

Opening a Psychiatric Practice of Your Own

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What is the vision for your practice?

At some point in your career as a practicing psychiatrist or therapist, you may want to be your own boss, which will require opening your own office. Give some thought to the type of practice you would like to open. Questions to answer are:

-Who are your patients? Will you see adults, adolescents, children, geriatric patients, military veterans, families?

-What kind of office hours will you maintain? Hours will affect the kind of heating and cooling and access you will need.

-Who are your referral sources? How close should you be to them?

-What kind of image do you want to project? Differentiation and branding is the new frontier for medicine. Will you be psychiatrist to the stars? Family friendly? Affordable? Closely linked to a teaching and research hospital?

-Where is your competition? You need to know who they are, where they are and what kind of office they have. Then you need to decide whether you want to be like them, or filling a niche that no one addresses yet.

Influences on Location

The best location for your practice will be influenced by the type of patients you see. A few examples are:

-Geriatric patients- need handicap access, access to parking, and room for their caregivers and walkers, wheelchairs, and other equipment. A handicap accessible rest room will be important, too.

-**Children and Adolescents**- Location near schools may be important. The orthodontist wants a location between the middle school and the high school. Moms will make most of the healthcare decisions. If Mom drops off the child or adolescent, she may like a location where she can get errands done during the appointment. If you see teens weekly, a location accessible by public transportation would be a plus. One private school in Chicago has two therapists ON STAFF housed in the school, to see families and students.

-**Workaholics**-If you specialize in workaholics, where do you need to be? Very close to their office.

-**Special Needs or Persons with Disabilities**-A patient who is involved in regular physical therapy might want to be near a therapy location, or a hospital.

-**Chronically Mentally Ill**-You may want to locate next to an inpatient facility.

-Referral Sources-Out of sight is out of mind. Make sure your referral sources can find you and see you. Make arrangements to be in places your referral sources frequent.

Image of the Building

The image of your building should relate for the vision of your practice. The plastic surgeon to the stars wants a prominent location in Hollywood where he or she looks successful and sees beautiful people.

Some influences for psychiatry would be:

-Is your practice considered clinical, or approachable?

-Do you want to be in a neighborhood in the community or in a medical district?

-If your patients are oncology patients coping with cancer, do you want to be in a hospital building?

-If you are in a building that is considered luxury, will your patients think you are charging too much? Bankruptcy attorneys don't move into buildings with marble lobbies.

-Will your patients be able to find you? Being at the end of a really long hallway is a bad idea.

-Is the parking easy to access? Can you park right out front? Do you want a valet parking option?

Pediatricians in the city often seek sites with parking to accommodate mothers herding their children and equipment into the office easily.

-A word of caution regarding hospital owned medical office buildings: They are run with the intention of bringing paying patients to the hospital. You will be treated as the ugly stepchild if Cardiology or the Breast Cancer Treatment Center needs your space.

Inside Your Office-

The ambiance of your office interior will be critical to establishing image and identity. Some key factors to consider are:

Natural Light- It is difficult to treat claustrophobics, for example, in a space without windows. Pastoral views can be a plus, if there are no issues with wildlife running by your window.

-Hours of Operation- Most office buildings have specific hours, often 8 am to 6 pm Mondays through Fridays, 8 am to 1pm on Saturdays, closed Sundays. If your practice requires you to see patients outside these hours, you need to plan accordingly.

-Rest Room Access for You and Your Patients-Access for patients should be easy. One practice I worked with was willing to pay for a private bathroom so they would not see their patients when using the public rest room. This is only cost effective for a larger practice.

-How Will Patients Get In and Out of The Space? You will need to devise a system for alerting patients when you are ready to see them. You may choose to greet them in the waiting room, install a light system so that they know you are available, or it may be cost effective to hire a receptionist. Having one entrance and a separate exit can be desirable.

Controlled substances/Prescription Drugs-Will you need a locked cabinet? Will you need to put a provision in the lease that even the landlord cannot have access to this cabinet or closet?

-How Will You Keep Drug Reps at Bay? Work out a system so that the sales reps do not interrupt your day.

-Storage for Toys, Games, And Other Equipment for Therapy-Will you need a place to store games, snacks, toys, or other items you use in your practice. In your office, or elsewhere in your space?

-Furniture for Your Office- It needs to be comfortable AND durable. How many is the maximum that may be in your office at one time? Your furniture should hide spills and be water resistant.

Construction Specific to Psychiatric Offices

Psychiatric offices have specific construction requirements. There will be a trade-off between the cost of construction and the level of privacy obtained. The biggest concerns are joins where sound may leak. A contractor who specifically understands sound reduction will be required. A few key requirements:

- Extra layers of insulation between the layers of drywall between offices
- Lining of the heating and cooling ducts
- Seals at the tops and bottoms of doors
- Sound attenuation blankets draped over drywall at connection points to ceiling

Show Me The Money- Lease and Operational Issues-

How much can I afford to pay in rent?

There are four components to rent, net rent, operating expenses and taxes, financial escalations, and utilities.

NET RENT+ OPERATING EXPENSES AND TAXES+ESCALATIONS+UTILITIES= TOTAL RENT

You need someone to project the costs for all four of these categories. Bear in mind the key principle of real estate- landlords limit their liability: if a cost may go up, it will be the responsibility of you the tenant to pay those increases. Landlords created a special language to confuse tenants. Make sure your professional is qualified to translate for you.

Think of the number of patients you can see in the hours you operate as capacity. The amount of rent you can pay is a function of how many patients you can see in the hours you are open. Remember you will need to pay other costs in addition to rent.

Other Lease and Operating Considerations-

Security Deposit/Guaranty- The landlord wants to know if the practice does not work out, he or she has some protection. Expect 1 to 4 month's security deposit or a personal guarantee, dependent on the landlord's investment in your buildout

Hours of Operation- Make sure the hours you will see patients is spelled out in the lease. Additionally, if you are in a retail space, make sure you do not have to maintain "mall hours" like 9:00 AM to 9:00 PM

Exclusivity/Competition-Do you want to be the only therapist in your building? Dentists want to be the only dentist in the shopping mall. Or do you want to be the only child therapist in your building? Ask for rights to be the only practice with your specialty in the building.

Other Business Operations Factors-

Phones and Ability Receive Emergency Calls-Great options abound in small phone systems to program your numbers to follow you wherever you need to go.

Collections-How will you collect your fees and handle insurance? In our experience, empathetic people have difficulty with collections. Poll your colleagues for systems that work for them and make sure to implement from day one. Look to other professions (doctors, dentists) on methods they use to collect while the patient is in front of them. Consider credit card payments as well.

Closing Comment- Now You Are An Entrepreneur

The Good News- You are the boss, you can run your own show

The Bad News- You still have patients, but no management to whine about but yourself!

You Are Not Alone!

Corporate Real Estate Solutions can guide you the process of finding that right office.

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