RISK MANAGEMENT BEST PRACTICES GUIDE

Closing a Practice Checklist

PROASSURANCE
MEDICAL MALPRACTICE INSURANCE

Staff and Patient Notification

- [ ] **Notify employees of office closure at a staff meeting.**
  - Prepare for alternate staffing in case employees leave before the closing date.
- [ ] **Keep all employee, personnel, and training records for as long as you keep patient medical records.**
- [ ] **Review advanced practice employment, collaborative, and/or supervisory agreements. Act in compliance with federal and state laws and licensing agency requirements.**
- [ ] **Notify patients of closing date. Include information about transferring medical records and a release of information form.**
  - Provide at least 60-90 days written notice by mail to each active patient's last known address.
  - Consider sending the notice by certified mail to patients who may have a medical condition or live where they could experience delays finding a new physician.
    - ▷ Place a copy of the certified letter in the medical record.
    - ▷ Document other attempts, such as phone calls, to notify the patient.
- [ ] **Patients have a right to a copy of their medical record, subject to federal and state laws and regulations.**
  - Tell them how to get a copy of their medical record.
  - Under the HIPAA Privacy Rule, patients have a right to a copy of their medical record within 30 days of their request.
- [ ] **Look for outstanding labs/tests and referrals. Notify patients of the need for follow-up. Help them make an appointment with their new physician.**
- [ ] **Consider continuing the practice's phone service for several months with an automated announcement that includes information such as your office closure date, instructions for obtaining alternate care, or obtaining a copy of medical records.**
- [ ] **Announce the office or practice closing on the practice's website, social media, and on signs in the office's reception and waiting areas.**
- [ ] **In most cases, do not accept new patients once the closing date is determined.**
- [ ] **Consider informing the public through local newspapers or media outlets.**
  - Check with your state's licensing agency for notice requirements.
- [ ] **Fulfill your obligations under HIPAA.**
  - www.hhs.gov/hipaa/for-professionals/privacy/guidance/access
- [ ] **Include a HIPAA compliant Release of Information (ROI) form.**
  - ROI form should state that information provided may include:
    - ▷ Sexually transmitted disease, acquired immunodeficiency syndrome (AIDS), or human immunodeficiency virus (HIV).
    - ▷ Behavioral or mental health services and treatment for alcohol and drug abuse.
  - Form should also specify:
    - ▷ Patient for whom authorization is made.
    - ▷ Healthcare provider or healthcare entity authorized to disclose this information.
    - ▷ Person or entity to receive and use this information.

Patient Record Retention

- [ ] **Transfer or store records.**
  - Appoint a new custodian of practice records when necessary. Buyers or remaining partners may be willing to serve as the new custodian.
  - Choose a storage facility experienced in handling confidential patient information and HIPAA requirements.
- [ ] **Ensure record retention for minimal amount of time.**
  - Adult – minimum of 10 years after the last date of service.
  - Minor – until the age of majority, plus time mandated by state statute of limitations or a minimum of at least 10 years after the last date of service.

Closing a Practice Checklist

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(Continued)

Patient Record Retention

- [ ] **Agreements with new custodians and storage facilities must include a provision for the physician to access records after retiring/closing the practice.**
  - Reasons for access include requests by former patients for copies, Medicare/Medicaid or other third-party payer audits, other government audits, and medical professional liability claims.

Additional Notifications

- [ ] **Medical societies/associations, licensing boards, and credentialing agencies/departments**
- [ ] **DEA, regarding plan to surrender DEA registration**
  - Blank prescription pads should be destroyed.
- [ ] **Hospitals and facilities where physician has privileges**
- [ ] **Referring physicians**
- [ ] **Ancillary providers**
  - Labs, dialysis centers, and inpatient and outpatient radiology centers.
- [ ] **CMS (Medicare and Medicaid)**
- [ ] **Health insurance companies**
  - Notify where to send payments that resolve after the office closes.
- [ ] **Medical supplies and medications**
  - Check with vendor about returning unused, unexpired medical supplies.
  - Check with drug company representative about returning unopened, unexpired sample medications.

- [ ] **Review insurance policies for appropriate action.**
  - Employee benefit plans
  - Workers' compensation policies
  - Medical professional liability to ensure coverage for claims reported after the liability policy expires (tail)
    - ▷ Depending on policy conditions, you may qualify for tail at no additional cost.
    - ▷ Contact your ProAssurance underwriter for assistance.

Business Considerations

- [ ] **Office furniture and equipment**
- [ ] **Review and cancel contracts:**
  - Managed care
  - Third-party payers
  - Answering service
  - Office suppliers
  - Cleaning service
  - Facility lease
- [ ] **Tax returns, payroll taxes, and accounting records. Process accounts receivable.**
  - May need to consult other professionals:
    - ▷ Accountant
    - ▷ Personal attorney for important guidance
    - ▷ Collection agency for accounts receivable
  - Payers will need forwarding information to send payments.
- [ ] **Notify utility companies.**

We're here to help.

Contact a Risk Management consultant at **844-223-9648**, or **RiskAdvisor@ProAssurance.com**.
Monday–Friday, 8 a.m.–5 p.m.

Find online resources at
RiskManagement.ProAssurance.com/Bundles#closing

Visit RiskManagement.ProAssurance.com/Bundles#closing for sample patient notification letters, an ROI form, and more information.