification with the American Board of Plastic Surgeons. More experienced surgeons were also likely more motivated in offering mentorship to young surgeons and interested in seeing the results of the survey being presented at their own state society meeting. While the data has indeed been obtained from a mature cohort reporting on their experience 20 years prior, suggesting uncertain relevance to newly-minted plastic surgeons, we intend our findings to serve as preliminary data representative of a unique locoregional population. Perhaps more importantly, these results serve as a baseline for future studies targeting younger generations and encourage participation in negotiations-related studies by plastic surgeons entering practice in the modern era. A more robust study population will ensure recommendations with the utmost relevance to early-practice plastic surgeons

Distribution between those in private practice and in academia, as well as distribution among practice sizes, may depend on California’s density of plastic surgery training programs, as well as its markets for both aesthetic and reconstructive surgery. While literature is available for academic plastic surgery,⁸ clear data for the industry as a whole requires issuance of a similar survey of plastic surgeons on a national scale. Future work will entail surveying larger plastic surgical bodies, such as the American Society of Plastic Surgeons, which should clarify generalizability of the CSPA data to the nation’s plastic surgeon market, as well as identify regional distinctions that may be unique to the State of California.

The extent to which respondents made informal arrangements in what they considered “partnerships” is concerning. What plastic surgeons may consider a “partnership” may indeed be an office-sharing arrangement with separate staffing, billing, and other fundamentals of practice management. Courts in several jurisdictions have interpreted

significant sharing of infrastructure, personnel, and expenses as constituting a formal legal partnership, and it may be worth the administrative expense to the new plastic surgeon market entrant to know how to structure his or her practice to avoid this interpretation from becoming enforced, in the event of the partner's financial or legal difficulties. Similarly, the high percentage of respondents who did not avail of legal counsel in contract review or negotiation is concerning, especially given the financial consequences of breach of contract and risk for an asymmetric bargaining position as a new employee. While we admit that failure to seek legal assistance with a plastic surgery employment contract indeed remains unusual in the modern era, reporting satisfaction regarding a process occurring twenty years prior remains relevant simply because it illustrates how the occupational climate within plastic surgery has changed. Furthermore, it underscores the need for future studies examining negotiations for early-practice plastic surgeons seeking employment and calls into question the importance of seeking legal counsel at this point in one's career. An analysis of ramifications stemming from failure to seek legal assistance in young plastic surgeons entering the workforce remains paramount.

The high degree to which respondents did not report malpractice or disability insurance coverage may require clarification in a follow up study. Many surgeons acquire malpractice and/or disability insurance coverage individually, either to supplement employer-provided policies or as their primary policies. The manner in which the question was phrased in the current study left room for a literal interpretation, i.e., a respondent had coverage, but not coverage provided by the employer, and thus the respondent could aptly answer "No" to the question. However, in a litigious, American, contingency-fee based court system, it would be of interest to the plastic surgery profession that all new surgeons have some level of malpractice and disability insurance coverage, whether secured individually or through their employment. Adjusting for self-acquired policies in a follow up, national survey, would be of utility in determining the profession's risk for entering the employment market without the standard precautions expected for American clinical practice.

The correlation coefficient between starting salary and contract satisfaction score indicates a weak, positive, monotonic correlation, suggesting that greater compensation may be associated with greater "happiness" with a plastic surgeon's first employment contract. Responses for starting salaries were offered as ranges to encourage an adequate response rate from an e-mailed survey. An unfortunate consequence of constructing the survey in this manner prevented the authors from performing a reliable cost of living or inflation-adjusted sub-analysis to identify trends in salary and practice type given this mature cohort. Additionally, we acknowledge that more experienced surgeons may not recall the precise amount they had agreed upon when first entering into practice, sometimes decades ago. We admit that structuring the survey in this manner limited the analysis to an ordinal one, and furthermore, the precise years in which respondents entered into independent practice are not known, which could have facilitated an inflation-adjusted analysis. A future national survey, including such information, will allow for more a meaningful starting salary data analysis, corrected for inflation and possibly revealing attenuation or accentuation of the weakly positive correlation we found with the CSPA respondents' data.

While numerous surgical journal articles abound with counsel regarding new employment contracts,^{9,10} this study constitutes the first to evaluate plastic surgeon employment contracts, in a multi-modal fashion, evaluating not only starting salary data but also satisfaction with first contracts and well as degree to which important contract considerations were included. Our data reveal critical elements one should negotiate to ensure smooth transition to practice. Coupled by advice from over two-thirds of respondents, we come to the following seven conclusions:

1. Seek legal counsel;
2. Know what you want *before* signing;
3. Start with an established group but also favor eventual solo practice;
4. Structure practice buy-in and know your compensation incentives;
5. Have an exit strategy: avoid non-compete clauses.

[We acknowledge that in the State of California, non-compete clauses are not enforceable as they pertain to employees. However, prevailing law varies by jurisdiction, and contracts may nonetheless attempt to include such provisions. Being cognizant of what contract elements are or are not enforceable is within the attorney's purview in counseling clients.]

6. Protect long-term interests, and;
7. Realize that negotiating is part of a business transaction – treat the process objectively as much as feasible.

[In this regard, having an attorney to support the contract negotiation process depersonalizes the interaction between employer and employee.]

Our study aims to help foster an improved ability by new plastic surgeon market entrants to effectively negotiate an employment contract specific to their profession. The described CSPS survey results will help improve contract negotiation competence for new plastic surgeons entering the employment market and may help employers better identify and retain plastic surgeon-employees. Future work will entail surveying nationally to assess for consistency in trends found on a regional basis, as well as to clarify questions pertaining to malpractice and disability insurance, which may identify the extent to which new surgeons may be vulnerable to liability or physical impairment, respectively. With improved, inflation-adjusted salary data, we also hope to determine whether salary indeed correlates positively with contract satisfaction.

CONCLUSION

As the health care industry evolves, new plastic surgeons may increasingly find themselves employed by institutions. Seeking an attorney familiar with the profession is advisable to protect financial and legal interests. Lack of awareness regarding malpractice options and disability coverage are two areas of concern to the young plastic surgeon. Our results reveal

critical contract elements that new plastic surgeons should negotiate to ensure smooth transition to practice. As the employee transitions to the employer, understanding essential contract elements may prove invaluable in recruitment and retention efforts for the next generation of plastic surgeons.

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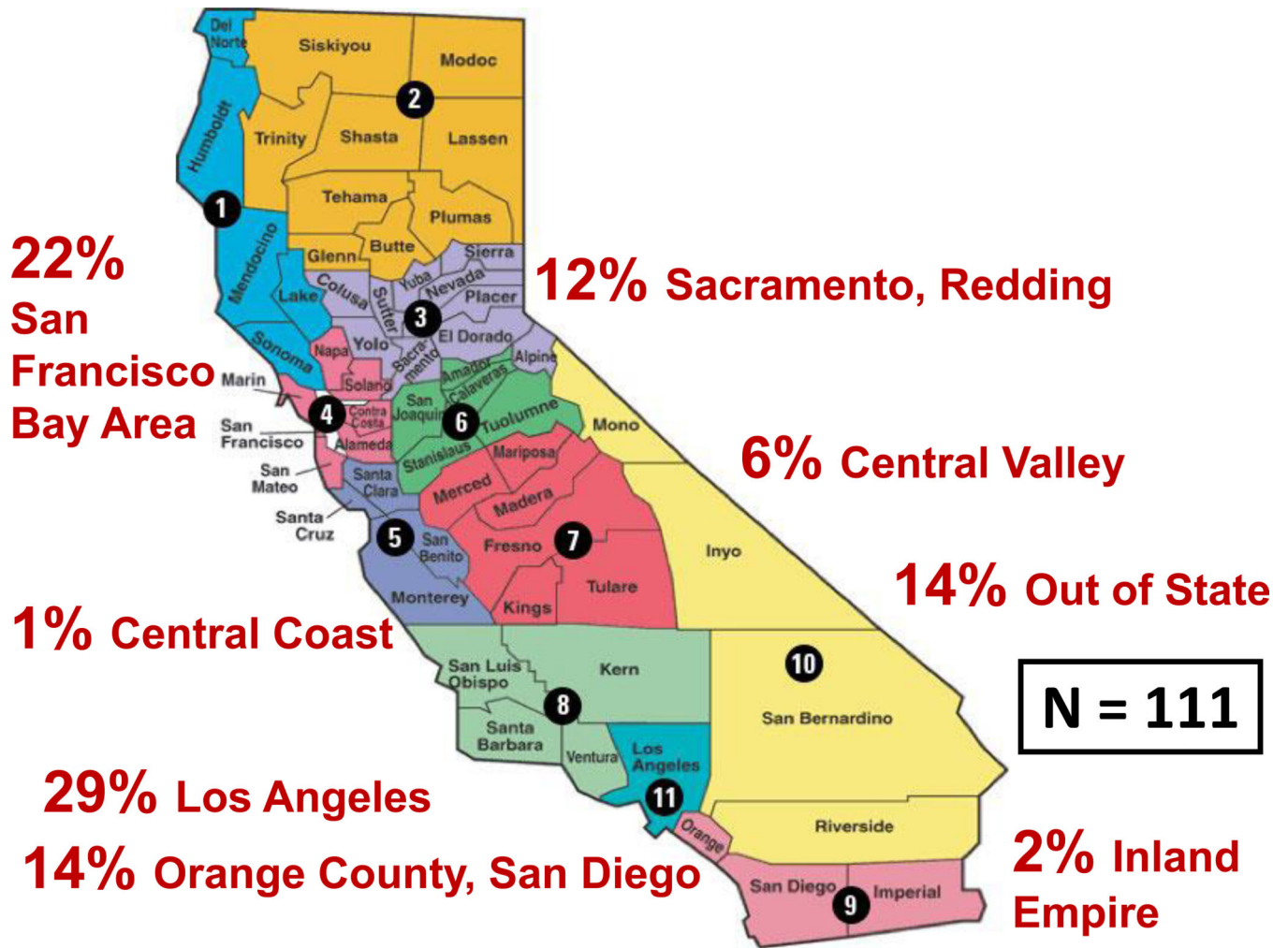


FIGURE 1.
In-State Distribution of the CSPS Survey.

Malpractice Coverage

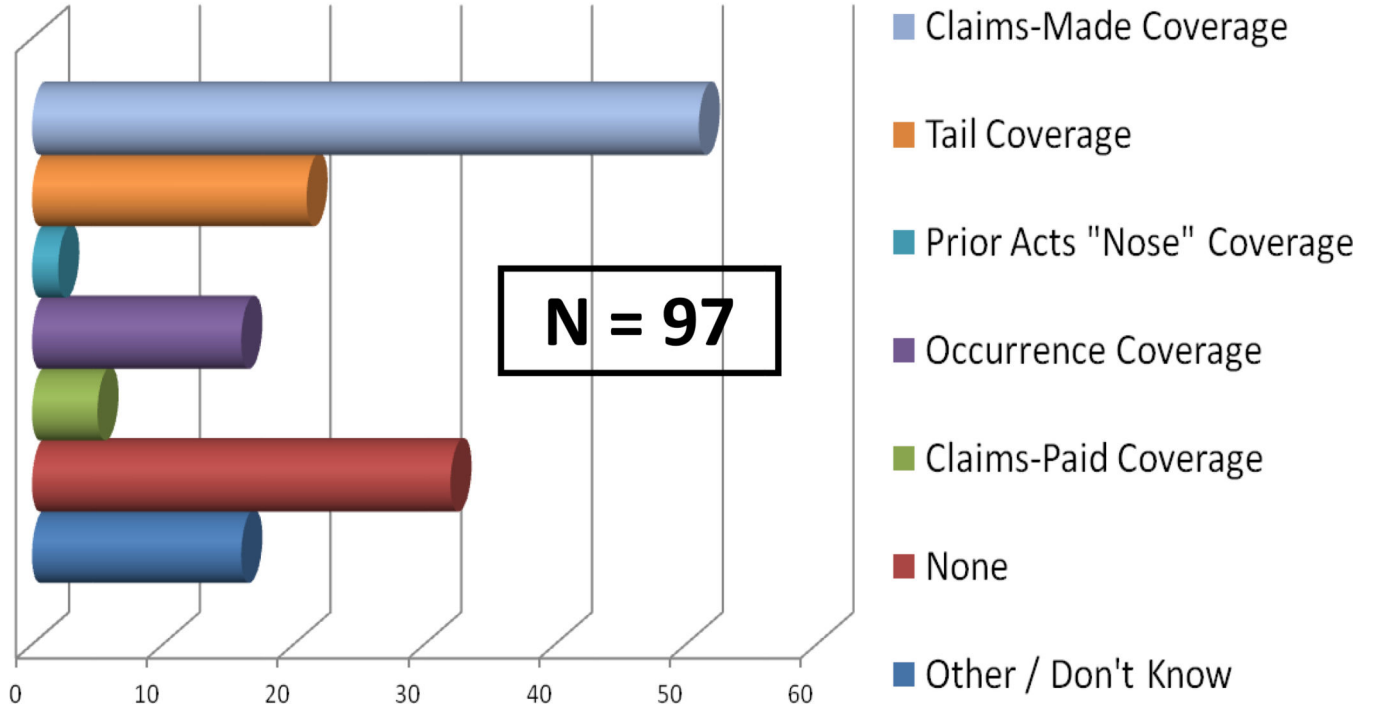


FIGURE 2. Malpractice Coverage Reported by CSPA Members during the Term of their First Employment Contract.

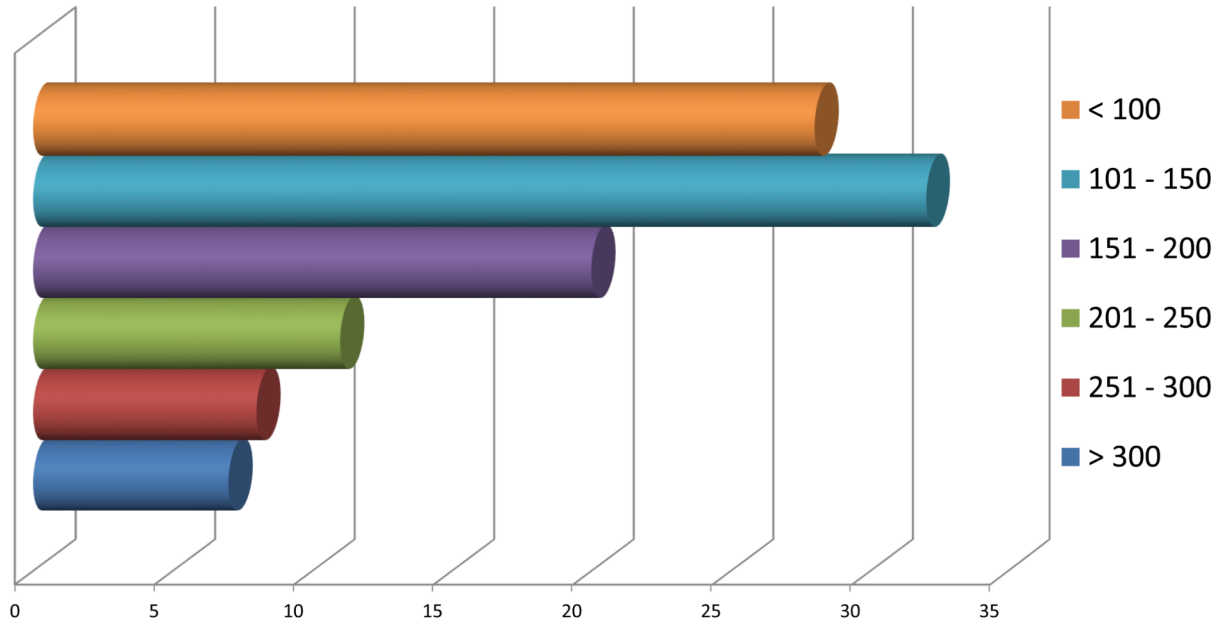
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Self-Reported Salary (\$000's)



N = 106

FIGURE 3. Distribution of CSPA Members Reporting Annual Income Ranges with their First Employment Contracts.

Table 1
The Plastic Surgeon as Employee Survey

The following survey contains 15 brief questions about the first employment contract you entered into as a Plastic Surgeon post-residency training. **Your responses will be kept strictly confidential and anonymous.**

- 1 **About how many years have you been in practice since the completion of residency training?**
 - a. 0–5
 - b. 6–10
 - c. 11–15
 - d. 16–20
 - e. 20+
- 2 **What was your primary practice area when you entered into your first employment contract?**
 - a. Private
 - b. Academic
 - c. Administrative
 - d. Other (please specify)
- 3 **Which of the following best describes the geographic location of your first employment contract?**
 - a. Sacramento/Redding
 - b. S.F./Bay Area
 - c. L.A. Metro
 - d. San Diego Metro
 - e. Other (please specify)
- 4 **About how many Plastic Surgeons worked at your first practice?**
 - a. Solo
 - b. Partner (you and one other)
 - c. Group (3+)
 - d. Not Applicable (multi-specialty group)
 - e. Other (please specify)
- 5 **If you were in a partnership, was it a formal legal arrangement, such as an LLC, or was it instead an informal office sharing arrangement?**
 - a. Formal
 - b. Informal
 - c. Not Applicable
 - d. Other (please specify)
- 6 **Did you have an attorney assist you in signing your first employment contract?**
 - a. Yes
 - b. No
- 7 **Were you compensated for moving/relocation expenses?**
 - a. Yes
 - b. No
 - c. Not Applicable
- 8 **Were you awarded a signing bonus?**
 - a. Yes
 - b. No

- c. I do not remember
- 9 **What kind of medical malpractice insurance coverage were you provided? Please select all that may apply.**
 - a. Claims-Made Coverage
 - b. Tail Coverage
 - c. Prior Acts “Nose” Coverage
 - d. Occurrence Coverage
 - e. Claims-Paid Coverage
 - f. None
- 10 **Were you offered loan forgiveness?**
 - a. Yes
 - b. No
 - c. I do not remember
- 11 **Were you offered group disability coverage?**
 - a. Yes
 - b. No
 - c. I do not remember
- 12 **About how much was your expected annual pay range?**
 - a. < \$100,000
 - b. \$101,000 – \$150,000
 - c. \$151,000 – \$200,000
 - d. \$201,000 – \$250,000
 - e. \$251,000 – \$300,000
 - f. > \$300,000
- 13 **About how often were you provided with a performance evaluation by your supervisor/manager?**
 - a. Annually
 - b. Semi-Annually
 - c. Quarterly
 - d. Monthly
 - e. Not Applicable
 - f. Other (please specify)
- 14 **On a scale from 1 (extremely dissatisfied) to 5 (perfectly happy), please rate how you feel about your first employment contract.**

	1 – Extremely		2		3		4		5 – Perfectly
	Dissatisfied								Happy

Your first employment contract that you entered into post-residency training

- 15 **What advice would you give new Plastic Surgeons regarding entering into an employment contract as a Plastic Surgeon?**
-

Table 2

Selected Survey Results

Years of Experience	Percentage of Total (n = 112)
0–5 years	3.0%
6–10 years	18.0%
11–15 years	15.0%
16–20 years	14.0%
>20 years	50.0%
Practice Type	
Private Practice	62.5%
Academia	27.7%
Number of Surgeons in Practice	
Group Practice (3 surgeons)	41.4%
Partnership (2 surgeons)	27.9%
Solo Practice	23.4%
Type of Partnership	
Formal Legal Arrangement	29.9%
Informal Arrangements	20.6%
Attorney Assistance	
Yes	74.5%
No	25.5%
Moving/Relocation Expenses	
Covered	23.6%
Not Covered	53.6%
Signing Bonus	
Yes	6.6%
No	93.4%
Loan Forgiveness	
Yes	3.0%
No	97.0%
Contract Satisfaction	
1 ("Extremely Dissatisfied")	7.7%
2	13.5%
3	24.0%
4	30.8%
5 ("Perfectly Happy")	24.0%