

PRACTICE MANAGEMENT CHECKLIST / PRACTICE START-UP

LEGAL ISSUES (NINE MONTHS BEFORE OPENING):

- _____ Choose solo, partnership, or incorporation.
- _____ Select Practice Consultant.
- _____ Choose Legal Counsel
- _____ Select CPA
- _____ Develop practice business plan (initial) to include hospital affiliation(s) and contract.
- _____ Organize all relevant legal and licensure documents.

SITE SELECTION:

- _____ Select a real estate broker/agent.
- _____ Check sites for leasing/buying medical office space.
- _____ Evaluate office lease and/or partnership agreement contracts with your attorney before you sign them.
- _____ Office leasing, see if any leasehold improvements are needed and when you can start making those improvements.
- _____ Check zoning ordinances with your local city hall and/or zoning Board regarding signage, type of businesses allowed in the area
and ask about anticipated changes...If you do not do this personally, make certain your realtor does.

PPSS:

- _____ **Select an architect (if improvements are needed)**
- _____ **Negotiate lease. Determine build out allowance per square foot. Will it be turnkey lease or are you responsible for service and maintenance.**
- _____ **Determine load bearing capacity of structure for heavy equipment installation.**
- _____ **Select a contractor.**
- _____ **Develop a facility budget.**

BANKING/FINANCE/INSURANCE:

- _____ **Examine net worth in terms of capital available for start-up costs.**
- _____ **Make staffing projections.**
- _____ **Prepare a capital and operating budget which outlines physician and staff needs and goals for the first year. (Collection %, overhead %, number of projected visits, gross billings and expenses).**
- _____ **Prepare a monthly cash flow statement.**
- _____ **Draw up a month-by-month income/expenditure projection for the first year of practice. Begin negotiating a loan. Pick up loan applications and meet loan officers to determine what information the bank needs from you to evaluate application.**
- _____ **Choose financial planner and banker.**
- _____ **Open personal and business checking/savings accounts and a Line of Credit.**
- _____ **Arrange for patient payments by credit card (MC, Visa, AE).**
- _____ **Determine office and medical equipment needed (by specialty).**
- _____ **Select reference laboratory provider.**

Decide on and order Medical Records system.

If installing x-ray equipment, check with the state health department to procure licensure and certification.

Open bids on all major office equipment you will need. Compare lease versus purchase. Be sure to get a guaranteed delivery date in writing and purchase transit insurance.

File CLIA registration documents and pay \$100.00 fee.

PERMITS AND LICENSES:

State medical license.

County, state, medical, national, and specialty society memberships.

**Obtain narcotics license:
State: check with medical licensing board.
Federal: DEA; Department of Justice; P.O. Box 28083;
Central Station; Washington, D.C. 20005; (202) 633-1000.**

Inform state medical licensure board of new address.

SITE SERVICES AND INDESPENSABLE SERVICES:

Secure office and home phone numbers. For your office phone, "get one that is easy to remember."

Decide if you want home phone number listed under the same name as your office. Obtain WHITE AND YELLOW PAGE listing deadlines and costs.

SIX MONTHS BEFORE OPENING PRACTICE

DATE:

BANKS, FINANCE AND INSURANCE:

_____ Choose your insurance broker and discuss needs.

PERMITS AND LICENSES:

_____ Contact Medicare, Medicaid, BC/BS, and other commercial carriers for provider numbers, prevailing fees, insurance forms and coding information.

_____ Submit application for hospital privileges.

_____ Obtain city and county occupational licenses available from the city/county clerk's office or city hall.
Your CPA should be consulted in this matter.

_____ Meet with the professional representative from the Medicare fiscal intermediary (the local medical society will advise you as to which company this is); Medicaid (administered by your state health and human services agency), BC/BS; and other major commercial carriers:

_____ Provider Numbers

_____ Prevailing Fees (Medicare only)

_____ Insurance forms preferred/claim/Superbill!

_____ Procedure coding/CPT-4, EDS, Medicaid, etc.

_____ Diagnostic coding/ICD-9-CM, etc.

_____ Decide on participant as BC/BS provider?

FURNITURE/FORMS/OFFICE and CLINICAL SUPPLIES/EQUIPMENT:

- _____ List of office equipment needs and services is prepared which includes guidelines for purchasing and contracting as needed.
- _____ Shop for office furniture/artwork/pictures, etc.
- _____ Photocopier; obtain guaranteed delivery date. Consider maintenance contract.
- _____ Order reference texts (PDR, ICD-9-CM, CPT-4, HCPC)

SITE SERVICES and INDISPENSABLE SERVICES:

- _____ Check on utility requirements and deposits for office.
- _____ Decide whether to purchase or lease telephone system and obtain guaranteed installation date.
- _____ At time of phone system negotiation, be sure and inform phone company representative of any special lines you may need for FAX machines or computer systems.

ACCOUNTING/RECORDS ADMINISTRATION/REIMBURSEMENT:

- _____ Plan and order AR/AP system; manual pegboards or computerized, including appropriate procedural and diagnostic coding.
- _____ Plan and order payroll system.
- _____ Choose bookkeeping and billing system (manual or computer, allow training time for personnel on any computer systems decided upon).

MARKETING: (TWO TO THREE WEEKS)

- _____ Develop marketing plan. This includes suggested

activities over the first six months that will help attract new patients, establish a good PR image of professionalism and will promote practice.

THREE MONTHS BEFORE OPENING _____ DATE:

BANKING/FINANCE/INSURANCE:

Buy Insurance:

- _____ Professional Liability
- _____ Office Overhead
- _____ General Liability & Contents
- _____ Business Interruption/Disability
- _____ Bonding
- _____ Umbrella; provides for catastrophic liability coverage for liability claims beyond limits of regular liability.
- _____ Worker's Compensation/Often required by state and federal law. Not required in all states. Check with SWC Board.
- _____ Health; Major Medical for self & staff.
- _____ Life
- _____ Automotive

PERMITS and LICENSES:

Apply for your Federal Employer ID# through your local IRS office (SS4 Form).

Apply for your State Employer ID# through your state employment office/labor department.

FURNITURE/FORMS/OFFICE and CLINICAL SUPPLIES/EQUIPMENT:

Decide on magazine subscriptions for the office.

Have all forms typeset and printed.

Order medical supplies and instruments.

Order clinical supplies and set up inventory control system (will provide sample upon request).

**Order Business Supplies:
appointment cards
business cards (be selective)
letterhead and envelopes/stationery
stationary supplies at quick shop
will provide "Patient Recall System"
will provide "petty cash vouchers"
deposit stamp for checks at office
purchase order forms (be selective)
pre-printed telephone message pads
office equipment & furniture/arrange for delivery date/
guaranteed in writing/shipping & damage insurance if needed.**

Write your patient information booklet and have it printed. For helpful tips, purchase the AMA Patient Relations Pack (OP280) which includes three items: Winning Ways With Patients, Talking With Patients, and Preparing A Patient Information Booklet. Call toll free 1-800-621-8335 for ordering.

SITE SERVICES and INDISPENSABLE SERVICES:

Decide on answering service (discuss with older physicians).

Obtain Beeper Service

Physicians exchange (relay to hospital/residence/medical society).

Appoint staff member as supervisor/clinical and manager/ business office & personnel.

Alternate pager services and cellular phones for person and automobile.

Decide on security needs--find out if break-ins are routine or rare for pharmaceuticals. Double lock office inventory.

ACCOUNTING/RECORDS ADMINISTRATION/REIMBURSEMENT:

- _____ Review tax requirements with accountant.
- _____ Develop fee schedules.
- _____ Have "superbills and billing forms" printed.
- _____ Select collection agency.
- _____ Plan and order appointment scheduling book.
- _____ Obtain EOD and EOM report forms. (Samples provided).
- _____ Set up accounting and control procedures.

SYSTEMS:

- _____ Evaluate, select, and contract for computer billing & financial services -- independent, hospital, or MSO.
- _____ Set up training schedule for all computer related and data processing services.
- _____ User's manual or services manual.

HUMAN RESOURCES:

- _____ Write to your state Department of Labor for state employment regulations and Wage & Hour information/SEITF.
- _____ Obtain "Small Business Tax Guide" and your Federal Estimated Income Tax Forms through your local IRS office or attend a Small Business Tax Seminar at your local IRS office.
- _____ Obtain payroll withholding booklets (federal, state, and city) through your local IRS office.
- _____ Determine final staff needs and develop preliminary job descriptions.

_____ Write office policies and procedures, or obtain pre-printed from consultant:

- Billings and Collection
- Human Resources
- Medical Records
- Appointments/Registration
- Business
- Petty Cash
- Inventory
- Laboratory
- Radiology

MARKETING:

_____ Arrange to attend Grand Rounds at the local hospital(s)

_____ Check on membership in civic & church organizations.

_____ Find out if there is a patient referral service available through the local medical society. Provide them with essential information.

_____ Begin developing your professional referral list.

_____ Obtain medical staff list from each hospital.

_____ Plan and begin marketing activities(brochures, ads, news releases, announcements, and referral contracts, etc.).

TWO MONTHS BEFORE OPENING DATE:

PERMITS and LICENSES:

_____ Request a list of HMO's and PPO's from local hospital. Also, obtain a list of employers from hospital or

Chamber of Commerce for W/C purposes. Contact each one of these organizations personally and complete all applications/provider paperwork in a timely manner.

_____ Create a resources file on third party carrier guidelines and regulations with completed sample claim forms.

_____ Arrange, or have contractor arrange for fire safety inspection. **if facility is leased, have owner arrange pay necessary fees.**

FURNITURE/FORMS/OFFICE and CLINICAL SUPPLIES/EQUIPMENT:

_____ Decide on and order Medical Journals yourself.

_____ Contract with pest control service (lease/owner).

_____ Secure trash removal services (infectious/regular).

_____ Finalize reference lab arrangements (scrutinize fees).

_____ Make radiology service arrangements (STARK II)/fees!

_____ Notify pharmaceutical representatives/sales clerks that you have established a practice. (Good source for office prescription pads). Samples, etc.

FORTY-FIVE DAYS BEFORE OPENING (45) DATE:

_____ Check local resources and advertise for employees.

THIRTY DAYS BEFORE OPENING (30) DATE:

FURNITURE/FORMS/OFFICE and CLINICAL SUPPLIES/EQUIPMENT:

_____ Arrange for postage meter

SITE SERVICES and INDISPENSABLE SERVICES:

_____ Have utilities connected and turned on one week before:

Electricity
Gas
Telephone
Water

_____ Contract for janitorial services; if hospital owns premises, contract for cleaning services within square footage charge. Clean office prior to open house.

_____ Contract with lawn maintenance service, unless such services are part of lease agreement with owner.

_____ Advertise OPEN HOUSE!!!!/have hospital pay for it.

_____ Renotify area pharmacists.

_____ Arrange for movers, have hospital maintenance assist.

_____ Arrange for laundry service, if allowed, have hospital provide service.

NOTE: remember all services provided by hospital(s) are subject to scrutiny by Medicare, HCFA, and other regulatory agencies.

_____ Hire staff:

Receptionist/clerk
RN or LPN
Medical Assistant
Office Manager
Others as needed

_____ Comprehensive orientation and training of each individual staff member in all phases of operation/cross-train each employee in all areas to maximize efficiency.

_____ Arrange for lab coats and uniforms/good idea to provide first set of clothes for staff.

_____ **Name Tags/visual is preferred/big letters**

_____ **Arrange for transcription services**

_____ **Start making appointments**

SPECIAL ORDERS:

_____ **Complete office set-up; including cash drawer/use three or two tiered system with money handling.**

_____ **Plan open house**

THIRTY DAYS AFTER OPENING

DATE:

MARKETING:

_____ **Mail out announcements to physicians, pharmacists, hospitals and other health related groups/agencies.**

_____ **Meet physicians who are potential referral sources BEFORE AND AFTER OPENING!**

_____ **Arrange with local newspapers to publish practice announcement ads.**

_____ **Place announcements with community groups on health topics.**

_____ **Talk with social agencies and other referring agencies.**

Have hospital and local Chamber of Commerce assist with Open House and getting the word out to area employers. The Industrial/Economic Development Board is another excellent source. Get to know all civic and political leaders. Joining a civic club is an important vehicle of expedient assimilation into the community.