### The AMA Path to 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.

### **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 starting as early as possible is recommended.



### 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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### Location

Where a physician puts down their practice's roots is a crucial 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.



#### **Strategic Planning**

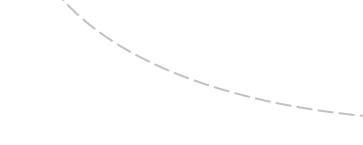
Strategic planning is the most important part of starting and sustaining a medical practice. A strategic plan should outline fundamental decisions and actions that shape and guide what a practice is, what it does, and why it does it, all with a focus on the future.



#### **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**

Physicians 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.



### **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.

### 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 the needs of your administrative team—receptionists, team members who complete billing, coding, prior authorization, referrals, and credentialing, plus 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.

