# CHAPTER 3

## Developing a Timetable

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## SETTING UP YOUR PRACTICE

When setting up a new allergy practice you cannot start too soon, because everything takes longer than you think it will. Start preparing now.

This chapter focuses on creating a timetable and emphasizes the last four months of preparation prior to seeing the first patient. For most practices, this is the "last minute" of a preparation process that might have started **a year or more earlier**. However, you can use this timetable to begin preparing far earlier than four months in advance. For example, if you will be opening a practice in a location where there is no available office space and you have to build out a space in an empty shell of a building, add **at least** two months to the schedule. If you are building an office from the ground up, it is wise to allow at least a year, especially in colder climates.

Building an office, or even outfitting a shell, should be considered a last-resort for new physicians or physicians new to a market because of the significant investment required in tenant improvements or real estate. In most circumstances it is better to rent or sublet an existing office for the first year or two, as that is the typical time of most rapid growth, and you may quickly outgrow your first space and wish to relocate, or add physician extenders or visiting specialists.

Superficial improvements such as paint and carpeting are relatively inexpensive, quick and easy, and a new practice may need the flexibility offered by a minimal property investment. It is worth paying a little more rent for the flexibility of an annually-renewing lease, rather than the restrictions of a 5-year renewing lease. Month-to-month tenancy is riskier due to the possibility of being evicted, but might be acceptable in the right circumstances, like a sublet from a trusted colleague.

This chapter is by no means exhaustive; some of the action items listed in the following timetable have entire books written about them and are the subject of much debate, such as selecting an electronic health record (EHR) system. More detailed checklists are included in later chapters. Many decisions are situational and are based on a myriad of local factors.

How then do you make decisions? Simply put, the physician/owner of a private practice has to make business decisions that involve risk and that do not have clear guidelines. Some people relish this challenge and autonomy, while others are terrified of it.

That said, don't panic; help and guidance are available. Furthermore, many thousands of other physicians have preceded you in starting practices. **Very few fail,** even though many change plans later and move on to other practices, groups or careers. That does not mean their business failed; they just changed their career path, usually without serious financial losses.

If you find yourself baffled by any of the items in the following checklist, look elsewhere in this manual for answers. If you still have questions, contact the AAAAI at practicemanagement@aaaai.org. The AAAAI also offers referrals for assistance.

Beware of consultants who charge tens of thousands of dollars — or a percentage of ongoing revenues — to set up your practice. It is not particularly complicated to start an allergy practice. However, a meeting with a practice management consultant can be a time-saving first step. A day or two with a consultant should answer all the questions generated by this checklist, even if the physician/owner has not done any other preparation. One common error made by physicians starting their first practices is spending too much time worrying about the wrong things, such as trying to become an expert in office layout design. There are specialist architects who have done hundreds or thousands of physician offices; just hire one. You need to become an expert only in subjects that you will use often, and starting a practice is not one of them. Heed the words of a wise building contractor: "If you do it right, you only have to do it once."

| START-UP FOUR-MONTH COUNTDOWN CHECKLIST<br>(Enter the target date in the appropriate monthly column) | COUNTDOWN (MONTHS) | | | |
|---|---|---|---|---|
| | 4 | 3 | 2 | 1 |
| Opening date (see first patient) | | | | |
| Move-in date (remodel done, start equipment delivery 30 days before opening) | | | | |
| | | | | |
| **Business Management Needs** | | | | |
| Obtain state medical license from state medical board | | | | |
| Set up administrative filing system | | | | |
| Decide if sole proprietor/corporation/LLC (consult a CPA or JD for advice) | | | | |
| Determine business name, plan and budget; make office equipment/supplies list | | | | |
| Develop marketing plan (include marketing budget in business plan) | | | | |
| Complete application, with specialty data (see NSCHBC.com benchmarks) | | | | |
| Make sure business loan is funded; consider equipment trust/lease with dependents | | | | |
| Open business checking accounts and obtain business credit card | | | | |
| Open business tax reserve account and credit card merchant accounts | | | | |
| Order accounts payable system for computer (coordinate with CPA) | | | | |
| Set general ledger categories and select cash or accrual method (consult with CPA) | | | | |
| Determine office size and needs | | | | |
| Find location and finalize lease (required for insurance credentialing) | | | | |
| Have building/remodeling plans drawn, bids secured, work started | | | | |
| Set up phone number with service date and secure line installation; secure Internet provider if not same vendor | | | | |
| Research and purchase/order phone equipment; consider speakerphone/translator? | | | | |
| Order office equipment 60-plus days in advance of delivery | | | | |
| Create inventory management system in time for first deliveries | | | | |

| START-UP FOUR-MONTH COUNTDOWN CHECKLIST<br>(Enter the target date in the appropriate monthly column) | COUNTDOWN (MONTHS) | | | |
|---|---|---|---|---|
| | 4 | 3 | 2 | 1 |
| Secure office insurance (property and liability) before equipment delivery | | | | |
| Office equipment delivery starts | | | | |
| Obtain cell phone and load needed local phone numbers (referrers, specialists, etc.) | | | | |
| Secure answering service/voicemail/paging system | | | | |
| Contract with janitorial, laundry and medical waste disposal services | | | | |
| Order employer/federal ID number; determine payroll system cycle and system or vendor | | | | |
| Secure provider numbers: Medicaid, Medicare NPI, PECOS registration | | | | |
| Complete and send Drug Enforcement Administration applications/address change | | | | |
| Secure hospital privileges (needed for insurance credentialing) | | | | |
| Secure provider/payer contracts/credentialing at www.caqh.org | | | | |
| Apply for business licenses and file notices with city or county clerk's office | | | | |
| Order ICD and CPT coding manuals and/or training | | | | |
| Complete fee analysis and set fees; set Medicare and HMO fee schedules | | | | |
| Create "superbill" encounter form — paper or digital/EMR | | | | |
| Work with a graphic designer to determine your logo/image and secure usable files | | | | |
| Work with a web designer or web creation program to create a simple web site | | | | |
| Determine email address based on web site | | | | |
| Order stationery, envelopes, business cards, announcements, thank-you notes, forms, referral slips and labels for clinical brochures, with website and email address and QR code on all | | | | |
| Notify medical licensing board and medical associations of new practice | | | | |
| Secure workers comp insurance policy before first employee starts | | | | |
| Secure malpractice insurance prior to scheduling the first patient | | | | |
| Complete written patient financial policies with biller and bookkeeper | | | | |
| Engage collection agency within 60 days after opening | | | | |
| Research, choose and order medical records system and forms or EHR | | | | |
| Research and purchase practice management hardware and software | | | | |
| Set up computers so they are operational in time for training | | | | |
| Complete computer training for doctor and staff | | | | |
| Set up system for insurance paperwork (computer and manual) | | | | |
| Set up scheduling and recall systems | | | | |
| | | | | |
| **Other Vendors** | | | | |
| Secure transcription service | | | | |
| Secure immunological and clinical supplies sources | | | | |
| Secure administrative/office supplies business account | | | | |
| Engage lab services | | | | |
| Secure attorney (for incorporation, employee contracts, etc.) | | | | |
| Engage employee payroll service and bookkeeper (by CPA referrals) | | | | |

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|---|:---:|:---:|:---:|:---:|
| | 4 | 3 | 2 | 1 |
| **Staffing and Training** | | | | |
| Decide staff count, job descriptions and tasks lists | | | | |
| Purchase and develop staff hiring and employment forms and files | | | | |
| Order and post federal and state labor posters as required by law | | | | |
| Develop any needed staff hiring skills tests before placing ads | | | | |
| Decide staff benefits and wages before placing ads | | | | |
| Write employee handbook before placing ads (may wish to consult an HR professional) | | | | |
| Place staff hiring ads 60 days before start date | | | | |
| Create and assemble staff training materials | | | | |
| Hire first staff, to report to job 30 days before opening (for set-up, deliveries, etc.) | | | | |
| Train office manager, including reporting requirements | | | | |
| Hire other support staff at least one week before opening | | | | |
| Create phone triage guidelines and train staff one week prior to opening | | | | |
| Complete OSHA, CLIA, and HIPAA training and compliance plan | | | | |
| Complete and document staff first aid and CPR training | | | | |
| Complete crash-cart/emergency training | | | | |
| | | | | |
| **After Opening** ("+" means number of days after opening) | | | | |
| Start marketing the day after opening (in case opening gets delayed) | | | | +1 |
| Ensure staff hiring and employment forms and files are complete and verified | | | | +1 |
| Send New Hire Report ("deadbeat parent" tracking form) to state labor agency | | | | <+30 |
| Complete first employee reviews | | | | +30 |
| Complete second employee reviews | | | | +60 |
| Complete third employee reviews | | | | +90 |
| Complete fourth employee reviews | | | | +180 |
| Complete Operations Manual to document "how we do things here" | | | | +75 |
| Confirm second clean month-end statistics and financial reports reconciliation, business reports forms, personnel performance, and manager reporting | | | | +65 |
| | | | | |
| **Other** | | | | |
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