



General Considerations in Starting an Endocrine Practice

Todd W. Frieze, MD, FACP, FACE, ECNU, CCD
Endocrine Care Center, PLLC
Biloxi, MS

Start-up Overview

- ✦ Start organizing early to allow time for new considerations and adjustments
- ✦ Establish a time line
 - ✦ Begin planning now
 - ✦ Determine milestones to be met at certain time points
- ✦ Personal networking and professional advice can help
- ✦ Aspirations and desire are most important

Defining Your Goal = Success

- ✦ Success can be based on ...
 - ✦ Wealth
 - ✦ Time with family
 - ✦ Professional satisfaction
- ✦ Decisions you must make will involve ...
 - ✦ You
 - ✦ Your family
 - ✦ Your long term goals

Set Your Priorities

- ✦ Time spent with family
- ✦ Hours spent at work
- ✦ Specific endocrine foci e.g. diabetes
- ✦ Type of interaction with patients
- ✦ Financial goals and tolerance for risk
- ✦ Need for clinical challenges
- ✦ Need for education
- ✦ Need for altruism/community service

Select Consultants Early

- ✦ Choose an expert with physician experience
- ✦ Choose before setting up legal structure
- ✦ Optimize tax advantages and flexibility
- ✦ Establish internal controls for tracking cash flow, profit and loss statements, payroll withholdings, quarterly taxes, operating budget

Consultants or Experts Needed

- ✦ Accounting (CPA, bookkeeper)
- ✦ Banking
- ✦ Human Resources
- ✦ Information Technology
- ✦ Insurance Agent/Broker
- ✦ Legal
- ✦ Practice Management

Choose Professional Path

- ✦ Starting your own solo practice
- ✦ Joining an existing group
 - ✦ Single sub-specialty Endocrinology
 - ✦ Multi-specialty or multi-sub-specialty
- ✦ General endocrine vs. narrower focus
- ✦ Clinical vs. Academic vs. Research

Starting Your Own Practice

- ✦ Can be scary prospect, but doable even right out of fellowship
- ✦ You may be first in an area
- ✦ Financial supporters ready and willing to help in exchange for time, etc.
- ✦ **Endocrinologists are valuable commodity to hospital/community**
- ✦ Good staff and advice from others critical

Starting Your Own Practice

Risks

- ✦ Cost of start-up
- ✦ Stress
- ✦ Patient load, or lack of
- ✦ Profit vs. Loss
- ✦ You are the boss
 - ✦ Making wrong decisions
 - ✦ Office protocol your responsibility

Benefits

- ✦ Only paying for YOU
- ✦ Monetary rewards solely for you
- ✦ Quality control
- ✦ You are the boss
 - ✦ Sole decision maker
 - ✦ Select employees

Joining an Existing Practice

- ✦ Camaraderie may be enjoyable
- ✦ Referral patterns already established
- ✦ Business framework already established
 - ✦ Simply, show up and do your job in most cases
 - ✦ Other providers present help to cover overhead (rent, equipment, employees, utility, etc.)
 - ✦ Other providers to cover your absence

Joining an Existing Practice

- ✦ Financially and otherwise, must agree to terms of the group
- ✦ In many ways, “married” to the group
 - ✦ If you do something wrong, it reflects on them
 - ✦ If they do something wrong, it reflects on you

Joining an Existing Practice

Endocrinology only

- ✦ Most practices inundated, \geq 2-3 month wait lists
- ✦ Nearly all practices are looking for help
- ✦ Ready resources to discuss cases/answer questions as you get started
- ✦ Look at practice closely to see if you will get “niched” into limited area

Joining an Existing Practice

Multi-speciality/subspecialty

- ✦ Most practices also looking for help
- ✦ Many groups want someone to manage the diabetics as sole purpose
- ✦ May be desirable if considering starting a family or considering part-time work

Academic Practice

Good

- ✦ Personal growth
- ✦ Ability to help and influence trainees
- ✦ Time to breathe and plan
- ✦ Opportunity to leave mark
- ✦ Balance
- ✦ Potential for different roles

Bad

- ✦ Navigating the system
- ✦ Lack of control
- ✦ Forces beyond you
- ✦ Benchmarking
- ✦ Change is slow
- ✦ Salary
 - ✦ Generally lower
 - ✦ Curve flat or not as steep

Academic Practice

- ✦ Performance evaluation
 - ✦ Patient productivity based on RVUs
 - ✦ Academic productivity and Grants
 - ✦ Time spent teaching
- ✦ Promotion varies from institution to institution
 - ✦ Generally dependent upon academic productivity
 - ✦ Depends on track (research, clinical, educator)

Choosing a Location

- ✦ Type of practice will influence location
- ✦ Location near hospital can be competitive advantage
- ✦ Location, rather than cost, should drive decision
- ✦ Understand cost and ownership issues
- ✦ Underserved areas often have good income potential

Choosing a Location: Personal Factors

- ✦ Climate and pollution
- ✦ Proximity to family and friends
- ✦ Affordable housing
- ✦ Schools and community services
- ✦ Local economy and taxes
- ✦ Ease of transportation
- ✦ Proximity to cultural activity and recreation

Choosing a Location: Professional Factors

- ✦ Access to patients – insurance issues
- ✦ Community demographics and likely patient base
- ✦ Malpractice costs
- ✦ Availability of support resources
- ✦ Laws of state and state medical authority

Choosing a Location: Professional Factors

- ✦ Must determine need for endocrinologist
 - ✦ Utilize consultants already mentioned
 - ✦ Contact local medical society and hospitals
- ✦ Consider the competition
 - ✦ Other endocrinologists
 - ✦ Hospital systems
 - ✦ Multi-specialty groups
 - ✦ Other physicians and physician extenders

Regulations and Licensing

Start approx 6 months in advance

- ✦ Business License City/county
- ✦ Employer ID# (EIN) IRS
- ✦ State Tax ID# State
- ✦ State Medical License State
- ✦ Medical Staff Privileges Hospital
- ✦ Federal Narcotics License DEA
- ✦ State Narcotics License State
- ✦ National Provider Identification (NPI) # CMS
- ✦ Medicare Provider # CMS
- ✦ Laboratory License CMS-CLIA
- ✦ Nuclear License State

Other Regulatory Exposures

- ✦ HIPAA
- ✦ JCAHO
- ✦ OIG
- ✦ OSHA
- ✦ Dept of Labor
- ✦ Dept of Justice

Memberships and Affiliations

- ✦ Managed Care Organizations
 - ✦ Plan, select, and apply early
 - ✦ What plans are the local PCP's in?
- ✦ AMA
- ✦ Medical Specialty Societies (e.g. **AACE!!!**)
- ✦ State, Regional, and local Medical Organizations

Memberships and Affiliations

- ✦ Call Group - share call with other area Endos
 - ✦ Remember: You are no better than the weakest link in your call rotation
- ✦ Hospital Physician referral service
- ✦ ER coverage?
- ✦ Non-medical
 - ✦ Civic Organizations
 - ✦ Community, Business, and Social Groups

Malpractice Insurance

- ✦ Consider limits above the minimum
- ✦ Insuring the corporation separately may provide savings
- ✦ Cover all healthcare professionals in your employment
- ✦ When changing from one practice to another, make sure tail coverage is in place
- ✦ If considering going bare, make sure you have solid legal consultant

Business Insurance

- ✦ General liability
- ✦ Business contents
- ✦ Property
- ✦ Umbrella liability
- ✦ Business interruption
- ✦ Business automobile
- ✦ Employee theft/embezzlement
- ✦ Worker's compensation

General Commercial Liability

- ✦ Comprehensive coverage against action brought against you by third parties
- ✦ Personal injury
- ✦ Product liability
- ✦ Advertising liability
- ✦ Contractual liability

Dimensions of Competition

- ✦ You may provide best quality care, but patients often unable to evaluate or perceive this
- ✦ Emphasize quality, but find additional ways to differentiate yourself in minds of patients
 - ✦ Speed
 - ✦ Experience
 - ✦ Patient education
 - ✦ Web presence
 - ✦ Courtesy
 - ✦ Superior communication
 - ✦ Community outreach

Marketing Activities

- ✦ Yellow pages
- ✦ Paid advertising
- ✦ Referral sources
- ✦ Business cards
- ✦ Business stationary
- ✦ Other printed items
- ✦ Educational material
- ✦ Newcomer welcome services
- ✦ Health fairs
- ✦ Social/civic groups
- ✦ Medical speaking
- ✦ Community speaking
- ✦ **Online presence**
- ✦ Practice brochure

On-Line/Web Presence

- ✦ Some minimal presence is in order
- ✦ Serves new AND existing patients
- ✦ Marketing and practice management benefits
- ✦ Prices vary widely to create/maintain
- ✦ Web hosting companies that focus on the medical practice can provide significant benefits WITHOUT requiring IT expertise

Practice Materials

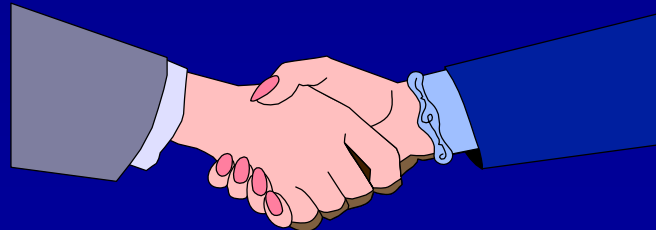
- ✦ Brochure/website provide image of practice to prospective patients and referral sources
- ✦ Provide patient forms and information online, saving time at the office
- ✦ Educational materials do double duty
 - ✦ Help patients and increase patient satisfaction
 - ✦ Help the practice

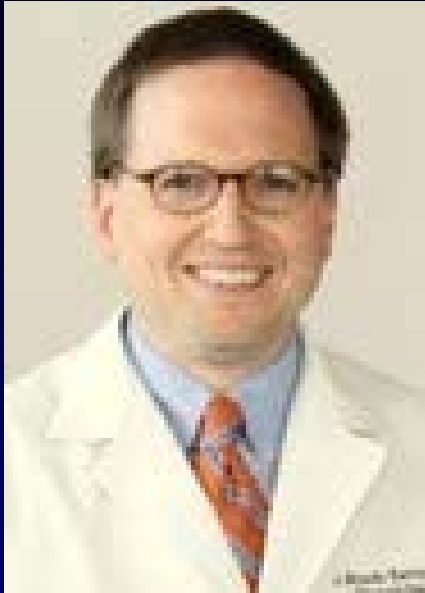
Practice Material Information

- ✦ Professional physician profile
- ✦ Practice philosophy, explanation of endocrinology
- ✦ Address, location, and contact information
- ✦ Available services and hours
- ✦ Office policies, including prescription refills
- ✦ Forms of payment, payment plans, and insurance accepted
- ✦ Hospital affiliations

Conclusion

- ✦ You are about to embark on the most rewarding and enjoyable part of your professional career
- ✦ But, many challenges lie ahead
- ✦ AACE ...
 - ✦ Is committed to listen to you
 - ✦ Will provide help when you want it
 - ✦ Has many available resources, so use them!!!





**Special
Thanks
to My
Colleagues
& Mentors**



Questions???