Closing or Selling Your Medical Practice

Legal and Financial Considerations

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Closing or Selling Your Medical Practice: Legal and Financial Considerations

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Course Objectives

Upon completion of this enduring material, readers should be able to

- Incorporate the ideas and tools for merging, selling, or closing a practice into their own situation;
- Identify Texas regulations regarding legal responsibilities upon merging, selling, or closing a practice; and
- Explain to a significant other or business partner what to do in the event that the physician or owner of a practice passes away.
Audience
This course is appropriate for physicians, residents, students, and family members of medical professionals in all specialties.

CME Instructions
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One day it will happen. You love what you do, but you know you need a change. Perhaps you need a break from the daily rigors of practicing medicine. Maybe your interests have changed, or you want to spend more time with your family. In some cases, the change will come about as a result of advice from your accountant or, worse, due to your health.

What type of change do you need or want? Is retirement the answer? Do you need a sabbatical to decide if continuing your current practice is the right thing to do? Do you want to leave direct patient care and do something else with your education and experience, such as hold an administrative position? Should you merge your practice with another group and be a part of something larger? Or should you leave the large group and be a solo practitioner again?

These are important questions. Simply realizing a change is necessary, for whatever reason, should not necessarily prompt thoughts of leaving your practice altogether. Many alternatives exist for physicians to use their talents constructively.

Timing may be important. If the bulk of your patient base comes from a large, nearby employer that is relocating or going out of business, you may want to cut your losses and close the doors before the patients leave altogether. If your pension plan calls for disbursement of full benefits at a certain age, you may want to keep practicing until then, as early retirement often carries an income penalty. If local physicians are forming an independent practice association to provide a comprehensive provider network for several health insurance plans, and that network arrangement involves the merger of several practices, you may want to join that network sooner than later to avoid the risk of being left out. Knowing when to make the change can be as important as knowing what change to make.
The Texas Medical Association cannot tell you why to change, what to do, or even when to do it. However, there are many things to consider when contemplating retirement or other professional practice changes. The purpose of this book is to make you aware of the many areas you need to consider once you decide to make a change, including:

- Notifying patients and staff,
- Valuation of a medical practice if the practice is to be sold,
- Legal issues surrounding practice sales,
- Retention of medical records, and
- Dealing with subpoenas and legal processes after retirement.

Every medical practice is unique. The decision to retire, close, or sell a medical practice always depends on the facts and circumstances of the practice situation. While the information presented is designed to be practical in nature, this book, as stated on the disclaimer notice, does not purport to give legal advice. Instead, you should consult your own legal advisers about the application of this information to your own situation. We hope that you find this information useful in that regard.
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Closing or Selling Your Medical Practice

provides critical information and can benefit physicians in all stages of their practice.

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How will the antikickback law affect your sale? If you are closing your practice, how should you notify your patients and handle their medical records? Have you made arrangements for your practice’s sale or continuity in the event of your disability or death?

This guide explains the important decisions that go into closing or selling a medical practice. It also contains forms, lists, and sample letters to help you follow the law and protect your interests.