Follow these 7 steps when starting your physician private practice

OCT 24, 2022

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It takes astute clinical judgment as well as a commitment to collaboration and solving challenging problems to succeed in independent settings that are often fluid, and the AMA offers the resources and support physicians need to both start and sustain success in private practice.

Among them is an infographic that outlines the seven steps to starting a private practice (PDF). Read on to find out more about each step, along with the AMA news, information, and resources available to support your private practice in taking it.

Pick the perfect location

Where a physician chooses to put down a practice's roots is the crucial first step in making the dream a reality. Take stock of the local market and assess the needs of the population in that area. Determine whether buying or leasing property is best.

Once you settle on a geographic location and real estate plans, work with an experienced commercial realtor to select the ideal space. Ensuring a location meets all high-priority needs will go a long way toward the practice's success.

Choosing the right location is one of the items in the checklist for starting in private practice that's part of the “AMA STEPS Forward® Private Practice Playbook” (PDF).
Get licensing and credentials in order

Physicians must be both licensed and credentialed in the state they wish to practice medicine. This process often takes several months to complete, so it is recommended to start as early as possible. The Private Practice Playbook contains a detailed section with links to get you started with this process.

Learn more with the AMA about:

- Obtaining a medical license.
- Navigating state medical licensure.
- What residents need to know about licensing and board certification.
- What residents should know about credentialing.

Find the right professional advisers

It is vital for physicians to have a basic understanding of business operations. Engage in meaningful conversations with professional advisers during the decision-making process as you establish operations for your private practice.

Consulting the correct advisers for their expertise in legal, financial, compliance and information technology matters is the smart play, just as you would consult or refer to physicians in other specialties to help care for your patients.

Read more about how a strong advising team can help your private practice flourish.

Navigate payer contracting and pay models

Additional considerations for physicians going into private practice are identifying payers to contract with and the desired payment models for the practice. This is a complex and detailed process, so working with an experienced health care attorney to negotiate these arrangements can be beneficial.

Find out more with the AMA private practice toolkit on payer contracting (PDF), which helps physicians evaluate contracts with payors, understand the differences among payors, and develop a basic working knowledge of the range of insurance products and payment models associated with the contracting process.
Make sure your practice is covered

You may want to consider insurance policies commonly available to businesses and business owners. Policies like business overhead insurance and disability buyout insurance can protect the practice and any partners.

There are many types of insurance options to consider to help protect your growing private practice investment, including:

- Business interruption.
- Commercial liability.
- Cybersecurity.
- Directors and officers.
- Life.
- Medical liability.
- Property.
- Workers’ compensation.

Learn more with the AMA about protecting your physician practice and what you should understand about disability insurance for physicians.

Order medical equipment and supplies

Physicians need equipment and supplies to care for their patients. While it may seem obvious to include items such as bandages and gauze in a procurement list, what may be less obvious are furnishings, uniforms and durable medical equipment. A vendor to partner with on purchasing supplies can be a worthwhile investment. It’s also a good idea to compare prices at various supply companies.

To support AMA members in managing their practices more efficiently, the AMA has teamed up with Medline to provide significant cost savings on 300,000-plus medical, surgical and pharmaceutical supplies for their practices.

Enroll in the AMA Medline Buying Program and enjoy exclusive access to these medical supply discounts:

- Up to 20% savings on all purchases.
- Next-day delivery and low order minimums.
- Zero cost to join for AMA members.

URL: https://www.ama-assn.org/practice-management/private-practices/follow-these-7-steps-when-starting-your-physician-private

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Build your private practice dream team

Use industry benchmarks to determine how best to staff your practice. The number of support team members you need in your practice will depend on the number of full-time physicians employed. Consider your administrative staff needs—receptionists, staff who complete billing, coding, prior authorization, referrals, and credentialing, managers, human resources, and others—which may vary by office.

Fixing prior authorization and reducing physician burnout are critical components of the AMA Recovery Plan for America’s Physicians.

Find out how the AMA is tackling prior authorization and develops resources that prioritize well-being and highlight workflow changes so physicians can focus on what matters—patient care.

Learn more from the AMA’s physician experts about recruiting into your private practice, which was the focus of a recent AMA Private Practice Simple Solutions session available to view for free on demand.

You can get more great firsthand advice from your physician peers who already have years of experience sustainably delivering care in a private practice setting. Learn from them by taking part in the AMA Private Practice Physicians Section, which seeks to preserve the freedom, independence and integrity of private practice.

And AMA STEPS Forward offers a collection of engaging and interactive educational toolkits that are practical, actionable how-to guides to transform and improve your practice.