

Steps for Developing a Medical Group Practice

1. Establish goals and objectives with documentation for all group members. These should consider personal convenience, practice economics, professional development, and medical service.
2. Set strategies to accomplish the defined group objectives.
3. Identify and project patient demands, group resources, and cash flow.
4. Choose an organizational form (partnership, corporation, association, etc.).
5. Develop articles of incorporation/agreement and distribute to all members.
6. Draw up bylaws and distribute to members of group.
7. Establish governance policies for the group.
8. Select officers and key staff to be employed by the organization.
9. Determine if advisory committees are necessary, and if so, in which areas.
10. Determine if the group will own or lease the facility and/or land.
11. If the facility is to be owned by the group, determine the organizational form for ownership.
12. Establish a financial plan and business fiscal year.
13. If prospective group members are already practicing in the community, establish a method for merging individual assets of their practice into the organization.
14. Set up cash management and control policies.
15. Implement an accounting method (cash, accrual) and a chart of accounts with an agreed upon format for the balance sheet and income statement representing the group.
16. Establish the accounting books.
17. Develop accounts payable and payroll policies and procedures.
18. Write up accounts receivable, credit, and collection policies and procedures.
19. Establish cash flow budget and capital equipment needs budget.
20. Set complete salary ranges and benefits for non-physician employees.
21. Establish agreed upon income distribution arrangement for physicians.

Publications related to this topic on website www.practicesupport.com:

[Creating the Hospital Group Practice](#)

[Guide to Practice Mergers](#)

[Adding a New Physician: A Guide for Managers, Doctors & Recruiters](#)