

7 STEPS to Starting a Private Practice

It takes the same kind of independent judgement and effective collaboration with colleagues to succeed in a private practice setting as it does to successfully treat patients.

The right road map can make private practice a reality.



Location

Where a physician chooses to put down their 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.

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Licensing and Credentials

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.

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Professional Advisors and Peer Collaboration

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



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Payer Contracting and Payment 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.



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Professional Insurance

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.

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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 (DME). 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.



Scan this QR code to access the complete **Private Practice Playbook**.

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Staffing

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.

To learn more about resources that can help you transform and improve your practice, visit stepsforward.org.

