

STARTING A SPORTS MEDICINE PRACTICE

Daniel Savarino DO, RMSK

A series of several parallel white lines of varying thicknesses, slanted diagonally from the bottom left towards the top right, set against a blue gradient background.

DISCLAIMER

Any companies discussed in this lecture are used as examples and from personal experience.

I receive no compensation, benefits or have family members that work for any of the mentioned companies.



ABOUT ME

- Finished fellowship in 2010.
 - First job was at a hospital owned practice in North Carolina 2010-2011
 - Next job was a private orthopedic practice in Staten Island 2011-2017
 - After months of contract disputes decided to leave
 - Options were to find another job or start my own practice
 - Decided June 2016 I was going to open my own practice
 - Opened August 2017
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SHOULD I START A PRACTICE?

- Current situation
- Location
 - Competition
 - Restrictions from previous employer
 - Socioeconomic
 - Willingness to move if not favorable
- Lifestyle
 - Do you want to see patients and go home?
 - Willingness to learn business
 - Wear many hats
- Money
 - Do you have sufficient savings
 - Ability and willingness to take out sufficient loans

Advantages

- Be your own Boss!!!
- Control who you work with
- Greater ability to increase revenue
- Decision making freedom
- Determine focus of practice
- Significant tax breaks

Obstacles

- Higher level of responsibility
- Build from scratch
- Must hire appropriate staff
- Significant start up costs
- More hospital owned influence
- No guaranteed income or benefits
- Obtaining teams is difficult depending on region
 - Long established practices
 - Hospital systems sponsor

WHAT ARE THE CHANCES OF FAILING?


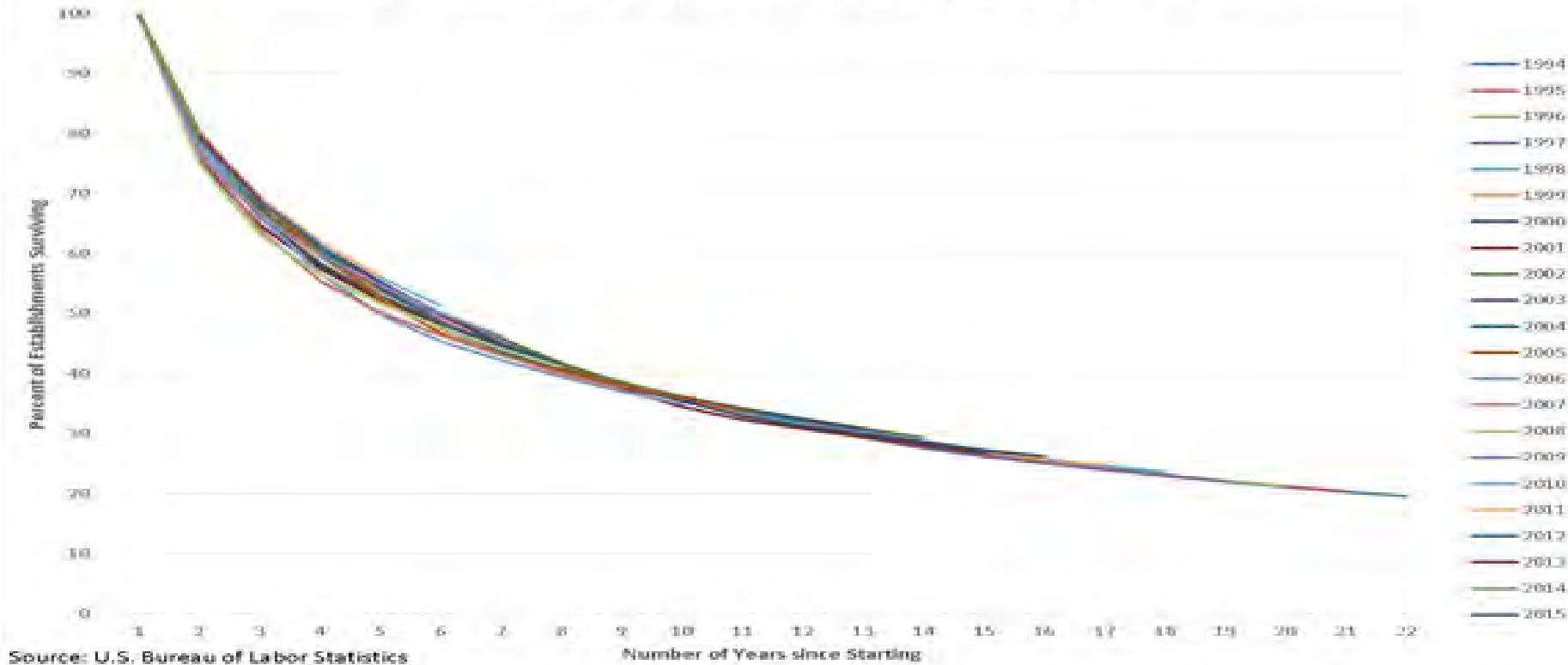
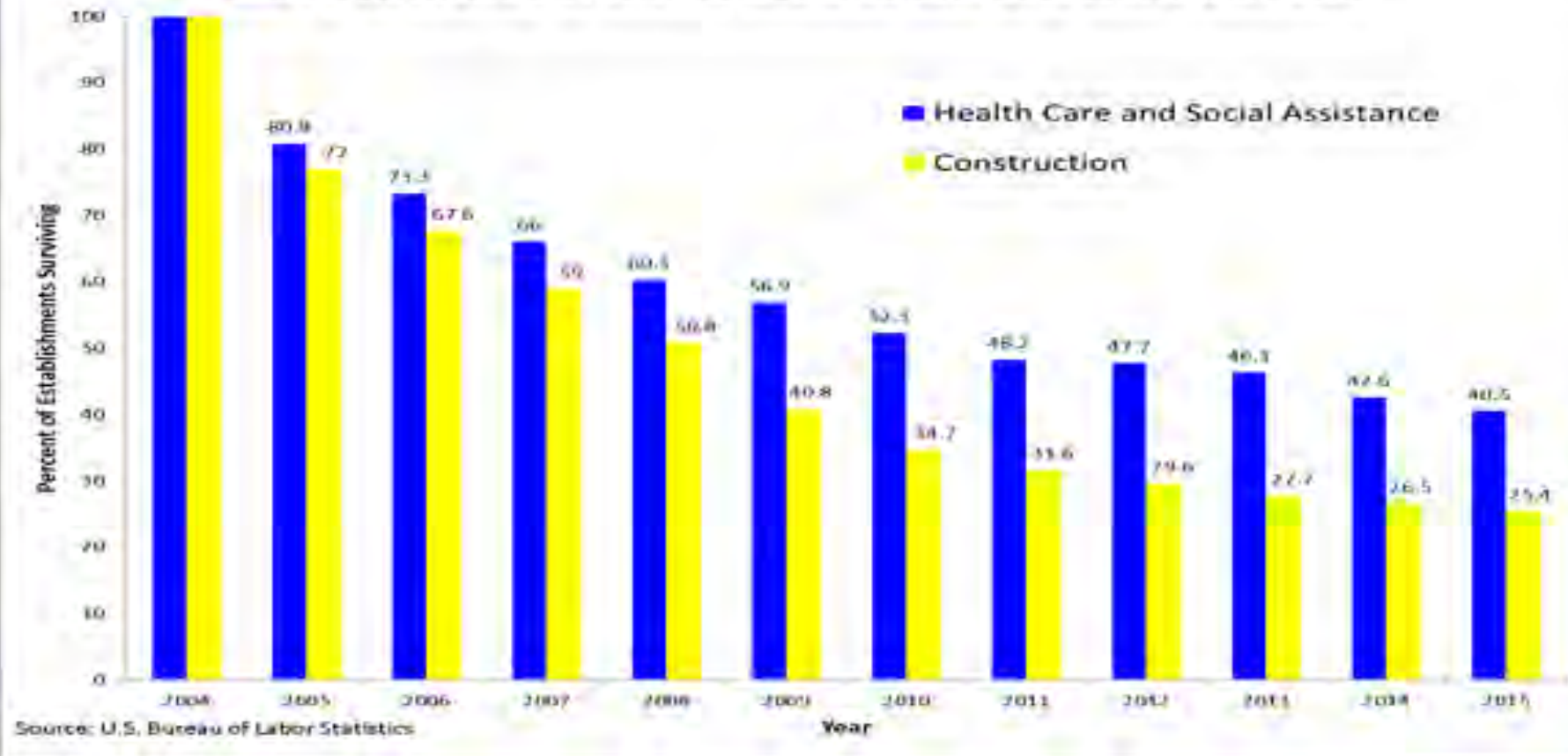
- Slightly better than average small business but not significantly
 - According to US Small Business Administration, roughly 50% of small businesses will fold within the first 5 years.
 - Securing proper funding, ability to be flexible and adapt, unique services and effective marketing will all help increase likelihood of success.
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Chart 3. Survival rates of establishments, by year started and number of years since starting, 1994-2015



WWW.BLS.GOV/BDM/ENTREPRENEURSHIP

Chart 4. Survival rate by selected industries, 2004 birth cohort, 2004-2015



WWW.BLS.GOV/BDM/ENTREPRENEURSHIP

PRACTICE STATISTICS

- According to an AMA practice survey, 2016 marked the first time physician practice ownership was not the majority arrangement
 - 47.1% are practice owners, 47% employed, 5.9% independent contractors
 - Down from 53.2% in same survey in 2012. Similar survey in 1983 showed 76.1%
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PRACTICE STATISTICS

According to a 2018 report from the Physician Advocacy Institute

- 63% increase in hospital employment from 2012-2016
- All regions of the country were effected
- Midwest and Northeast showed the biggest increases

<http://www.physiciansadvocacyinstitute.org>




MONMOUTH COUNTY NJ

Largest Employers

1. Hackensack Meridian Health – 12,794
2. Saker Shoprites Inc – 3,319
3. Centrastate Healthcare – 2,646
4. RWJ Barnabas/Monmouth Medical Center – 1,920

<https://www.visitmonmouth.com/page.aspx?ID=1540>

WHERE DO I START?

- Viability
 - Timeframe
 - Location
 - Services (lawyers, accountant, supplies, equipment)
 - Establishing entity
 - Savings/loan
 - Finding real estate
 - Construction
 - Marketing (logo, website, advertising)
 - Staff
 - Networking
 - Can be very time consuming and confusing. Consider using a consulting company that specializes in medical start up! (eg. MBA healthgroup)
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VIABILITY/MARKET ANALYSIS


- Is it worth even starting?
- Competition
 - How many similar providers are in the area (sports, ortho)
 - Hospital owned influence in the area
 - 100% sports/musculoskeletal vs incorporating primary care
- Socioeconomic
 - Population density
 - Insurance breakdown
 - In or out of Network
 - Can people pay out of pocket (PRP, Stem cell)

Can do search but can be very time consuming, especially if working full time. Can you properly interpret findings?


TIMEFRAME

- Give yourself at least 6-8 months
 - Varies depending on market
 - Consider early planning at 12-18 months
 - Bulk of work will happen 4-6 months before seeing first patient
 - Expect delays
 - Timing is key!!!
 - Office space negotiations, build out, credentialing, equipment ordering, hiring, marketing ect.
 - Can lose a lot of money if not timed well
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LOCATION, LOCATION, LOCATION!!

- Good insurance breakdown
 - If cash pay/OON
 - Good socioeconomic breakdown
 - Slightly older population (50-65)
 - Good foot traffic
 - Good visibility/signage
 - If not will have to spend more on marketing
 - Other medical practices that can potentially refer
 - Make sure doesn't conflict with any restrictive covenants
 - mileage usually "as the crow flies"
 - Flexibility on area may be needed
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SERVICES

- Lawyers
 - Contract (lease, employee, equipment, trademarking, entity, EIN (tax ID))
 - Malpractice
 - Look at local medical societies, usually have contracted lawyers with discounted rates for society members.
 - Accountants
 - Experience with medical practices
 - Best entity for tax purposes (LLC, PLLC, S-corp) (some variation by state)
 - Tax shelters
 - Not how much you make, how much you keep
 - Malpractice
 - Claim based vs Occurrence
 - Shop local vs national providers
- 


SERVICES

- Supplies
 - Medical (McKesson, Clint, local)
 - Office (Staples, WB Mason, local)
 - Shop around, may use different vendors for different supplies
 - Equipment
 - Furniture (waiting room, exam room)
 - X-ray, ultrasound, EPAT, ect.
 - Lease vs buy
 - Expensive but good tax breaks, billable and attracts patients
 - Can usually get 3-6 months before first payment
 - Vendors
 - Will be frequent and persistent
 - Don't be afraid to say NO
 - Can drain money fast if not careful
- 


ENTITY

- Establishing name
 - Make a list
 - Might be harder than you think
- Type of entity
 - PLLC, LLC, S-corp
 - Protects your personal assets
 - Discuss with lawyer and attorney about which is best
 - Varies by state (no PLLC in NJ)
- Other credentials
 - Tax ID, business NPI, DEA, State license if moving, Medicare, Insurance
 - Many other potential for state, county and town
 - Consultant can be very helpful, especially in highly regulated areas.

MONEY

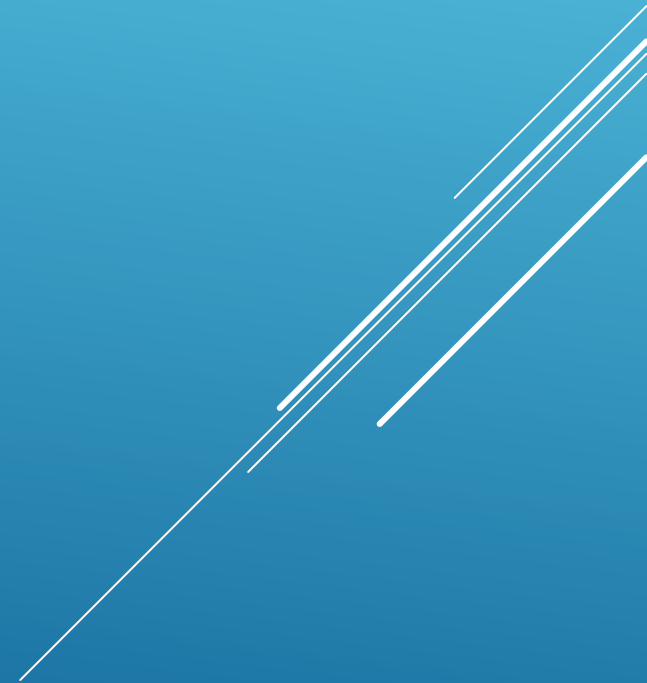
- Ideally have money saved so you can limit loans
 - Shop around for loans for best rates and structure
 - Look at local banks, sometimes friendlier to small businesses
 - Should have at least 1-2 years of living expenses
 - How much greatly varies by region and scope of practice
 - Figure on at least 7-12 months to turn a profit and 3-5 years to be at capacity.
 - Pro Forma can help with planning
 - Consider side gig until busy
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REAL ESTATE

- Lease vs Buy
 - According to BOA ~90% of new medical practices start with a lease agreement
 - Depends on market
 - Terms of lease
 - More years may reduce price
 - Don't be afraid to negotiate!!
 - Definitely have contract lawyer view
 - Location as discussed
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CONSTRUCTION

- Full build out vs repairs
- Amortized vs upfront
- X-ray
 - Lead walls, doors and windows to code
 - Have them talk to vendor on proper size
- Appearance is important, especially if cash or OON
- Expect delays
 - Give a little extra time than what they say for opening
 - Permits delayed me 6 weeks, have heard 3-6 months






CONSTRUCTION



CONSTRUCTION

MARKETING

- Eventually word of mouth and referrals will likely be your biggest source of patients but people have to know about you first!!
 - If cash or OON must market more because you won't be on plans.
 - Have to spend money to make money, but must spend wisely, especially in the beginning.
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- A decorative graphic consisting of several parallel white lines of varying lengths, slanted upwards from left to right, located in the bottom right corner of the slide.

MARKETING

- Logo
 - First thing many people will see
 - Nice but not too busy
- Local graphic design company vs online
- Consider online competitions (99designs)
 - Can be as cheap as 300 dollars
 - Multiple designers
 - Don't have to pay if you don't like the designs
 - Can design business cards, stationary

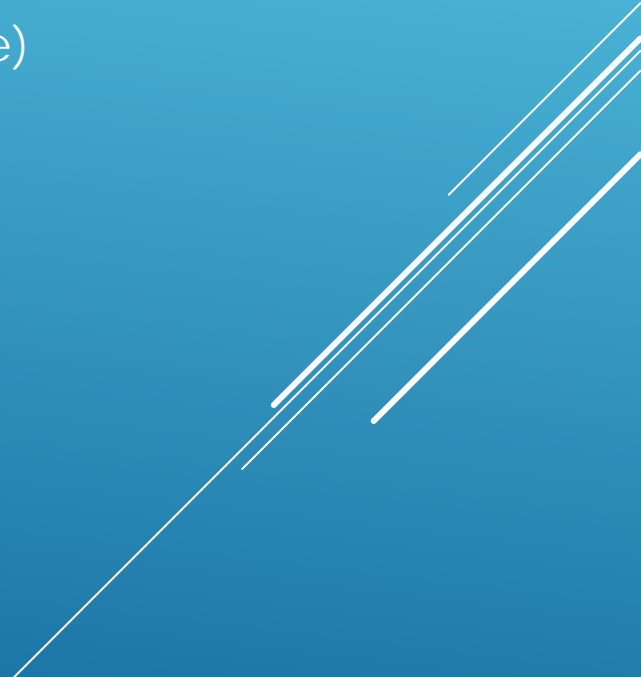


LOGO

WEBSITE

- Will be the main driver to your business
 - Informative but not too medical!!
 - Interactive (videos, links)
 - Must work well across all platforms (computer, tablet, phone)
 - Medical based companies usually more expensive
 - Proper keywords for SEO
 - Access for patients (doctors portal, schedule or request appointment, review links)
 - Blogs and updated information
 - www.apexsportsnj.com
- 


DIGITAL MARKETING

- Make sure you work with a company that knows and focuses on SEO
 - Social media platforms (Facebook, Twitter, Snapchat, YouTube)
 - Reviews do affect rankings
 - Consider working with review companies (Yext, Doctor.com, birdseye)
 - Paid advertising (Google, Facebook)
 - Good landing pages
 - Deals (eg. free consult for stem cell)
 - Make sure your online presence is consistent and up to date
 - Old jobs, residencies.
 - Affects rankings
- 


ADVERTISING

- Paid digital advertising as discussed
- Billboards, magazines, local papers
 - Expensive
 - Depends on area
 - Speak to other local businesses (call the number on the ad)
- Yelp
 - Do not pay
- Zocdoc
 - Depends on area
 - Just changed pay structure (pay per patient scheduled)
- Again, will be bombarded by different offers and services!!
 - Research prior to signing
 - Ask for references
 - Don't be afraid to say NO!!

STAFF

- Can make or break a practice!!
 - First line of patient contact
 - Start lean
 - Willing to cross train
 - Should know the basics of every job in the office
 - Be slow to hire and quick to fire!!
 - Employee handbook to outline expectations of each job
 - Regular meetings to address problems in a timely manner
 - May not be able to provide significant benefits so may be limited.
- 


NETWORKING

- Other doctors
 - Primary
 - Physical Therapy (especially direct access states)
 - Chiropractors
 - Podiatrist
 - Pain Management
 - Urgent Care
 - Have to approach each specialty differently (eg. Don't promote OMT to chiros)
 - Be persistent without being annoying
 - Staff is the key!!
 - Not too much information at once
 - Bring small gift (cake, cookies, fruit, lunch)
 - Invite them to see office
 - Doctors that work for a system may not be allowed to refer to you
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NETWORKING

- Schools
 - Local chambers of commerce
 - Networking groups
 - BNI
 - LeTip
 - Local advisory councils
 - Local medical societies
 - Some are osteopathic specific
 - Health Fairs
 - Local town days
 - Gyms
 - Local police and fire departments
 - Lunch and learns
- 


NETWORKING

- Will be doing most of the leg work yourself at first
 - Consider a marketing rep when you are busy enough
 - Consider handouts to get your name out (pens, T-shirts, bags)
 - Make sure you stay within budget
 - Items that people will keep
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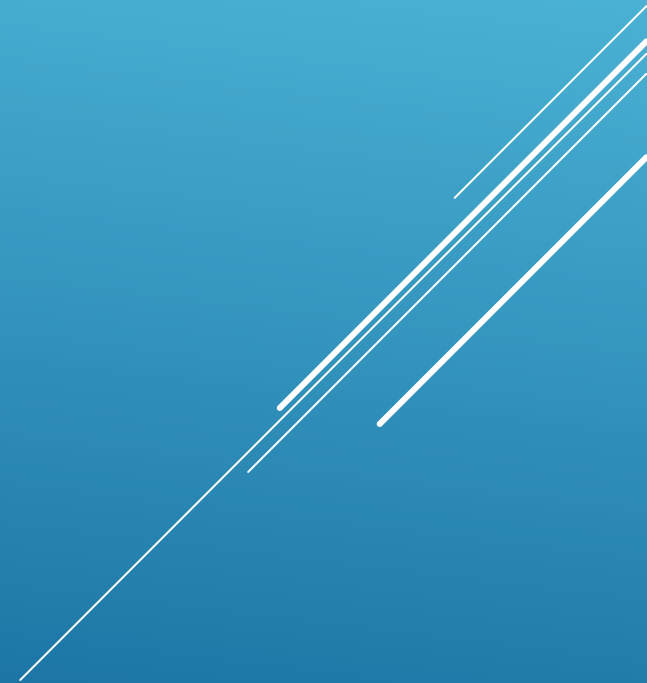
WHY YOU?

- Why are people going to choose you over other doctors?? (ortho, sports med, pain)
- Bedside manner and knowledge will NOT guarantee your practice succeeds!!
- Have to have services or credentials that set you apart from the others
 - RMSK
 - Ultrasound guided procedures (Tenex, Tenjet, injections)
 - Regeneratives (PRP, stem cells)
 - OMT
- Have to constantly be open to new therapies and procedures that can expand your practice.
- Have to make sure there is patient and local physician awareness of why you are different (website, marketing, networking)
 - Don't be afraid to ask for reviews
- Consider ancillary services and other specialties as you grow for patient convenience (PT, pain, podiatry)

CONCLUSION

- Starting a practice is not for everyone
 - High risk, high reward
 - Will wear A LOT of hats at first
 - Consider using a consulting company
 - Surround yourself with good support
 - Make sure you have ample funds
 - Strongly consider side job
 - Must constantly adapt, train and look to grow
 - Do not be afraid to fail!!
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“IN THE END WE ONLY REGRET THE
CHANCES WE DIDN'T TAKE”



THANK YOU

Any Questions

doctorsav@hotmail.com

