

Alberta Doctors' Digest

Letter to the Editor

"I've seen things you people wouldn't believe. Attack ships on fire off the shoulder of Orion. I watched C-beams glitter in the dark near the Tannhauser Gate" (from [Ridley Scott's](#) 1982 classic [Blade Runner](#)).

However all that pales in comparison to what I've witnessed in the land of Alberta's medical clinics. It's like the Wild West out there because the vast majority of medical clinics in Alberta are owned by businesses, corporations and even hedge funds whose primary purpose is to turn a profit.

If you visualize the medical clinic as a row boat, the individual physicians are the oars – if they don't row, the boat don't go. In practice, this means that the medical clinic will do whatever it takes to keep the physicians rowing. This includes using promises, threats and intimidation.

Most physicians are asked to sign an "Independent Contractor's Agreement," whereby amongst other things the physician is to pay an overhead of 20%-35% of the physician's billings to the medical clinic. Besides the overhead fee, the agreement usually requires the physician to: indemnify the clinic for loses, assign the patient files to the clinic, and agree to a restrictive covenant whereby the physician is prohibited from poaching the clinic's patients/staff and from working within a certain geographical area after the agreement ends.

Not all of the above clauses usually found in the Independent Contractor's Agreement are enforceable or even legal, but some medical clinics will use whatever methods. This includes retaining lawyers to threaten to sue the physician for perceived breaches of the Independent Contractor's Agreement. I've seen a clinic retain a lawyer to sue the physician for close to \$400,000 for breaching the non-compete clause, and in another case the clinic's lawyer required the physician to "indemnify" the clinic in the event Canada Revenue Agency audits the clinic and finds that the clinic owes back taxes. However, the most serious infractions are when there are provisions which contract out of the *Health Professions Act* and the rules and regulation of the College of Physicians & Surgeons of Alberta – which is surprisingly fairly common.

My wife is a physician and the majority of my clients are physicians and what I tell them is: you have to treat your medical practice as a business. Physicians are cogs in an enormous medical clinic industry and for your own protection, you should get a good accountant and have your Independent Contractor's Agreement reviewed. In some cases, you might not even qualify as an independent contractor, which then affects how you pay your taxes and the deductions you're eligible to claim.

The take away from this is: the medical clinic is not your friend and have your contract reviewed before you sign!

- Michael Diep, Solicitor & Barrister

Editor's notes:

The views, perspectives and opinions in this letter are solely the author's and do not necessarily represent those of the AMA.

Alberta Medical Association members can contact the AMA for contract reviews. Please send inquiries to: didi.Wimmer-Frank@albertadoctors.org

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