

Res. No TBD

Partnership Track Associates in Practice Equity Transactions

**WHEREAS,**

Outside-investor purchases of shares in physician practices are increasingly common, and

**WHEREAS,**

All physicians have vested interest in the future practice, and

**WHEREAS,**

Early career radiologists make significant commitments and contributions when contracting with a practice before shareholder-eligibility, and

**WHEREAS,**

Associates in some equity transactions have not been involved in discussions or compensated fairly, and/or the decisions of these associates were based on faulty or misrepresented information about future employment, and

**WHEREAS,**

Non-compete clauses signed by many associates were done so with the commitment to equity partnership in the existing group, and therefore their personal and family decisions were made under a set of facts which could be drastically altered by corporate purchase or outside investment, and

**WHEREAS,**

Corporate ownership of medical practices can and has led to competing incentives between fiduciary duty to shareholders and the best interest of the patient and raises public policy concerns based on the principle that when an investor-backed corporation holds a financial interest in a physician's profits, the entity has a direct interest in and ability to control medical decision-making and impact the quality of care provided to patients; therefore

**BE IT RESOLVED,**

**That the ACR recommend adoption of shared decision-making and transparency, and**

**BE IT FURTHER RESOLVED,**

**That the ACR strongly recommends that groups inform non partner associates when considering equity transfers or transactions prior to signing contracts, and**

**BE IT FURTHER RESOLVED,**

**That the ACR strongly recommends that partnership track associates should be involved in such transfers or transactions, monetarily, logistically, and otherwise, and**

**BE IT FURTHER RESOLVED,**

**That the ACR strongly recommends that any non-compete clause in an associate's contract with the original group should be terminated in event of a transfer or sale.**

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