

15 contract provisions that quietly cost you.

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Built for general and child/adolescent psychiatrists · 2026

Psychiatry contracts carry unique risks — no-show policies, telepsych parity gaps, and uncompensated inpatient coverage that don't exist in most other specialties. A single undefined term can quietly erase 20% of effective compensation.

THE 15 RED FLAGS

5 CRITICAL · 7 HIGH · 3 MODERATE

01 | ■ CRITICAL

Compensation model not specified

Psychiatry models vary widely: salary, hourly, per-encounter, wRVU, or hybrid. If the contract is ambiguous, the model can shift at renewal — a guaranteed base silently converting to volume-based pay is the classic pattern.

02 | ■ CRITICAL

No-show and cancellation policy missing

Outpatient psychiatry no-show rates run 15–25%. If the contract pays only on completed encounters with no compensation for no-shows or cancellations, effective hourly rate can run 20–30% below quoted.

03 | ■ CRITICAL

Claims-made malpractice, no tail commitment

Silence leaves who pays unresolved. Ask for employer-paid tail in writing for resignation, termination and nonrenewal; confirm the policy terms.

04 | ■ CRITICAL

wRVU rate with no named benchmark

A flat dollar-per-wRVU rate with no reference to 2025 national psychiatry benchmarks gives the employer full discretion to call any rate market. General psych and C&A rates diverge — both should be anchored.

05 | ■ CRITICAL

Termination without cause under 90 days

Outpatient psychiatry credentialing and patient transition require time. A 30- or 60-day without-cause window leaves no time to credential elsewhere, transition therapy patients, or negotiate the next contract.

06 | ■ HIGH

Telepsych compensation parity not addressed

Telepsychiatry now accounts for a large share of outpatient psych volume. If telepsych encounters are paid at a different rate than in-person without specification, income can drop materially when the schedule shifts.

07 | ■ HIGH

Therapy vs. medication management split undefined

A psychiatrist doing 30-minute med-management visits generates very different wRVUs than one doing 50-minute therapy. The contract should specify the expected visit type mix, or pay flat hourly to avoid this trap.

08 | ■ HIGH

Panel size with no cap or productivity adjustment

Open panels in psychiatry mean increasing message volume, refill load, and out-of-visit work over time. Require a cap or per-patient-above-threshold payment.

09 | ■ HIGH

Non-compete over 10 miles or 2 years

Outpatient psych is heavily local — patients won't follow far. An aggressive radius can effectively bar you from your current patient population. Narrow scope and duration before signing.

10 | ■ HIGH

Inpatient and consult coverage uncompensated

If the contract is silent on consult-liaison, inpatient rounds, or weekend coverage, that work can be assigned without separate compensation. Quantify the non-outpatient burden and pay it separately.

11 | ■ HIGH

Bonus threshold not tested against your workload

Test the threshold against your credited production, workload and payout period. Model low, expected and high-production payouts before counting the bonus as income.

12 | ■ HIGH

No rate escalation clause

Without annual increases tied to inflation or a benchmark percentile, real compensation declines every year you remain. A flat multi-year rate is a multi-year pay cut.

13 | ■ MODERATE

Child/adolescent premium missing

Child and adolescent psychiatry runs above general psychiatry at median, reflecting more specialized, time-intensive care. If the contract treats C&A work the same as adult, you absorb additional family-meeting time without compensation.

14 | ■ MODERATE

Sign-on clawback with no pro-ration

Full repayment regardless of tenure treats the bonus as a leash rather than compensation. Negotiate pro-rata over 24 months and a waiver on without-cause termination.

15 | ■ MODERATE

Restrictive moonlighting clause

Broad bans on outside clinical work, expert witness work, or telepsych moonlighting cap earning potential. Restrict only true conflicts — same patient population.

NEXT STEP

Found a CRITICAL flag?

Run your contract through the Analyzer. Benchmark every term. Get a prioritized list.

clauseline.com/redflags