

## **CLOSING A MEDICAL PRACTICE CHECKLIST**

### ***One year before closure***

Consider how to dispose of the physical assets of the practice, including real estate, equipment, stocks of medications and supplies, etc. Leases for space and equipment need to be concluded properly in writing to protect the physician from later claims that contracts were unilaterally broken. If assets are owned by the practice that is closing, assets can be sold, auctioned or donated. Your accountant can recommend which is most financially advantageous.

Notify your attorney and your accountant.

Review accounts receivable and the probability of aging to speed up collection process.

### ***Six months before closure***

Make arrangements for patients to access their medical records. Practitioners must maintain a patient record for a minimum of six years following the last patient encounter with [some exceptions](#). If selling the practice, a copy of the records may go to the physician purchasing the practice. If closing the practice, a secure, climate-controlled location needs to be determined for storage. Obtain a written custodial agreement that explains the records will be maintained in the condition they were received, the custodian has no right to access the information contained in the records without a signed release by the patient, the custodian will release copies of records to patients or a patient's authorized representative and the custodian will notify the provider of any change in their address or phone number.

Arrange for proper destruction or storage of personnel and administrative records according to applicable law.

[Form I-9 Retention Requirements](#)

[US Equal Employment Opportunity Commission – Personnel Recordkeeping Obligations](#)

[US Department of Labor Recordkeeping Requirements](#)

[US Department of Labor OSHA Recordkeeping Requirements](#)

[IRS Guidance – Maintaining Your Retirement Plan Records](#)

[Virginia Tax Recordkeeping Requirements](#)

Review insurance contracts to determine the method for contract termination. Inform all contracted payers of your intent to close the practice. Provide payers with a forwarding address to send payments that resolve after the office closes.

### ***Three months before closure***

Provide notice to patients 60-90 days in advance. This allows patients the opportunity to obtain alternative care. If you are transferring medical records in conjunction with the sale or closure of your practice, keep in mind that records pertaining to current patients cannot be transferred until an attempt has been made to notify the patient of the impending transfer. Notification must be made by mail at the patient's last known address and by publishing prior notice in a newspaper of general circulation within your practice area. For high risk active patients, those undergoing aggressive treatment or those on your follow-up schedule, consider sending certified mail, return receipt requested. Retain a copy of the letter, the mailing list and any returned letters that were sent.

Let the colleagues you work with or refer to know of your decision to close.



Inform utilities, medical suppliers, office suppliers, collection agencies, laundry services, housekeeping services, hazardous waste disposal services, magazine subscriptions, etc. Request final statements from these vendors to close your accounts with them.

Inform the office staff of the plan to close the practice.

Process your accounts receivable, as much as possible, to collect money owed to you. Consider employing a collection agency or staff member to reconcile accounts after the practice has closed. Bank accounts will likely need to remain open for at least 90 days after closing.

Contact your medical malpractice insurance company regarding tail coverage, which provides coverage against claims reported after the liability policy expires. Copies of professional medical liability insurance policy should be maintained indefinitely.

Notify business insurance companies and retain corporation documents and liability policy indefinitely.

Notify creditors of closure in writing and request a final bill. Be sure to keep records of correspondence with creditors.

### ***One month before closure***

Contact the US Postal Service to coordinate mail forwarding details.

[US Postal Service Mail Forwarding](#)

Notify the [Virginia Department of Health Professions Board of Medicine](#). Click the link labeled “[Update MD/DO/DPM Profile Info](#)” to update your online profile.

Inform the DEA of your intent to surrender your DEA Registration at 1-800-882-9539.

[US Department of Justice – Termination of DEA Registration](#)

Notify professional organizations, including your local and state medical societies, the American Medical Association (AMA) and your specialty (state and national) societies.

### ***After final patient is seen***

Pay final bills.

Destroy all prescription blanks. Some shredding services will provide a certificate of destruction that can be retained as documentation.

[Virginia Board of Pharmacy Guidance – Life of a Prescription When the Prescriber Is No Longer In Practice](#)

Keep narcotics ledger (if applicable) for a minimum of two years.

Follow the federal guidelines for disposing of prescription drugs and other medications.

[US Food and Drug Administration – How and Where to Dispose of Unused Medicines](#)

[Virginia Board of Pharmacy Guidance – Drug Donation and Disposal](#)

Contact drug representatives to determine what to do with unused samples, if applicable.

This information is intended for general guidance only and does not constitute legal advice. Please contact your attorney and/or medical malpractice carrier for additional information.



## **Sample Newspaper Notice**

[INSERT PRACTICE/PHYSICIAN NAME HERE]

Dr. [INSERT PHYSICIAN FIRST, LAST NAME] is retiring from practice effective [INSERT DATE]. Contact the office at [INSERT PHONE/ADDRESS] no later than [INSERT DATE] if you would like to obtain or transfer your medical record. After [INSERT DATE], you may obtain a copy of your medical record at [INSERT CONTACT INFO OF RECORDS CUSTODIAN]. A reasonable cost-based fee will be associated with the copying or transfer.

## **Sample Medical Records Transfer Letter**

[INSERT PRACTICE NAME]

Date

Dear [INSERT PATIENT or REPRESENTATIVE NAME];

I am writing to inform you that my medical practice will close effective [INSERT DATE]. While I am available to provide you with medical care until [INSERT DATE], you will need to secure a new physician prior to that date to ensure continuous care.

All medical records are confidential and protected by federal privacy and security regulations. With your authorization, a copy of your medical record can be released to you or transferred to another physician.

You have a few options:

- You may pick up your medical record at this practice; or
- You may have them mailed to you; or
- You may have them sent to a physician you designate

Contact my office no later than [INSERT DATE] if you would like to obtain or transfer your medical records. There may be a fee for record duplication.

After [INSERT DATE], you may obtain a copy of your medical record at:

[INSERT CONTACT INFO OF RECORDS CUSTODIAN]

Assisting with your health care needs has been a privilege. Please know that I have greatly valued our relationship and wish you and your family the best of health.

Sincerely,

[INSERT PROVIDER NAME]