

**Starting a Medical Practice
Things to Consider**

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Starting a Medical Practice

Administrative Tasks

Contact Medical Licensing Board of State regarding medical license.

Check on membership for:

County Medical Society

State Medical Society

American Medical Association

Obtain Narcotic License:

Federal: Application for registration available through the Department of Justice, Drug Enforcement Administration Local or State office. If necessary, contact the National office:

Drug Enforcement Administration
P.O. Box 28083, Central Station
Washington, DC 20005
Phone (202)724-1013

Inform the State Medical Licensing Board of your new address.

Obtain the services of an answering service

Beeper Service

Call Forwarding

Apply for hospital staff privileges.

Order Medical Record System.

Plan and order appointment-scheduling System.

Financial

Prepare Operating and Capital Financial Projections and Budgets

Visit banks and "shop" for a loan.

Examine net worth in terms of capital available for start-up costs.

Practice Promotion and Marketing

Reserve office phone number if possible (or answering service phone number).

Find out date phone book is printed. Have your name listed in the white and yellow pages.

Check with the Medical Society regarding their position and guidelines on advertising in the local newspaper, as well as other forms of announcements.

Order sign for office.

Notify drug detail people and appropriate sales people that you are setting up practice.

Order & mail announcements.

Arrange to give talks to community groups on health topics.

Talk to referring physicians (or take to lunch).

Talk with social agencies and other referring agencies (home health care agencies, etc.).

Check if there is a patient referral service available through the local Medical Society. Provide them with essential information.

Check on memberships in civic and church organizations.

Determine likely office hours based on community need.

Announcement in community paper & Medical Society bulletin

Notify area pharmacies that you are starting up practice.

Write Patient Information Booklet.

Get patient information booklet printed

Third Party Payer Contracting

Contact representatives from the Medicare fiscal intermediary, Medicaid, Blue Shield, and other major commercial carriers in community regarding potential contracts

Select and enter into appropriate contracts

Obtain Provider Number(s)

Learn Procedure Coding & Diagnostic Coding

Billing System

Decide on Billing Service; In-house, ASP or Service Bureau

Obtain Procedure Coding Book(s) - CPT

Obtain Diagnostic Coding Book(s) - ICD-9-CM

Plan system of appropriate procedure and diagnostic coding.

Interview/Meet with the local collection agencies.

Determine fee schedule.

Decide on collection/insurance policy.

Accounting Systems

Payroll

Accounts Payable

Financial Reporting

Management Reporting and Monitoring

Open:

Personal Checking/Savings Account

Business Checking/Savings Account

Consider a Money Market Fund: opened directly or through a stockbroker

Establish a petty cash fund

Establish a change fund.

Accounting & Tax Planning & Compliance

Select legal form of practice

Apply for your Federal Employer Identification number through your local IRS office.

Apply for your State Employer Identification number and state unemployment number

Make appropriate elections with the IRS

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Facility & Equipment

Check sites for leasing/buying medical office space.

Check zoning ordinances with your local City Hall and/or Zoning Board regarding signage, type of businesses allowed in the area and ask about any anticipated changes.

Check on utility requirements for the office.

If leasing, see if any leasehold improvements are needed and when you can start making these improvements.

Determine office layout and design.

Determine office and medical equipment needed. If installing x-ray equipment, check with the State Health Department, Radiological Health Section, to see if special registration or certificate is required. Same checks should be made for laboratory or outpatient surgery facilities.

Evaluate office lease and/or partnership agreement contracts with your attorney *before* you sign them.

Obtain bids on major office equipment you will need: Compare lease versus purchase. Be sure to get guarantee of delivery date and in-transit insurance.

Items to Consider:

Dictating Machine

Intercom System

Exam room/Medical Equipment

Photocopy/Scanner

Typewriter/Work Processor

Telephone Equipment

Adding Machine

Light Signaling System

Purchase office equipment and furniture; arrange for delivery date.

Reception Room/Office Furniture and Decorations

Decide on and order magazines for Reception Room

Computer Systems

Arrange for telephone installation.

Select and Arrange for Internet Service Provider

Have utilities turned on:

Telephone

Electricity

Gas

Water

Arrange for as needed:

Janitorial Service

Laundry Service

Lawn Care Service

Risk Management & Insurance

Arrange for necessary insurance policies:

Professional Malpractice Insurance:

Office overhead

Office Liability

Business Interruption

Employee Fidelity Bond

Office Contents

Umbrella: Provides comprehensive catastrophic liability coverage for liability claims beyond the limits of your regular liability programs.

Worker's Compensation: This is often required by law and is determined on a state by state basis. Check with your state's Worker's Compensation Board Industrial Commission.

Health/Major Medical for yourself and employees.

Disability

Life

Automobile

Human Resources Issues

Write your State Department of Labor for State employment regulations and wage and hour information.

Write preliminary job descriptions for employees.

Write policy manual (personnel, OSHA) for your office employees.

Check local resources for personnel.

Start interviewing for office/clinical personnel.

Supplies

Clinical

Prepare list of clinical supplies needed

Price shop and order

Office & Administrative Supplies

Prepare list of clinical supplies needed

Price shop and order

Things to Consider

Appointment Cards

Business Cards

Patient Recall Systems

Stationery Supplies, Letterhead, Stationery and Envelopes

Deposit Stamp for Checks

Prescription Pads

Medical Journals for yourself

Preprinted telephone message pads.

Outside Services

Laboratory Services

X-ray Services

Attorney

Banker

Insurance Broker(s)

Real Estate Broker