Private Practice Growth Club

# The Private Practice

## START A PRIVATE HEALTHCARE PRACTICE IN SOUTH AFRICA

### CHECKLIST

# IS PRIVATE PRACTICE RIGHT FOR YOU?

Before you start a private practice, it is important that you ask yourself first – Is private practice right for me? Well how would you know that?

There are 12 questions you should ask yourself before starting a practice:

1. **Why do you want to go into private practice?**
   Are you running away from something or toward something? Starting a private practice just to get away from your energy-sapping job might be one of the reasons, but it should never be the only reason.

2. **Can you think of yourself as a business owner?**
   Being in private practice means you are in business. If you dislike business or don't want to think of yourself as a business owner then private practice probably isn't for you.

3. **Can you be disciplined with your time?**
   Do you have the capacity and support to sacrifice your time to establish a private practice? Many people become entrepreneurs because they think it will give them the time freedom and flexibility they desire. And it can give you those things if you set it up that way. But in the beginning it is going to require you to sacrifice often late nights and free time to get there.

4. **Are you good at making decisions?**
   No one else is going to make then for you when you own your own practice. Some of the choices you will need to make can make or break your practice, so you must feel confident in your ability to make the right call.

5. **Do you desire constant affirmation?**
   We all like to receive that "way to go" from others. But in private practice, those are few and far between. No one says, "hey, way to go doing those tax returns like a boss!" but you do it anyway.

6. **How much of a sense of community do you want from work?**
   Whether you are in solo or group practice, private practice can be very isolating.

7. **Do you have support or are you willing to seek it out?**
Having the support of your loved ones is vitally important, as growing your practice can be all consuming in the beginning. You must also be willing to acknowledge when you need help and support.

8. **Are you willing to take on numerous responsibilities?**
Can you handle being the marketer of your business, the one executing the work, and the one handling the accounting? Even if you outsource things like bookkeeping, as a business owner, it's critical to have a good working knowledge of your business finances. Are you willing to juggle multiple roles?

9. **How much runway do you have OR do you have a fall back?**
If everything goes wrong – literally everything – how long do you have before you're eating 2 minute noodles for breakfast, lunch and supper? We all witnessed how COVID19 impacted the world, and private practices were hard hit. Having a runway or savings for the rainy days is important, but how much you need will depend on your individual circumstances and how much you are willing to bootstrap in the beginning.

10. **Do you need consistency and stability?**
Businesses, especially new ones, are likely to have both thick and lean times. If you are willing to give up the stability of a set and predictable income month in and month out (especially when just starting out) then private practice might not be for you.

11. **Are you ready to market yourself?**
Regardless of industry, a substantial component of starting a business is marketing yourself as the face of your business. This includes whether you are trying to attract your ideal patients or the best staff.

12. **Are you willing to take risks, fall, and dust yourself off again?**
If private practice doesn't turn out the way you thought it would, are you okay with that? Are you willing to learn from the lessons in your decisions going forward?

If, after answering all these questions for yourself you have concluded that you are ready, eager and excited to get started in private practice, then this checklist will take you step-by-step through what you need to get started. I have also included the why's and how to's after the checklist.

# CHECKLIST: BEFORE YOU SEE A CLIENT

- ☐ Establish a vision for your private practice
- ☐ Put together a rough business plan
- ☐ Be properly licensed
- ☐ Name your practice
- ☐ Decide which business entity you will practice as
- ☐ Open up a business bank account
- ☐ Get a practice number
- ☐ Get Insurance
- ☐ Decide your rates
- ☐ Familiarize yourself with the billing codes of your profession
- ☐ Decide where and when you will see your clients
- ☐ Get a practice phone number
- ☐ Set up a practice email address
- ☐ Have the necessary paperwork:
    - Informed Financial consent (all practices)
    - Informed clinical consent (all practices)
    - Informed consent relating to Telehealth (if providing telehealth services)
    - Billing Policy (all practices)
    - Privacy and Access to Info Policy (all practices)
    - Consent to Disclosure
    - Intake paperwork

**Notes:**

# CHECKLIST: BEFORE YOU SEE A CLIENT

Nice to have from the start, but not essential. You can start seeing patients before this:

- ☐ Join your professional association and/or special interest groups
- ☐ Decide on a practice management software or billing administrator
- ☐ Get a card payments processor
- ☐ Get an accountant
- ☐ Create a Google My Business page
- ☐ Start networking and reaching out to potential referrers
- ☐ Register a domain
- ☐ Build a website
- ☐ Start building an online presence on social media
- ☐ Get support and/or mentorship

**Notes:**

## Your private practice vision:

Do you know where you are going? You cannot make a plan without knowing the desired result. It is important to think about why you are going in to private practice, and what kind of practice you want to have. The vision you have for your practice will guide you in making decisions in your practice from a legal, financial, operational and human resources perspective.

## Your business plan:

Be honest, you freaked out a little and the words 'business plan' am I right? Don't stress. Your business plan need not be a scary undertaking. It should be a living working document that evolves over time. So it doesn't have to be this big scary forma document that the banks need to give you a business loan. As you work through this checklist, you will have all the most pertinent info you need for your first draft business plan. It is simply a document that outlines where you are going and how you plan to get there.

## Be properly licensed:

You MUST have up to date registration with the HPCSA as an independent practitioner to treat patients privately. If you are registered with the AHPCSA or the regulatory authority for social work or nursing, please also consult your relevant body for licensing requirements to practice in your private capacity

## Name your practice:

This is a very topical issue because, whilst the HPCSA has very clear rules with regards to the naming of practices, they have not been regulating this and so many new practices have been breaking the rules in this regard.

The more practices do so the more it becomes the norm. However the HPCSA has made it very clear that the only reason there has not been consequences is because they have not had the capacity to regulate this, but that they are working towards changing that. To find out more information about the naming of practices, visit the HPCSA website and download the latest ethics booklet wherein booklet 2 you will find the rules.

### Business entities:

As an HPCSA registered health care professional, you may only operate as a sole proprietor, a private company (Incorporated), a partnership, or an association. This is one of the decisions that will be informed by the vision you have for your practice. Here is a handy video to help you make this decision: https://youtu.be/AYGySTIG6cc
In order to operate as a private company you will have to register with Companies and Intellectual Properties Commission (CIPC): http://www.cipc.co.za/za/

### Business bank account:

As a sole proprietor you don't have to have a business bank account from the outset because you and your business are one entity, however I strongly advise that you still get a separate bank account to receive revenue and pay expenses from for your practice. As your practice grows you are going to want to switch to business banking so it might be better to get setup this way from the outset to avoid the hassles of switching accounts down the line.

### Practice number:

In order for you or your clients to claim from medical aid, you will need to be registered with the Board of Healthcare Funders (BHF) through the Practice Code Numbering System (PCNS). Even if you plan to be a cash-based practice, your clients may want to claim from their medical aids so it is best to have one.

To register you need to download the relevant form https://www.pcns.co.za/Application-Forms and follow the instructions therein.

**Malpractice Insurance:**

Although not a legal requirement to start seeing clients, it is in your best interest to have malpractice insurance in place before you take on any clients. And if you will be seeing clients at your practice rooms, it is also advisable to have public liability insurance. There are a number of companies that specialize in medical insurance, but you can also find out if your professional association has partnerships with any providers that provide preferential rates.

**Your rates:**

Before you see a client, you need to be clear on what your rates are and how you will accept remuneration. You can choose to be a cash practice, meaning the client pays cash up front and claims from their medical aid themselves; or you can choose to claim from your client's medical aid on their behalf. You also need to decide if you will be charging medical aid rates according to each client's medical aid scheme, or if you will be charging the rate of one specific medical aid scheme, or if you will set your own private rates.
Here is a handy video showing you how to set your rates: https://youtu.be/I0dSbf2xzXA

**Billing codes:**

In order to invoice your client, you will need to know which codes to use. This will vary from profession to profession and this information is usually available from your professional association e.g. OTASA

**Practice setting and times:**

Finding a practice location will depend on your budget and runway when starting, and whether you will be offering telehealth or not.

When you are just starting out and do not yet have an established client base, you might want to consider initially renting sessional space and only settle on a full time lease when you have consistent income coming in. If you are offering telehealth you will need to research platforms that are covered by your malpractice insurance, and are POPI compliant. Aside from the technology, you will also need to decide where you will offer telehealth sessions from in order to ensure confidentiality in your sessions.

You also need to decide on your availability so that when clients enquire you are able to book them accordingly and plan in time to work ON your practice as well.

**Get a practice phone number:**

It is advisable to keep your personal number and your practice number separate. This doesn't mean you have to invest in a brand new smart phone. If you have a dual sim phone you can easily put a new sim card in that phone. If you don't have a dual sim phone and plan to use this number for calls and text messages only, you could even get yourself a basic cell phone for under R500 (not a smart phone). The advantage of this is that you can leave this phone at your practice rooms or turn it off outside practice hours in order to set boundaries. Here is also a handy video showing you how you can install whatsapp for business on your personal phone even though the practice sim is in another phone: https://youtu.be/Yw-wZ5ATv6M

**Practice Email:**

Ideally you want to have a domain email to look more professional, but it is absolutely not essential to get started. However do not use your personal email address to communicate with clients and also keep client communication separate from general practice email. Using a free email service like Gmail will suffice to get you started.

## Legal Documentation:

The 2 most important forms every practice MUST have when onboarding a new client is: informed financial consent and informed clinical consent. If you offer telehealth services then you MUST also have informed consent relating to Telehealth. You cannot treat a client without these signed by the patient or patient guardian. The other forms listed in the checklist are important too, but you are not legally required to have them in place before seeing a patient. It is also advisable to at minimum have an intake form ready before your first client walks through the door in order to collect the relevant information you need for billing. You can create these forms yourself by looking at the forms from other practices and simply tailoring it to your own practice, or you can purchase legally constructed templates from Elsabe Klinck and Associates here: https://elsabeklinckassociates.co.za/online-shop-terms/

## Professional Association:

Your professional association is there to represent your interests and is a great source of support and connection to your profession.

## Practice Management Software or Billing Administrator:

A billing administrator is a 3rd party service that you outsource your billing, medical aid claims and follow up, and sometimes also basic bookkeeping functions to. This is a great alternative to employing a practice manager and can save you tons of time and admin compared to doing it yourself. Of course when you are just starting out and don't have many clients then doing it yourself means you save on the administrator fees. However as your client load increases and you spend more time in client contact, you may want to consider the additional help. Of course an alternative to outsourcing this function is to invest in good practice management software. This will enable you to continue fulfilling this function yourself, only more efficiently.

This is also an option you can consider only once you are in the position to employ a practice manager in-house as this person would then use the practice management software in the practice. You will have to weigh up the options and make the decision that is best for you.

## Card payments:

Even if you are planning claim from medical aids, there may be clients who opt to pay out of pocket or who do not have medical aid. In these instances it is best for your practice cash flow to accept payment immediately after the treatment session. Not having card payment facilities can turn potential clients away to avoid the inconvenience of having to draw cash before coming for their appointment. However, this is by no means essential when you are just starting out. Modern day banking means it is quick and easy for clients to make payment via EFT so you do always have the option to invoice the client and wait for them to settle their account electronically. You will need to weigh up the cost of having and processing payments with a payment device versus the cost impact on your practice cash flow if clients are tardy on making payments electronically.

## Get an accountant:

If you use a medical billing administrator you could find someone who also provides basic bookkeeping. The level of service you require also depends on your business structure and complexity. As a sole proprietor you could easily do your own accounting or outsource the tax functions once per year to an accountant. However if you register as a partnership, an association or a private company it is important that you comply with all the CIPC financial requirements and tax can get complicated. As your practice grows you may want to consider outsourcing your accounting to a credible accountant who has experience with healthcare practices and is therefore knowledgeable about the requirements that are unique to us compared to other businesses.

### Google My Business page:

Most people turn to Google first when looking for a healthcare provider. Google My Business is free and helps you get found by the people looking for your services.

### Start networking and reaching out to potential referrers:

Doctors, complimentary healthcare service providers and even community and non profit organizations who serve your ideal clients are all potential sources of referral. Reach out and make your services known and ask them to consider referring to you.

### Register a domain:

Even if you are not ready for a website, you can still register a domain for a small annual fee. You can also upgrade your domain package to include email hosting which will enable you to have a domain email without having a website. My preferred domain and hosting providers are: Hostking, Xneelo and Afrihost.

### Build a website:

Having a website adds to your credibility and enables you to show up professionally online. You are also able to add contact and booking functionality to your site to make it easy for your prospective clients to book an appointment with you. However, it is better to have no website at all than to have a poorly designed website that is not kept up to date and maintained. There are many website builders you can use to easily create your own beautiful website but only go this route if you are willing to take the time to learn how to do this. If you are planning to pay someone to build you a website, rather save up and pay for a professional and experienced service provider with a good portfolio of work and experience in building medical websites than choosing someone based on price.

**Start building an online presence on social media:**

It is important to establish yourself online to market your practice and to build your personal professional brand. However, I want to caution you about trying to be on every social media platform under the sun. First identify who your ideal client is, figure out where they typically hang out online and focus on just 1 or 2 of those platforms. Trying to be everywhere will only leave you feeling overwhelmed and you will end up not being consistent in your social media marketing efforts. It is also important to be cognizant of the ethical guidelines set out by the HPCSA regarding the use of social media. This can be found in booklet 16.

**Get support and/or mentorship:**

Starting a private practice and becoming self employed can be a lonely journey. It is important that you surround yourself with others who are on a similar journey to you. The Private Practice Growth Club free Facebook group is a great place to network, share ideas and get support from other health professionals in private practice. It is also advisable to get clinical mentoring or support. This can be a 1:1 mentor or via your private practice professional representative group e.g. INSTOPP, or it can even be from special interest groups or journal clubs.

**Notes:**

# AND FINALLY, DON'T FORGET TO HAVE FUN!

Phew! I know you might be feeling a bit overwhelmed right now, but look at it this way, now you have a plan! The best way to tackle this checklist is one check mark at a time. As the saying goes, "Rome wasn't built in a day", well neither is a successful private practice. Before you tackle this list, it's important to first reflect on how much this means to you and how much time you are able to put aside each day or week to work through this list. If you're not on a deadline, work on this an hour at a time. When you start to complete the forms, you'll see that it's less of a time commitment than you thought.

As you explore private practice it may feel like when you just graduated, or got your first job in the field, or brought your first baby home… the sense that there's still so much you don't know but should. Please know that this is part of the process and that I've got your back.

And if you feel like you need more hand holding, more structured support and coaching through creating a business plan, overcoming the money mindset and imposter syndrome, what you need to do to get referrals, how to handle the business-y stuff like projecting revenue, setting rates, or the marketing know-how of figuring out your niche and creating a marketing strategy, a tight-knit community of others building practices, and a chance for 1:1 coaching with me each month, check out the Private Practice Growth Academy.

Enjoy the ride. You can do this!

Tasneem