

What Psychiatrists Need to Know About...

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Closing a Practice

Let's face it: you are indispensable! It is hard to take a day off, much less a week! What would your patients do if you took a two-week vacation? How would they get along without you? Or... how would you even manage to get someone to cover calls in your remote area of the state? You may even think retirement is out of the picture with your active private practice.

But here is a sobering thought—how would your patients manage and who would take care of your practice if you became suddenly ill or incapacitated? What would your staff or spouse do if you died unexpectedly? At least once a year, the N.C. Psychiatric Association receives a call from a physician's office staff or family member who is dealing with such a situation.

At the risk of sounding like a life insurance commercial, have you taken steps to prepare for a planned or abrupt closure of your practice? There are resources to help you now, whether you are mid-career or actively considering retirement. Frankly, these resources are also helpful guides to setting up and organizing systems in any practice, even if you plan to live and work forever!

Some of you may recall the old hospital adage of planning for discharge at the time of admission. In a way, having a departure plan when you start a practice is a good idea. Likewise, you probably have a will,

even though you don't intend to use it for a long, long time. The point is, you want to ensure that your wishes are carried out and your professional obligations are met, while placing the least amount of stress on your loved ones or practice colleagues.

Resources Available

In 2007, the APA approved a resource document, "Closing a Practice at Short Notice: What Every Psychiatrist and Their Family Should Know," for members. It was developed after the unexpected death of an APA member in Massachusetts, and it is designed specifically for "emergency closings." This document is available in the Member Resources section of our website, www.ncpsychiatry.org/practice-management.

"Closing a Practice at Short Notice" includes chapters on Immediate Steps (Clinical, Business, Regulatory), Medical Records, Personal Needs of the Physician's Family/Colleagues. This document provides a comprehensive understanding of a psychiatrist's practice and includes a number of useful worksheets and templates. These are available electronically and can be completed in advance of an emergency, which will help make the actual crisis less stressful should it occur.

The North Carolina Medical Board (NCMB) just released a new document this spring called, "The Doctor

is Out: A Physicians Guide to Closing a Practice." This guide complements the APA's document and has a much broader scope; it includes scenarios such as leaving one medical practice for another, closing a practice temporarily, retiring and more. It also incorporates information specific to North Carolina rule and law. And, like the APA document, it provides some suggestions for how medical colleagues can assist at times of stress.

Both documents emphasize the same thing—plan ahead—be it for taking a new job, moving, closing the practice, taking medical leave or retiring to Key West!

What are the things a physician, especially a psychiatrist, needs to think about? The APA document suggests the most important step is for a physician to determine who your "Special Administrator" for your practice affairs will be. Ideally, this is another psychiatrist, but if not, choose a trusted individual from the staff, the family, or business community who would not be overwhelmed with this role under the circumstances. This person should keep a signed authorization form that appoints him/her to this role. Information concerning keys, passwords and security codes needed to access practice record may need to be communicated to the Special Administrator and to your attorney. Your attorney, your practice staff, and/or your family should also have a record of the

contact information for the Special Administrator.

The APA resource document includes an "Emergency Closing Check List." This worksheet has places for you to write in the names/ phone numbers of the Special Administrator, staff who will need to contact patients, and information for where you keep lists and location of medical records of your active and terminated patients. There is also space for you to name other psychiatrists with whom you have pre-arranged short-term, emergency, and prescription coverage for your patients and names of colleagues to suggest referring patients to on a long-term basis. In an emergency, it will help everyone if there is a document with your medical license number(s), DEA certificate number, hospital and clinic affiliations, third-party payors, and billing service information. Not only is this helpful in an emergency, but also this document can serve as an aid to you in the course of managing your practice.

Notifications

There are a number of people to notify in case of an emergency closure of your practice, not the least of which are your staff. Depending on the circumstances, they may be dealing with their own concerns and uncertainty, and in addition must deal tactfully and carefully with your patients.

Some thought should be given to staff retention depending on the size

of the practice and the need to maintain the office for some time. Other obvious people who need to be notified as soon as possible include:

- Patients (including answering service and answering machine messages, letters, and possibly phone calls)
- Hospitals, clinics and agencies with which the physician is affiliated
- Third Party Payers and insurance agencies.
- State licensing boards
- Federal Drug Enforcement Agency (DEA) and state DEA (arrange for disposal of controlled substances, unused Government Order forms, etc.)

The NCMB also provides good, specific information to physicians regarding communications with patients and professional obligations. They include:

- Providing notice to patients.
- Providing continuity of care.
- Providing patient choice of healthcare provider.
- Special issues concerning mid-level professionals who are departing.
- Retention of medical records (NCPA gets asked these questions all the time!)
- Patient access to medical records
- Email and electronic medical records
- Balancing record retention, patient access and privacy.

"The Doctor is Out: A Physicians Guide to Closing a Practice" also includes letter templates, sample notices to put on the office door, and sample ads to run in local newspapers.

Business Decisions

In addition to coordinating care for patients, practices must consider several "logistical" issues, including what office services will be re-

quired while closing a practice and who should provide those services. It is good to think in advance about such things as (including how long to continue or how quickly to stop):

- Leases—office premises, copiers, etc.
- Phone and fax services
- Internet, cell phone, consultant contracts
- Collecting outstanding patient bills
- Paying outstanding bills owed by the practice
- Business checking account (including putting a "stop" on the practice credit cards, etc.)
- Malpractice Insurance carrier (read the policy and terms)
- Mail
- Business Notifications

Regardless of whether your office closure is a short- or long-term situation, having a plan in place prior to needing it allows for a more stress-free transition. Drawing from both the APA guide specific to psychiatrists and the NCMB guide specific to North Carolina may give you enough peace of mind to take that trip to Europe after all! 🌿

Editor's Note: This information is not intended to replace the advice of a lawyer with appropriate expertise and experience. Please seek professional help.

