

**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.**

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**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.**