



Returning to Private Practice: Plan Your Work, Work Your Plan

DONNA J. KELL

Many physicians who had been employed by hospital systems or group practices in the 1990s are now deciding to re-enter into private and often solo medical practice.

If you are one of these courageous individuals, the checklist below should help with the numerous daunting, but doable, tasks involved with a startup.

Before you clip this checklist to begin planning the big change, please keep a few things in mind:

- Although this checklist is fairly comprehensive, it is also generic. It may not encompass every single item required for your specific specialty.
- Think about how much time you have or will need to complete the startup tasks. Often, there is much to accomplish in a very short timeframe. Be realistic about the ability of you and your staff to complete everything. If you lack time or people, it may be beneficial to hire outside resources. Experienced independent contractors can help you through the multiple facets of your startup plan without becoming permanent expenditures.
- Engage an attorney and an accountant. Include them in your planning and delegate tasks appropriate to their areas of expertise. Their valuable perspectives and knowledge will augment your ability to build a solid framework from which you will launch your venture.
- Be involved and stay involved! Your personal participation with the project guarantees its success.

The checklist contains seven functional areas of practice management. Priorities have been assigned within functional area according to the sequence that this writer believes is optimal; of course, each checklist user will adjust priorities according to preferences.

Functional Area: Administration

Legal (Priority 1)

- Select legal adviser
- Determine corporate structure
- Apply for professional corporation in appropriate state
- Apply for tax identification number
- Separation Issues (from current employer/partnership):
 1. A/R ownership
 2. Transfer of assets
 3. Transfer of provider numbers
 4. Contracts
- Physician contracts for new/employed physicians

Hospital Relations (Priority 1)

- Privilege status at local hospitals
- Credentialling
- Committee representation

Facility (Priority 2)

- Review current building/facility lease/negotiation
- Identify locale of office if not currently established
- Obtain financing for facility (space design/build-out)

Insurance Coverage (Priority 2)

- Provider Insurance:
 1. Malpractice
 2. Disability
 3. Health
 4. Life
 5. Dental
 6. Vision
- Workers' Compensation
- Unemployment
- Business interruption
- General liability

Equipment & Supplies (Priority 3)

- Determine fixed asset requirements
 1. Inventory tangible assets
 2. Determine any remaining future lease or debt obligations associated with assets
 3. Identify additional items needed and capital requirements to support purchase
 4. Choose and contact vendors for office and clinical supplies

Purchased Services (Priority 4)

- Transcription
- Biohazard waste
- Housekeeping
- Magazine subscription service for reception area

Functional Area: Marketing (Priority 2)

- Practice name
- Document directions to practice
- Signage
- Stationery and business card format
- Brochure/website
- Appointment cards
- Printing service
- Marketing plan
- Patient demographics/marketing research
- Patient handbook
- Announcement of change for patients
- Communications with referral sources into practice, out of the practice
- Outside income, maintaining relationships

continued on page 433

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Functional Area: Clinical Management

(Priority 4)

- Physician CVs
- Physician Licenses
- Physician DEA certificates
- Physician Board certification
- Physician CPE requirements
- Ancillary services
 1. Laboratory (CLIA certification)
 2. Radiology
 3. Establish the need for independent contracting or hiring a specialist
- Patient management protocols
- Drug protocols
- Call coverage
- Triage procedures
- Referral management to and from the practice
- Chart forms

- Patient scheduling
 1. Determine each provider's work schedule
 2. Build scheduling spreadsheet
 3. Build scheduling template in test
 4. Test/train practice
 5. Schedule live data
 6. Document conversion plan, if applicable
 7. Load scheduled appointments
 8. Go live with appointment scheduling
- File assembly and documentation
 1. Chartbacks
 2. Alpha lettering
 3. Patient name labels
 4. Chart forms
 - a. H&P
 - b. Continuation sheet
 - c. Patient history
 - d. Test results
 - e. Medication records
 - f. Problem sheet
 - g. Consents for treatment
 - h. Records release forms
- Prescription forms
- Policy & procedures
- Coding/compliance with HCFA regs

Functional Area: Human Resources (Priority 2)

- Organization chart
- Staffing analysis to determine levels needed to service hours of the office and other operational requirements
- Salary levels
- Payroll system
 1. Internal processes
 2. Outside payroll services
- Fringe benefit structure:
 1. Health insurance
 2. Dental insurance
 3. Vision insurance
 4. Vacation/sick time policy
 5. Holidays
 6. Life insurance
 7. Disability insurance
 8. Pension and profit sharing
- Job descriptions
- Performance evaluation process



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- Employee handbook
- Staff training, including HIPAA
- Orientation package/establish controls to ensure that new employee paperwork is completed
- Government employment posters (OSHA compliance)
- Sexual harassment brochures
- Establish travel policy and continuing education for physicians
- Physician recruitment
- Practice Manager
 1. Job description
 2. Determine the need based upon size of practice and sophistication of physician management
 3. Compensation structure
 4. Recruitment
 5. Hiring
 6. Transition

Functional Area: Financial Resources (*Priority 3*)

- Chart of accounts
- Financial statement design
- Tax returns
- General ledger processes
- Banking services
 1. Payroll account
 2. Business account
 3. Check system
 4. Night/online deposits
 5. Signature cards
 6. Credit line
 7. Lockbox and billing interface capabilities
- Develop a budget and monitoring procedures
- Establish a petty cash fund and related controls
- Policy & procedure
- A/P processes and controls
 1. Purchase orders
 2. Authority for ordering
 3. Accepting orders
- Change fund (for front desk)
- Postage/FedEx/UPS arrangements
- Management Reports (Daily/Monthly/Quarterly/Annually):
 1. Physicians' productivity by CPT/provider/insurance/location/TOTAL
 2. Charges, payments, adjustments

3. Fee schedule analysis
4. Type of service analysis
5. Aged A/R
6. Units of service by CPT/provider/insurance/location/TOTAL
7. Financial statements

Functional Area: Information Systems

(*Priority 2*)

- Software packages (accounting/billing/EMR)
- Hardware (accounting and billing)
- Maintenance agreements
- Security/access to HW/SW applications
- Telephone system/voice mail/e-mail
- Answering service

Functional Area: Billing & A/R Management

(*Priority 2*)

- Develop courtesy and discount procedures
- Determine method of patient notification for payment/self-pay collections
- Determine the need for a collection agency with >120 day accounts
- Document procedures for pursuit of A/R from insurance carriers and patients
- Establish assignment accounts
- Billing procedures
 1. Fee schedule
 2. Superbill
 3. Documentation of hospital services/procedures
 4. Documentation of control procedures to ensure full entry of all services
- Patient statements/format
- Compliance with HCFA regulations for coding and billing
- Credentialing with key insurance carriers
 1. Medicare
 2. Medicaid
 3. Blue Shield
 4. Medical Assistance
 5. Other insurers
- Identify preferred insurer participation list
- Obtain enrollment requirements
- Submit applications
- Negotiate agreements

- Establish mechanisms for on-line processing of claims and enrollment verification/ECS
- Policy and procedures/accounting controls
- Credit/Debit cards (acceptance)
- Current ICD9 and CPT4 manuals ☐☐

Ms. Kell is CEO of the Kell Group, LLC, a local medical billing and consulting firm. She can be reached at (412) 381-5160 or dkell@kellgroup.com.

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