



Closing the Medical Practice

A variety of life events may lead to the closure of a medical practice. Physicians may retire, move to another state, or change the nature of their practice. In group practices, the typical expectation is that patients will transfer to other physician partners.

Practices may also be 'sold', when another physician or group may purchase assets or receivables. Medical records must be transferred in a manner consistent with HIPAA Privacy and Security guidelines. This guideline provides helpful information on closing a practice and transferring patients to other providers.

Transferring Patients

The most important risk aspect of closing or selling a practice involves the transfer of patients to alternate, experienced providers of care. Physicians who leave one State for another may still be deemed liable for failures in patient care, if an injury event occurred while the patient was under the departing physician's care, or if an improper transfer of care resulted in harm.

a. Notifying Patients

Existing patients should be notified as soon as a determination is made that a practice will close.

Send a registered letter to each active patient notifying them that their doctor is leaving practice, listing physicians that they can be referred to, and asking them to call or come by to arrange for the transfer of medical records. Include a form the patient should complete and send back authorizing them to release their medical record to another doctor. Set up a tracking system to keep tabs

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on which patients do not respond, and call them via phone. It may be necessary to send an overnight delivery letter that the patient must sign for (such as FedEx) in some cases. It is advisable to keep a staff member in place for 60-90 days after closure to track down patients and arrange for transfer of records if necessary.

Run a small ad in all local service area newspapers prominently notifying readers that the practice is closing and asking them to arrange to pick up or transfer their medical records.

b. Keeping track of efforts made

Keep a master record of the ads run, letters sent, and list of patients who do not respond. The physician should arrange to keep or store medical records of patients who do not respond, in the event of a future request or suit. Retention of records is usually recommended for 7 years.

Remember HIPAA regulations require you not release medical records information without prior authorization from the patient.

When to stop accepting patients

Remember that potential liability for patient care exists well after an office visit or minor procedure. Avoid situations in which a patient may need follow up after you are no longer in practice in the area. Here are a few guidelines with regard to patient care:

a. New patients: Stop accepting new patients 60 days prior to closing the practice. Refer new patients to another competent physician.

b. Surgeries: Stop performing surgeries 90 days prior to closing the practice. Arrange for surgical patients to transfer to another competent physician.



c. Procedures: Stop performing minor procedures 60 days prior to closing the practice. Refer minor procedures to another competent physician.

d. Existing patients. Tell all existing patients about the decision to close the practice. Make a note in the medical record that this discussion took place and the patient's decision about taking their record documents or transferring them to another physician.

e. Post surgical follow up patients. Post surgical or procedure follow up patients should be seen until the last days of practice, and should be carefully transferred to another physician. Copious and detailed notes on examinations, healing progression, and referral to another physician should be made. If possible arrange for the receiving physician to see the patient before the practice closes, so doctors can agree on any needed post surgical care that may be provided by the second physician.

Professional Liability Insurance

Contact your insurance carrier to determine what options you may have with your medical malpractice policy. Depending on circumstances, you might have to cancel the policy. If you have a claims-made type policy and must cancel, you might need to purchase a reporting endorsement (tail coverage) to protect you for claims that arise after your policy terminates. A discussion topic for a new employment contract should include medical malpractice policy options and who will be responsible for policy payment, including tail purchase responsibility, if needed.

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Report Concerns

If there are any concerns with regard to patient outcomes or quality issues, discuss these with your professional liability carrier before closing your practice. An important aspect of avoiding lawsuits is good communications with patients. The ability to communicate diminishes greatly when a practice closes.

A Sample Letter to Patients

Dear _____:

On (date) I will be closing my practice of medicine in this area. I will no longer be able to provide care for you after (date).

It would be my pleasure to refer you to the following competent physicians:

Physician name address phone

You can authorize me to release your medical records to Dr. (name) by completing the enclosed form and faxing it to (number), mailing it to (address), or bringing it to my office. We will send your records and send you a reminder letter afterward.

You may pick up your medical records documents by visiting my office at (address) and signing a pick-up form.

Any records not transferred or picked up by (date) will be stored until (date), at which time they will be destroyed.

It has been my pleasure to serve you. Please accept my thanks, and feel free to call me at (number) if we need to discuss your medical care.

Sincerely, (name)



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This guideline is informational in nature. It is not intended to constitute legal, accounting, or medical advice. It is not intended to establish a standard of care. It does not constitute an insurance company policy. For specific assistance, consult a qualified expert in the area of concern.