

## What license do I need to open my own medical practice?

Not only do you need a valid medical license, but you will also likely need multiple other credentials and licenses to practice. These can include:

- A [National Provider Identifier Number](#)
- A license from the [U.S. Drug Enforcement Administration](#) (DEA) if you plan to dispense medication
- Certification by the [Clinical Laboratories Improvement Amendment](#) if you plan to house an in-office laboratory

Check with your local government for details about any further state-sanctioned licenses or credentials you need to practice. In addition, you will need to go through a [credentialing process](#) with various payers (health insurance companies and federal organizations such as the [Center for Medicare and Medicaid Services](#)).

A successful credentialing process allows you to accept medical insurance from your patients and receive reimbursement from insurers. Any other healthcare providers you bring on as staff will also need to go through a credentialing process with each payer you work with.

Remember that the credentialing process can take a significant amount of time (as many as 150 days), so start early to avoid delays in opening your practice. Now that we've worked through that question, let's go through the 13 steps you need to know to open your own medical practice.

### 1) Your medical practice business plan

A well-written business plan can help you secure funding for your new medical practice. It can also help you stay focused on your goals and objectives as you grow. A strong business plan has a few essential sections.

- **Executive Summary:** What are your goals for the medical practice? What sort of patient care will you offer? Are you a primary care physician? A specialist? Provide a high-level overview of each of the following sections in your executive summary.
- **Industry Analysis:** Describe any current trends, gaps, market size, and level of opportunity you discover from your market research.
- **Competitive Analysis:** Outline your competitors' strengths and weaknesses. How will you be different?
- **Marketing Plan:** Discuss your ideal client, your marketing strategy, and your branding.
- **Management:** Who are you as a leader? What do you bring to the business, and how do you intend to lead your team?

- **Operations:** Talk about your plan for day-to-day business affairs. You can also discuss staffing intentions here as well.
- **Financial Plan:** What are your startup costs? What about your recurring costs? Detail your revenue and [cash flow](#) projections for the business for its first five years.

You can also reduce your full-fledged business plan to a pro forma, a document specifically designed to procure financing. Your pro forma should include hard data about your revenue and debt projections. Potential investors and banks will want to see your pro forma to decide whether or not to back you.

## 2) Your business structure

Choose one of the four main [types of business ownership](#) for your medical practice.

- **Sole proprietorship**
- **Limited liability company (LLC)**
- **Partnership**
- **Corporation**

Each of these 4 options contains additional structures you can choose to establish yourself as a business entity, based on your needs and goals. Refer to your business plan to help you decide which is right for you.

## 3) Your business name

You may choose to operate your business under your own name. However, some medical practices choose an alternative name. If you go this route, consider that your business name should be:

- **Easy**
- **Memorable**
- **Simple**
- **Pronounceable**
- **Descriptive of your business's services**
- **In line with your brand**

You'll also want to ensure the matching domain and social handles [are available](#). If you need help brainstorming name ideas, use a [business name generator](#).

## 4) Your type of practice

There are a few types of medical practice models you can choose from. Let's break down the main options.

### **The solo practice model**

A solo medical practice means that you are responsible for the medical and administrative sides of the business. You are the only one on the line if your business runs into trouble, but you are in full control of all aspects of your business.

### **The group practice model**

The group practice model requires a team of medical practitioners who work together to handle patients. This route may make securing funding easier, but you lose some of the control that comes from working solo.

### **The hospital-owned model**

This is a tempting model for medical practitioners, as they benefit from the hospital's working capital and other resources while reducing risk. The downside here is that you will lose a lot of your autonomy and control.

### **The federally qualified health center model**

This is similar to the hospital-owned model, but regulations are set federally rather than corporately. As funds are federally regulated, you may run into a cap on your allotted working capital in this model.

There is no one right model to choose, but if autonomy is important to you, a solo or group practice may be your best bet. You may also have a faster time [securing proper insurance](#) if you head into solo or group practice.

## **5) Finances**

Opening a successful medical practice can cost upwards of \$250,000. If that sounds like a steep number, fear not. There are several ways to secure financing, including:

- **Bank business loans**
- **Private lenders or investors**
- **Friends and family**
- **Personal savings**

You may need specific [forms of insurance coverage](#) to qualify for certain financing options. Share your business plan or pro forma along with proof of proper insurance when you meet with banks or investors to give yourself the best chance of full funding.

## **6) Patients**

The type of practice you intend to open may determine your patient type. For example, if you want to open an orthopedic office, you don't need to market to heart patients. However, you can still target a demographic based on their health insurance coverage, location, or other factors within your specific niche. Use your market research here to help you decide if targeting a select demographic is right for you.

## **7) Location**

Where will you operate your doctor's office? Will you take over an existing doctor's office space, or will you need to secure a new location? Remember that the more renovations and remodeling you need, the higher your startup costs will be.

You should also keep in mind proximity to your target market when selecting a location. Work with a real estate agent to help you find the right location for your business goals.

## **8) Equipment**

You'll want to ensure you've got the right equipment to support your staff and serve your clients. Some main medical practice equipment you'll need includes:

- **Computers**
- **Practice management software**
- **Billing service software**
- **Medical transcription software**
- **POS system and credit card charger (such as Square)**
- **Electronic health record (EHR) or Electronic medical record (EMR) software**
- **Any necessary medical equipment based on the services you offer**

You may also need to register some of your equipment with your state. Check your local government's website to ensure you're following all necessary registration protocols.

## **9) Staffing**

Unless you plan to operate entirely alone, you will [need to hire](#) both high-level, licensed medical practitioners and a trained team that includes everyone from receptionists to human resources and billing professionals.

Take time to [find the best people available](#) for your practice. [Create a strong infrastructure](#) and workflow to support their success as part of your business.

Once you know who you [want to hire](#), you can download and print [W-4](#) forms, [W-9](#) forms, and other necessary [hiring forms](#) online.

## 10) Insurance

As a new medical business owner, you will need several [small business insurance policies](#) to ensure that you are covered and free to run your practice. You will also need some policies [specific to doctor's offices](#). The following are standard types of insurance coverage you'll need to open your practice.

- **[Workers' Compensation](#)**: Workers' comp protects you if one of your staff members becomes sick or injured while at work. It used to be a much longer process to get workers' comp, but now [you can purchase this insurance online](#). Receive a quick estimate of your workers' comp premium with our 60-second [workers' compensation calculator](#).
- **[General Liability Insurance](#)**: Protects you from business-wrecking financial burdens due to claims made against you for [injury](#) or [property damage](#)
- **Medical Malpractice Insurance**: A specific form of liability insurance that helps to protect you in the case of a claim filed against you for wrongful services resulting in injury or death
- **[Bodily Injury Liability Coverage](#)**: This will help protect you if a visitor to your office gets injured
- **[Business Property Insurance](#)**: Covers your medical practice's equipment
- **[Business Interruption](#)**: Business interruption insurance will help supplement lost income if you must shut your office and stop operating your practice for any reason
- **[Business Owner's Policy](#)**: A Business Owner's Policy bundles multiple policies together. Your Business Owner's Policy may include such policies as general liability, business property insurance, and business interruption coverage.

(Psst...Want to know how much you'll likely spend on small business insurance right now? Get a [fast and free quote](#) for your medical practice from Huckleberry.)

## 11) Paperwork, accounts, and legal matters

The volume of paperwork and procedures you need to work through before you're ready to open [can be maddening](#). To help you stay organized and focused, let's look at a few of the most common tasks you'll need to complete to open your practice.

- **Register your business name**: Check with the [Small Business Association](#) for how to register your business name
- **Find a great medical lawyer**: Seek out legal counsel before you open your practice to ensure that you are following all proper protocols in this highly regulated industry

- **[Get your EIN](#)**: Think of your Employer Identification Number (EIN) as a Social Security Number (SSN) for your business. You'll receive [multiple benefits](#) from your EIN, so secure one right away.
- **Ensure [HIPAA compliance](#)**: Build [all necessary HIPAA compliance procedures and paperwork](#) into your business opening strategy as well as your regular business operations
- **Get your business license**: [Find your state's specific regulations](#) to secure your business license
- **Open a business credit card and business bank account**: Separate business assets from personal finances by opening your own business bank account and credit card

## 12) Marketing strategy

You'll need a solid marketing strategy no matter which type of medical practice you intend to open. Patients have many options for care today. They need to know which medical professionals will both work with their insurance company and provide the real help they need.

Let's go over some common marketing channels you can use to connect with potential new patients and build your business.

### Your website

Your medical practice's website is a crucial asset. It needs to be well-designed with easy navigation, strong search engine optimization (SEO), accessibility, and high speed. Hire a web developer and an SEO specialist to help you with this. You can also set up your medical practice's website to include a blog and even an appointment scheduler.

### Email marketing

Solid email marketing is one of the most powerful ways to establish authority, build brand recognition, and develop relationships with potential clients.

Place a signup bar or popup on your website where clients can enter their email. Once you've captured their email address, you can send them a newsletter or other targeted email content meant to build trust between you and your clients.

### Social Media Marketing

Facebook, LinkedIn, YouTube, and Twitter are all great social media platforms you can use to spread the word about your business. Even Instagram and TikTok can be fruitful places to market, depending on the type of practice you are and who you're trying to reach.

However, it takes time to build a following and to discover what content performs well for you. Start with one platform first, learn it well, and then add others. That way, you'll avoid overwhelming yourself while you become a pro at whichever social media channel you choose.

### [Google My Business](#)

Google My Business makes you more discoverable and authoritative on Google local search. Register your business name, create a free account, and you're good to go.

### **Word-of-mouth and referrals**

People want to know about great care. Encourage your patients to spread the word about your practice with a referral program. The incentive can be as simple as a gift card to the referrer once the referred party completes their first office visit. This program will help you keep a steady stream of new clients coming in—vital for medical offices that thrive on new patients.

### **13) Additional resources**

As you probably figured out at some point during your 11 years in medical school, the learning never really ends in medicine. Here are a few online resources full of education and advice to help you succeed as a medical business owner.

Bookmark these pages and return to them whenever you need a little more knowledge or inspiration to better your practice in service of happier, healthier patients.

- [Monthly Small Business Checklist](#)
- [Agency for Healthcare Research and Quality](#)
- [American College of Physicians](#)
- [Medical Group Management Association](#)

And there you have it! Keep this guide handy as you progress toward your first day in your new medical office. Good luck, and congrats on starting a new, exciting business.

### **Get your workers' comp and other medical practice insurance policies from Huckleberry**

At [Huckleberry](#), our mission is to help you [get quality medical practice business insurance](#) faster than it takes to check a patient's vitals.

Grab a quick [workers' comp quote](#) or see how you can [get insured online in minutes](#).