

Starting a Practice  
*A Guide for New Physicians*



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# Introduction



Starting your own medical practice can be exciting, rewarding, and sometimes overwhelming.

Like any other enterprise, a medical practice involves planning, financing, accounting, equipment, staffing, and other business details. You are now faced with a multitude of decisions, many of which you may have never considered during your medical training.

To help you address and clarify these decisions, the Ontario Medical Association (OMA) has prepared this reference guide. You'll find sound advice on managing your practice, handy practice checklists, guidelines on the timing of necessary steps, and more.

Running a successful medical practice is made up, at least initially, of fairly equal parts of administration and medicine. Only when the business side of a practice becomes efficient can you afford to devote the maximum time and attention to the medical side.

By following smart business and management practices from the start, you can help ensure that you will achieve your professional and personal plans, now and well into the future.

For more guidance, please contact the OMA's Practice Management and Advisory Services at [practice.management@oma.org](mailto:practice.management@oma.org), or toll-free at 1.800.268.7215 (416.599.2580 in the Toronto area).

## 1. The Planning Process for Start-Ups

### What type of plans should I consider?

There is a saying that "if you don't know where you're going, any road will take you there." In business, your plans become an invaluable road map to your future.

All plans hinge on a key question: What do you want from your career? That is the philosophy for your personal and professional goals, and how you want to practice medicine. Everything that you do as a physician and as a business person should be rooted in that mission.

There are several types of planning tools, which all connect. Here are some terms you may have heard, which form the basis for sound planning:

- Strategic plan — translates your philosophical position into long-term objectives as well as shorter-term goals for a specific period of time.
- Operational plan — translates your goals into specific plans for day-to-day activities.
- Business plan — a formal statement of your business goals, the reasons why you believe they're attainable, and the plan for reaching them (see below and in Appendix A).
- Financial plan — states your strategic and operational plans in terms of dollars and cents.

Any plan works from the general to the detailed. All these plans should be in writing. Written plans increase the confidence of your lenders, share key information to your advisors and business contacts (about your stability and abilities), and, just as important, clarify your thinking.

### What does a business plan include?

An effective business plan is important not only for obtaining financing, but also for helping you make informed decisions before making any legal or financial commitments. A business plan is your blueprint, defining the practice, and in some cases agreements between partners. It's also a tool to help you perform a SWOT analysis — strength, weakness, opportunities, and threats.

There are numerous ways to organize a business plan, but many plans feature these seven elements:

1. Executive Summary: highlights of your business, and how you'll accomplish your goals.
2. Participants: description of individuals involved in the business (background/qualifications).
3. Products/Services: describes what you do and how it stands out from the crowd.
4. Market Analysis: your typical client, competition, market size, and growth potential.
5. Implementation Strategy: how you will market yourself and put your plans in action.
6. Potential Problems: describes anticipated obstacles and how you intend to overcome them.
7. Financial Plan: describe key financial data (e.g., expected cash flow, expenses, and profit).

Physicians have spent many years developing medical skills but not, most likely, business writing skills. Therefore, you may need some professional guidance when developing a business plan. There are many models.

Appendix A includes a sample business plan outline.

Remember, not all topics are applicable to every plan, so tailor it to your needs and to the realities of operating a medical practice vs. another type of business.

For guidance in creating your plan, talk to your accountant, or to the account manager at your financial institution. Or reach out to other doctors who might be able to share the main categories of their plan.

### What is the planning cycle?

Planning is a process. The objective is not just to produce a finished document, but to continually think about ways to manage and succeed in the practice.

Fundamentally, your job as manager of your practice consists of a three-phase cycle based on planning:

- Plan – establish objectives, assess the situation, and develop an action plan
- Implement the plan
- Monitor and evaluate the results.

Revisiting and revising a plan yearly, and checking it every six months or so, is a reasonable schedule. You should always be thinking about how to improve your plan and your practice.



## 2. Your Professional Networks: Licenses, Memberships and Advisors

### What professional associations do I need to belong to?

Any physician that plans to practice in Ontario must acquire certain licences and/or memberships. Obtaining some of these may take some time, so it's important to contact organizations during your final stages in residency in order to get registration and information packages. Some of the organizations include:

- Ministry of Health and Long-Term Care (MOHLTC): [www.gov.on.ca/health](http://www.gov.on.ca/health)
- Ontario Medical Association (OMA): [www.oma.org](http://www.oma.org)
- Canadian Medical Association (CMA): [www.cma.ca](http://www.cma.ca)
- Canadian Medical Protective Association (CMPA): [www.cmpa-acpm.ca](http://www.cmpa-acpm.ca)
- College of Physicians and Surgeons of Ontario (CPSO): [www.cpso.on.ca](http://www.cpso.on.ca)
- Royal College of Physicians and Surgeons of Canada (RCPSC): [www.rcpsc.medical.org](http://www.rcpsc.medical.org) (for specialist)
- College of Family Physicians of Canada (CFPC): [www.cfpc.ca](http://www.cfpc.ca) and Ontario College of Family Physicians (OCFP): [www.ocfp.on.ca](http://www.ocfp.on.ca) (for family physicians), and
- Local medical societies.

### What kind of professional advisors do I need?

Your team of advisors will be invaluable in helping you to achieve your professional and personal goals, offering support with everything from creating your business plan to negotiating leases. Some of these roles include:

- Accountants: Advice on business structuring, start-up budget, taxation, cash flow, investments, etc.
- Lawyers: Advice on corporate structure, negotiation of agreements, drafting of contracts, etc.
- Bankers: Advice on financing options, growth considerations, cash flow, risk management, etc., and connections with a network of experts within the financial institution.

This core group of advisors can also help you to source out other professionals you might need, such as a financial management consultant, investment advisor, insurance broker, or real estate consultant.

Ideally, select people who specialize (or have experience) in working with health-care professionals. Interview several before making selections, choose your advisors carefully, and establish a healthy rapport with them. The right advisors will save you a great deal of time, and smooth your entry into practice. They can greatly assist in your quest for practice management proficiency and financial security.

## 3. Deciding How and Where to Practice

### What style of practice will allow me to achieve my goals?

Is it best to start your own practice, form a partnership, or join an established practice? There is no single answer as it depends on various considerations.

For instance, if you decide to go solo, your start up costs will be higher, but you will be your own boss and wholly responsible for your practice's success (a draw to some and not others).

Start up costs will be relatively low if you decide to form a partnership, but your business approach may be different from the other partners.

If you join an established practice, your start up costs will be minimal, and you will spend less administrative time, but you are not your own boss.

There are pros and cons to each option, so ask yourself some key questions:

- What kind of start-up costs am I comfortable with?
- Do I want to be a leader or part of a team?
- Will my partners have the same business philosophy and vision of a successful practice?
- What sort of people do I feel comfortable working with?
- How much time do I want to spend on administration of my practice?
- Do I want to control my expenses or share them?
- If joining a practice, what is the revenue stream?

Ultimately, the question to guide your decision is this: what style of practice is best suited to help you achieve your professional and personal goals?

### What are considerations in choosing a community?

Where to practice is usually a major factor in your professional and personal satisfaction. The community you choose must provide the basis for not only a thriving medical practice, but also for a contented and congenial home life for you and your family.

Among the professional and personal factors to consider in your search:

#### Professional factors:

- need for a physician in the community
- demand for your specialty or sub-specialty
- demographics (i.e., age/socio-economic groups), and your target patient base (for example, if you want a younger patient base, don't choose a community where a large percentage of the residents are going to retire within the next few years)
- availability/access to hospital privileges, diagnostic facilities, support services and consultations (contact hospitals in the community to check the time required to obtain hospital privileges, and on availability of surgery time if this is something you want)
- community economics
- growth/decline in population and demand for services, and
- government incentives for locating in the community.

#### Personal factors:

- cost of living (housing, groceries, etc.)
- standard of living

- social life
- career opportunities for other family members
- transportation facilities
- schools
- shopping
- social and service organizations, and

- recreational and cultural facilities.

To research possible places to locate, good resources include the website of the city or town, local media, community organizations and agencies, and contacts in the medical community.

## 4. Your Office: Selecting, Leasing, Financing and Equipping

### What factors are important in selecting my office?

The location of an office, the costs and state of the building, and the space you need now – and may want for the future – can all influence the success of a medical practice. Consider the following factors:

#### Location:

- high/low visibility
- patient access
- public transit
- proximity to diagnostic services, and
- travelling time (to/from home, hospital, other offices).

#### Building:

- rent per square foot
- cost of leasehold improvements
- mechanical services
- special equipment requirements
- condition and maintenance, and

- parking (visit at different times of the day/week to see how much of the space is available for patients).

#### Space:

- how much usable space you require
- expansion potential, and
- room for potential partners or other services.

Evaluate your current and potential needs – do not underestimate space needs for expansion. It is better to have more than you need now, within reason, because relocation costs can be substantial. Having determined your requirements, focus on at least two locations that meet your criteria. Speak to other tenants and get references.

Before approaching the landlord, prepare a written summary of your requirements. Ask the landlord to provide preliminary space planning services, to show how the available space could look incorporating your requirements. Have your interior designer/construction consultant review the landlord's proposal and prices.

## How should I approach a lease?

Legislation for commercial leases is different than that for residential leases. Therefore, legal advice is essential. The lease documents prepared by the landlord should include all aspects of the “offer to lease”. Your lease represents a large financial liability. So ask your lawyer to review the lease and negotiate any amendments required. Determine the actual cost of leasehold improvements before you decide on how to finance them.

Remember, you cannot rely on oral guarantees and assurances, so cover all details in writing and be sure they are incorporated into the lease.

## What should I do to prepare for financing the practice?

Once you have developed a start-up budget, contact a banker to arrange for financing. It is advisable to have your business plan available when negotiating your financing.

When approaching practice financing, it is critical to be aware of borrowing limitations and the requirements of the new office, the cost of money borrowed, and the cash flow projections for at least the first year. Only borrow what you actually need.

## What kind of office technology, equipment and supplies do I need?

These choices play an integral part in running an efficient medical office. The nature of your practice will determine some needs, but many items are standard for any office. Consider, among others, your need for the list of items to the right.

### Computer systems and information technology:

- accounting
- appointment scheduling
- telephone
- billing, and
- electronic medical records.

### Clinical equipment:

- exam tables
- swivel stools
- exam lights
- utility table, and
- blood pressure machine.

### Furnishings:

- desks
- chairs
- file cabinet, and
- bookshelves.

### Office equipment:

- photocopier
- fax
- printer, and
- refrigerator.

### Office supplies:

- paper
- prescription pads
- letterhead, and
- appointment cards.

# 5. Human Resources Management

## What staff do I need?

The most valuable resource in a medical practice is the physician’s time. Usually, you can delegate routine tasks more cost effectively to trained staff, leaving you free to concentrate on your patients and the practice of medicine. So hiring the right staff is critical to the success of a medical practice.

Start by analyzing the areas where you could best use support staff. What are the tasks to be delegated? How important are they? Who is the right person to do them? How much responsibility are you prepared to delegate? Do you need a nurse? A receptionist? A secretary? A bookkeeper? Many jobs in a physician’s office require a combination of skills. Define the kinds of skills that will best satisfy your needs and the needs of the practice.

## What steps will help ensure the best hires?

Having decided on your staffing needs, you must prepare to select the right candidate. Your odds for success can increase dramatically by following a systematic, step-by-step procedure:

1. Writing a job description
2. Establishing employment conditions
3. Developing policies and procedures
4. Recruiting candidates
5. Screening applicants
6. Interviewing
7. Testing
8. Rating candidates

9. Checking references

10. Hiring

These steps are described in greater details below.

## What should a job description include?

A job description is a primary screening device, which informs prospective candidates what the job entails and outlines the qualifications needed to perform it satisfactorily. For each position, list all of the duties and responsibilities you can think of, and then rank them, usually based on the importance of the function and amount of time needed to perform it.

Clearly state any formal requirements, such as experience, education or special training. The qualifications, experience and level of responsibility you will delegate will all determine the salary of pay to attract, hire and keep any employee. See Appendix B for a sample job description.

Job candidates are entitled to know about the position being offered, general working conditions, and your expectations for performance. So before starting the recruiting/interview process, you should establish the conditions under which employees will be hired.

## What should policies and procedures include?

As you develop positions on a variety of practice and workplace issues, document them in a policies and procedures manual. These are the rules by which you operate, and will help you to train staff, ensure that the office runs efficiently and in a consistent manner, and maintain productive and clear working relationships.

Policies and procedures can cover a wide range of topics – the length of a probationary period, work hours, absenteeism, standards of conduct, dress, how to complete specific tasks (from sending claims to OHIP to recording information in patient files), and much more. Set these before you hire staff, although you can continually adapt and enlarge the manual.

### How should I narrow down candidates to interview?

Recruit as many candidates as you can. The more applicants, the better your chances for picking the right person(s). Ask for written resumes, and learn the art of reading them. Ambiguous statements, frequent job changes and the lack of employment dates, for instance, can be danger signals.

Not everyone will match every single one of your requirements in every respect. You may not find the perfect candidate (however, do not, under any circumstances, consider an applicant who does not meet at least the basic requirements). When you identify candidates with the appropriate work experience, training and positive personal characteristics, place them on your list for a preliminary interview.

### How do I conduct an interview?

Having selected the most promising resumes, arrange the interviews. This initial interview will permit you to:

- ask questions about the candidate's job experiences
- gain some understanding of their personality traits
- form a first impression about their suitability
- explain duties and responsibilities in detail, and
- provide information on fringe benefits, hours of work, etc.

It is wise to take notes about the candidate's strengths and weaknesses so that you can refer back when considering your final selection.

As you are new at interviewing job candidates, you may want tips on appropriate and inappropriate questions. Contact the Ontario Human Rights Commission for guidelines on suitable questioning techniques – [www.ohrc.on.ca](http://www.ohrc.on.ca).

### How can I evaluate candidates?

After conducting a preliminary interview, you still need to assess and rank your candidates in order to make the best selection. Tests are one way to ascertain technical competence.

You can also rate candidates on an equitable basis by using an interview rating scale form (see Appendix C for a sample form). This enables you to quantify individual skills and traits against the job description. You should fill out this form immediately after the candidate leaves your office.

Do your homework by talking to references of the most suitable candidates, and always try to contact the candidate's immediate supervisor in their last job. Ask questions such as:

- In what area did the person work?
- What was the person's attendance like?
- What kind of interpersonal skills does the person have?
- How was the quality of his or her work?
- What was the quantity of work?
- Why did he or she leave?
- What were his or her best/worst attributes?
- What salary was he or she being paid?

You may not get answers to all the questions, but you should be able to compare responses to your impression from your own interview.

### How do I make a hiring offer?

Once you have decided on a candidate, prepare a letter detailing the offer of employment (with the assistance of a lawyer, as needed). The letter should outline the salary for the usual pay period (weekly, bi-weekly or monthly), the starting date, and a summary of benefits (including the basis for vacation entitlement). Attach a copy of the job description to the offer of employment.

### Do I need a contract?

The OMA recommends that physicians sign written contracts with all employees, and has a variety of templates available for this purpose. Contracts must be signed upon employee acceptance of the offer, prior to the first date of employment. Please contact OMA Legal Services or your own lawyer for further information on employment contracts.

### How do I assess performance?

An important management tool is following up with performance appraisals of your staff from time to time. These appraisals must be based on objective criteria, comparing the employee's performance directly to the job description that was discussed during the interview and reviewed on the first day of employment. This job description may change over time to meet the needs of the office (with the agreement of the employee),\* so in such cases base the review on the current job description.

*\* It is important that the physician understands that he or she cannot unilaterally change the job description. This is akin to constructive dismissal. Further, even if the employee agrees, in certain cases, if things went awry it could still be construed as constructive dismissal. It is advisable to seek legal advice before changing job descriptions.*

## 6. Countdown: Timeline to Opening a Practice

To guide your planning, and translate your plans into the day-to-day business of seeing patients in an office, consider the sequence of steps that will culminate in opening a practice.

### What should I do six months to two years before opening a practice?

#### 1. Philosophy and goals

- Long before opening an office, develop a philosophy for practicing medicine, to integrate into your mission statement. The nature of your practice and your mission may change over time, but your basic philosophy will probably remain the same.
- Start writing down practice-related observations and ideas. Talk to colleagues, family and friends to help shape your thinking. Routinely, transfer your notes into a binder

– “Starting My Practice”. Keep two sections, for professional goals and personal goals. As they evolve, ensure that any changes in one area do not negatively impact the other. Your mission statement should strike the right balance between your goals.

#### 2. Envisioning your practice

- Choose a date for opening your practice. Be realistic. It may take more time than you want, but you must be completely ready to open on the day you selected.
- Develop your criteria for the type of practice you are interested in: solo, partnership,

group, multi-specialty, or perhaps an academic setting. Compile questions to ask colleagues who work in various types of practice, and learn the advantages and disadvantages to each to help you refine your decision.

- Start developing your business plan (see section 1 and Appendix A).
- Contact your local medical organizations to get familiar with the rules and regulations of practising medicine.

### 3. Advisors

- Hire professional advisors (e.g., lawyer, accountant, banker, financial management consultant, etc.) to help you make a smooth transition into practising medicine. You will need an accountant early to help you develop a start-up budget and to estimate your cash flow projection for at least your first year of practice.
- Ask physicians in your specialty the three things they would do again in their practice if they were starting out, and the three things they would change. Learn from their experiences.

### 4. Community decision and links

- Think carefully of the community where you'll want to work. That, along with the type of practice, will play a large part in fulfilling your professional and personal goals. See Section 3 for factors in deciding on a location.
- It is a good idea to meet with other physicians in the communities you are considering to see how you might fit in both professionally and personally. For instance, do your interests mesh with a great need in the community? If you are interested in joining a group practice, visit local groups to check their needs and the best possible match for you – what do they offer in philosophy, practice styles and opportunities?

- Once you have selected your community, continue to develop your network of professional contacts there, and learn as much as you can during this period about how to run a successful medical practice.

## What should I do 4-6 months before opening a practice?

### 5. Financing and acquiring space

- Arrange for start-up financing with your banker. Examine your net worth (i.e., capital that you will have available for start-up costs). Things to consider:
  - cost of leasing or purchasing an office versus joining a group
  - cost of leasing or purchasing the necessary equipment for the practice
  - financial projections for the first three years, and
  - marketing plan to ensure steady growth of the practice.
- If you are not joining a group practice, research your options for leasing or buying medical office space. Check zoning ordinances to ensure that you are allowed to open a medical practice in a site of your choice. Plan to be able to move into your new office one month before opening your practice. Find out about other businesses in your immediate vicinity, as these can influence the development of your own practice.
- If you decide to lease, do not try to finalize your office lease on your own. Hire a leasing consultant who, in collaboration with your lawyer, is likely better able to negotiate with the landlord any necessary leasing improvements.
- If you must make changes to your selected space, hire a medical office designer to determine

your office layout and design. This will ensure that your design fits your philosophy, intended patient base and other professional needs.

- Check on utility requirements for your office.

### 6. Researching equipment

- Start developing a list of necessary office and medical equipment. Get quotes from at least two companies who are experienced with the needs of start-up physicians. Compare lease and purchase costs, and research the pros and cons of both.
- Start assessing the technology you want/need. Visit established medical offices (with varying levels of technology use) to answer your questions about their technological needs. Talk to the physicians and to the staff who work with technology the most.
- Reserve an office telephone number, if possible.

## What should I do 2-4 months before opening a practice?

### 7. Licenses and memberships

- Obtain all necessary licences and/or memberships needed for practising medicine, including hospital privileges. Some of the organizations include:
  - Ministry of Health and Long-Term Care (MOHLTC)
  - Ontario Medical Association (OMA)
  - Canadian Medical Association (CMA)
  - Canadian Medical Protective Association (CMPA)
  - College of Physicians and Surgeons of Ontario (CPSO)

- Royal College of Physicians and Surgeons of Canada (RCPSC) – specialists
- College of Family Physicians of Canada (CFPC) – family physicians
- Ontario College of Family Physicians (OCFP) – family physicians
- Local medical societies, and
- Other professional associations or committee affiliations.

- Inform the provincial medical organizations of your new address.

### 8. Advertising and marketing

- Get ideas on how you would like to advertise your new practice. The College of Physicians and Surgeons of Ontario (CPSO) has guidelines for advertising. Contact the Physician Advisory Services at 416.967.2606 or 1.800.268.7096, ext. 606. The OMA also provides a new practice announcement service for a minimal fee. Please send your request to [practice.mailing@oma.org](mailto:practice.mailing@oma.org).
- Notify pharmaceutical and business representatives that you are setting up practice.

### 9. Billing and financial

- Establish your accounts payable, accounts receivable and payroll systems with the help of your accountant.
- Start the process for obtaining your OHIP billing number, if you do not already have one, from the Ontario Ministry of Health and Long-Term Care.
- Contact your local OHIP office for the Health Care Providers Manual and download the fee-for-service Schedule of Benefits at: [14](http://www.health.gov.on.ca/english/pro-</a></li></ul></div><div data-bbox=)

viders/program/ohip/sob/physserv/physerv\_mn.html. Get acquainted with the codes that you will be billing the most, so you can start billing 100% of services from the first day of practice.

- Start developing your Uninsured Services Program if you plan on providing that. Find CPSO's guidelines at <http://www.cpso.on.ca/policies/policies/default.aspx?ID=1612>. Contact the OMA's Economics Department for a booklet called the Physician's Guide to Uninsured Services.

## 10. Forms and supplies

- Ask colleagues in your specialty for examples of their pre-printed forms, and if they would modify them. Start preparing all pre-printed forms you will use in your office.
- Order clinical supplies, arrange for the purchase/lease of your office equipment, and confirm guaranteed delivery dates. Purchase your computer system and plan for training sessions with the vendor.

## 11. Staffing plans

- Decide on the staff you need, their qualifications, and the hours of work and rates of pay. Start developing job descriptions for all staff. Refine responsibilities and tasks.
- Obtain information on employment guidelines from the Ontario Ministry of Labour Employee Standards Branch (<http://www.labour.gov.on.ca/english/es/>) and the Ontario Human Rights Commission ([www.ohrc.on.ca](http://www.ohrc.on.ca)). This will guide you when hiring staff and inform you of questions that you can and cannot ask applicants during interviews.

## What should I do 1-2 months before opening a practice?

### 12. Insurance and accounts

- Arrange for your personal and business insurance needs. Contact the OMA's Insurance Department for details on their programs. Consider, among others: disability, office overhead/liability, business interruption, office contents, life, and automobile.
- Contact Ontario Ministry of Labour, Workers' Safety Insurance Board (WSIB), OHIP and insurance companies for all available information on possible benefits and programs that may be available or critical for your employees.
- Review with your accountant options for bank accounts (business and personal), tax requirements and procedures, appropriate accounting systems (this is the time to set them up), and other financial needs (it's never too early to start thinking about a retirement plan).

### 13. Announcements and notifications

- Develop your opening announcements for the local newspaper (contact CPSO's Physician Advisory Services for guidelines on advertising). Send opening announcements to physicians and local social agencies in the area.
- Meet with referring physicians or specialists to whom you can refer. Start developing a good professional relationship with them and their staff. If you're a specialist, notify other physicians when you'll be able to start booking appointments. You may want to have your telephone/fax lines connected two to four weeks before your opening date for this purpose.
- Notify area pharmacies of your practice start-up date, and your prescription refill policy.
- Advertise for staff and begin the hiring process.

Have job descriptions in place.

### 14. Phone and email

- Select the date for telephone service installation, if you are not joining another practice.
- Set up a business email address.

### 15. Scheduling and hours

- Plan your appointment scheduling system, and decide how many patients you will see each day and the length of appointments. You will need to review that as your practice becomes busier, so include flexibility in the schedule.
- Determine your office hours based on the needs of the community. You may want to offer early morning hours or evening hours if medical services are not available at these times.

### 16. Arranging business services and supplies

- Arrange for the following services if needed or if not covered by your lease/landlord:
  - o janitorial services
  - o sharps disposal
  - o snow removal and yard services
  - o laundry service
  - o handyman.
- Order your business supplies:
  - o business cards
  - o appointment cards
  - o letterhead and envelopes
  - o deposit stamp (for cheques)
  - o prescription pads, and
  - o name stamp.

### 17. Literature

- Subscribe to magazines for your reception area.
- Develop handouts for your patients such as:
  - o booklet on your practice (i.e., introduction to you, office and telephone hours, sub-specialty interests, etc.). You can ask colleagues for their patient booklets for ideas
  - o maps to show location of labs and x-ray facilities, and
  - o Uninsured Services Program (if you plan on offering this service).

## What should I do one month before opening a practice?

### 18. Announcements

- Mail office opening announcements.
- Put up your office sign and place your office opening notice in the local newspaper(s).

### 19. Utilities and equipment

- Have utilities turned on, such as:
  - o telephone/fax
  - o internet access
  - o electricity
  - o gas
  - o water, and
  - o air conditioning/heat.
- Take delivery of all equipment and supplies and start setting up your office.

## 20. Hiring and training

- Hire your staff and have them start at least two weeks before you open. Ensure that they are properly trained in the following areas:
  - use of all technology, such as computerized scheduling and medical records, etc.
  - OHIP Health Card validation
  - OHIP, WSIB and Uninsured Services billings
  - any equipment that they will be handling
  - office policies and procedures, and
  - telephone techniques (front desk protocols).

## 21. Final steps

- Establish a petty cash fund.
- Begin accepting appointments from patients.

## What should I do opening day?

## 22. Staff suggestions

- Improving your practice is a continual process, from the day you open. Provide each staff member with a notebook and ask them to write down suggestions and ideas on a daily basis.

## 22. Acknowledgements

- Send thank you notes to everyone who helped you throughout the entire process
- Don't forget one final acknowledgement: take a deep breath and congratulate yourself!



# 7. Opening a Practice Checklist

This guide is not an exhaustive compilation of everything you need to do to open a practice. But the following checklist should make for a good start on the tasks facing you. Keep track of whether you have taken or considered these steps in your planning.

## Setting Up

- Select a start date to begin practice
- Select professional advisors
- Develop a business plan

## Required Licenses

- Obtain necessary medical certifications and licenses
- Obtain government employer numbers and tax identification numbers
- Obtain a business license
- Obtain an OHIP billing number

## Location and Space Planning

- Determine space requirements
- Find office location to lease/buy
- Negotiate office lease terms
- Have a lawyer review the office lease
- Evaluate space plans
- Co-ordinate move-in
- Co-ordinate signage

## Staffing

- Determine staff positions
- Develop job descriptions
- Specify salary schedule
- Place advertisement for new staff
- Review resumés, interview candidates
- Obtain credentials, check references and conduct background checks

- Create employment contracts
- Make job offers
- Prepare and send new employee employment acceptance letters
- Sign employment contracts
- Set up employee personnel files
- Hold an employee meeting to review office procedures
- Decide on employee benefit package
- Establish communication processes between you and your staff

## Hospital Privileges

- Submit application for hospital privileges
- Evaluate and negotiate hospital privileges if needed

## Financial Planning

- Negotiate financing, if needed
- Open business chequing account
- Purchase/lease credit/debit card machine if needed
- Decide on dates for billing/collection follow up

## Computer — Hardware and Software

- Determine hardware and software requirements
- Select qualified medical software vendors
- Prepare request for proposal
- Co-ordinate software demo

- Evaluate proposals
- Negotiate purchase and service agreement (EMR Agreements should be reviewed by a lawyer)
- Co-ordinate installation
- Co-ordinate and finalize training and system implementation
- All systems in place

### Telephone System

- Determine hardware needs
- Determine lines/features needed
- Obtain telephone number(s)
- Organize installation and checks on the lines
- Set-up telephone answering service
- All systems in place

### Furniture and Equipment

- Review needs
- Prepare budget
- Order office furniture based on needs
- Order medical record filing system
- Obtain quotes/order photocopier, fax machine
- Obtain quotes/order transcript and examination room equipment
- Obtain quotes/order laboratory and clinical equipment
- Obtain quotes/order refrigerator, microwave, and lunch room furniture
- Obtain quotes/order other waiting room furniture

### Advertising and Marketing

- Develop practice logo
- Draft office opening announcement
- Place order for newspaper advertisement

- Do other direct mailing or advertising (e.g., mail announcement cards)
- Co-ordinate letterhead/business card design, prescription pad design
- If specialist, contact and meet referring doctors

### Forms and Supplies

- Draft new patient information form
- Order business cards, office stationery, and letterhead
- Order medical supplies
- Co-ordinate with pharmaceutical representatives

### Operational Issues

- Prepare office policy and procedures manual
- Train staff in business procedures prior to opening
- Set-up bank deposit guidelines
- Set-up daily/monthly financial reporting
- Set-up appointment scheduling guidelines
- Establish procedures for dealing with appointment delays
- Set-up billing and accounts receivables guidelines
- Set-up medical records system
- Set-up accounts payable procedures
- All accounting systems in place

### Insurance

- Evaluate insurance needs
- Obtain malpractice insurance
- Obtain quotes and purchase group health insurance
- Obtain quotes and purchase dental insurance
- Obtain quotes and purchase office liability insurance

- Obtain quotes and purchase WSIB insurance
- Review life insurance for coverage adequacy – increase coverage if necessary
- Review and obtain disability coverage if necessary

### Miscellaneous

- Order reception room periodicals (OMR, magazines, etc.)
- Arrange waste/sharp disposal
- Develop emergency preparedness plan
- Develop emergency exit plan (e.g., location of fire extinguishers)
- CPR training for physician and staff
- Arrange for janitorial services

### Checklist Sources:

[www.mydocsonline.com](http://www.mydocsonline.com)  
[www.firstprofessionals.com](http://www.firstprofessionals.com)



## Conclusion

This reference guide was designed to help physicians when starting up a medical practice. By planning ahead, you can meet all of your business and professional obligations. The information and advice presented here should be considered a guideline only. Your specific needs will vary according to a number of factors, including your specialty, location and type of practice (solo, partnership, group, etc.). This material is provided for assistance and should not be considered a substitute for the advice (including legal and financial) you will need from your own professional advisors.

For more information, or if you have any questions, please call the OMA's Practice Management and Advisory Services toll-free at 1.800.268.7215, or email [practicemanagement@oma.org](mailto:practicemanagement@oma.org). You can also call the Physician Advisory Service of the College of Physicians and Surgeons of Ontario at 416.967.2606 or toll-free at 1.800.268.7096, ext. 606.

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## Appendix A: Business Plan Outline Sample Template

*This template is geared at a business in general. Not all topics will be applicable to a medical practice. This is for guidance only.*

### 1. Cover Sheet

- Business name, address and phone number
- Principals' names
- Date

### 2. Executive Summary

- One paragraph description of the business
- Brief summary of plan
- Marketing strategy
- Major objectives
- Financial requirements and uses
- Product/service description

### 3. Table of Contents

- Each section listed with sub-headings

### 4. History

- Background of principals and/or company origins
- Product/services background
- Brief outline of company successes or experiences
- Corporate structure

### 5. Mission Statement

### 6. Description of Products and Services

- Define what is to be developed and sold
- Patents, trademarks, copyrights

- Status of research and development
- Append catalogues sheets, photos, or technical information

### 7. Marketing

- Target market: size, growth and trends
- market penetration projections
- Analysis of competition — strengths and weaknesses
- Advertising plans
- Pricing, distribution and promotional tactics

### 8. Ownership and Management Structure

- Ownership structure
- Employee policies
- Organizational structure
- Who will enact the plan

### 9. Objectives and Goals

- Revenue forecasts
- Financial plans
- Marketing plans
- Manufacturing/logistics plans
- Quality assurance plans

### 10. Financial Data

- Projected income statements
- Projected cash flow analysis
- Projected balance sheets

- Cost-volume profit analysis
- Projected statements of changes in financial position
- Major assumptions used for projections

#### 11. Appendices — as appropriate or needed

- Management structure
- Historical financial information (three to five years if possible)
- Detailed assumptions underlying the plan
- Pictures and brochures describing projections
- Letters of recommendation and endorsement products

## Appendix B: Sample Generic Job Description

**Job Title:** Medical Office Assistant

**Reports To:** Office Manager/Dr. John Doe

### 1. Job Summary

The Medical Office Assistant will: provide high-quality reception and secretarial services to the patients, doctors and staff in a caring and supportive manner, and maintain confidentiality of all information.

### 2. Duties and Responsibilities

- Greets and registers patients seeking medical attention in person or by telephone, including appointment booking and retrieval of patients' charts according to established policies and procedures.
- Prepares and types correspondence from dictation; drafts and originates correspondence on designated subjects, including follow-up.
- Prepares billings for submission to patients, OHIP, WSIB and other third parties as required and according to established policies and procedures.
- Reconciles accounts payables/receivables, and produces day sheets and financial statements on regular and timely basis.
- Handles prescription renewals, and maintains and organizes patients' records (thereby responsible for keeping the patients' records organized).

### 3. Education and Qualifications

- 2-3 years post-secondary.
- Previous experience in a medical practice environment.
- Proficiency in Windows operating systems.
- Knowledge of OHIP, WSIB and third party billings.
- Understanding of medical terminology.

### 4. Effort and Working Conditions

No extreme physical effort; working within a standard office environment.

# Appendix C: Sample Interview Rating Scale Form

Candidate: \_\_\_\_\_

Position: \_\_\_\_\_

When compared against the job description for which this individual is considered, do they have the experience required?

| Area of Competence   | Rating |
|--|--------|
| <b>Administrative Experience</b> — duties outlined in the job description  |        |
| <b>Financial Experience</b> — accounting, billing, etc.  |        |
| <b>Relationship</b> — interpersonal skills, ability to meet/greet, communication, etc.   |        |
| <b>Supervisory Management</b> — delegation, supervisory skill, etc.  |        |
| <b>Personal Attributes</b> — presence, analytical skills, etc.   |        |
| <b>Career Progression</b> — still growing/plateaued, long- and short-term goals, etc.  |        |
| <b>Conflict of Interest/Other Issues</b>   |        |
| <b>Total</b>   |        |
| <i>Rating Scale:</i>   |        |
| 5— <i>Outstanding</i> 4— <i>Above Standard</i> 3— <i>Competent</i> 2— <i>Marginal</i> 1— <i>Poor</i><br>0— <i>Not Applicable</i> |        |