

NURSE PRACTITIONER TIPS FOR CONTRACTING

1. Determine if position is salaried or is a per hour, per day or per patient contract
2. Determine worth of services based on practice charges per patient visit and your anticipated patient load (per day, per week)
 - a. Physician relative value scale calls for 48% overhead costs, 4% malpractice costs, and 48% cost for service. Nurse practitioner overhead costs will be approximately the same, malpractice will be slightly less, leaving the remainder for cost of service (amount brought to practice after costs are paid)
 - b. Generally a private practice will wish to net some profit in the 15 to 20% rate.
 - c. Based on these figures, it is possible to obtain some estimate of your net worth to the practice. If your payment expectation is higher than the costs you would incur, it is unlikely the practice can afford you.
3. Other considerations
 - a. If you are expected to take call, you need to determine what percent of the other provider's salaries in the practice are attributed to this activity. You would expect to receive a like percentage if you take call in rotation with other providers.
 - b. If you are expected to conduct hospital rounds, revenues to the practice should be figured into your salary/ payment estimates.

4. Benefits

If you are salaried, certain benefits should be negotiated in addition to your salary.

They include:

- (1) Health Insurance
- (2) Vacation (at least three to four weeks per year)
- (3) Sick leave (generally two weeks or one day per month, per year)
- (4) Travel allowance if you are expected to make house calls
- (5) Continuing education allowance and leave (one to two conferences per year is not inappropriate; be sure to include enough in this allowance to allow for airfare, room and food for at least one national conference. (An allowance of 1.5-2.5 thousand dollars for this purpose is not unreasonable.)
- (6) Malpractice insurance
- (7) Membership in professional organization
- (8) Office subscription to appropriate nurse practitioner journal

5. Practice expectations

- a. Determine if you will be able to practice to the full extent of your scope of practice.

- b. Check for barriers that are more stringent than those in place in state law or regulation.
- c. Determine that you will not be expected to practice beyond the scope of your practice.

6. Other cautions

Don't bite off more than you can chew. If you are a new nurse practitioner, remember that you may need more mentoring and more time per patient than more experienced practitioners in your setting. Be sure to take that into account when negotiating your first contract.

QUESTIONS???

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