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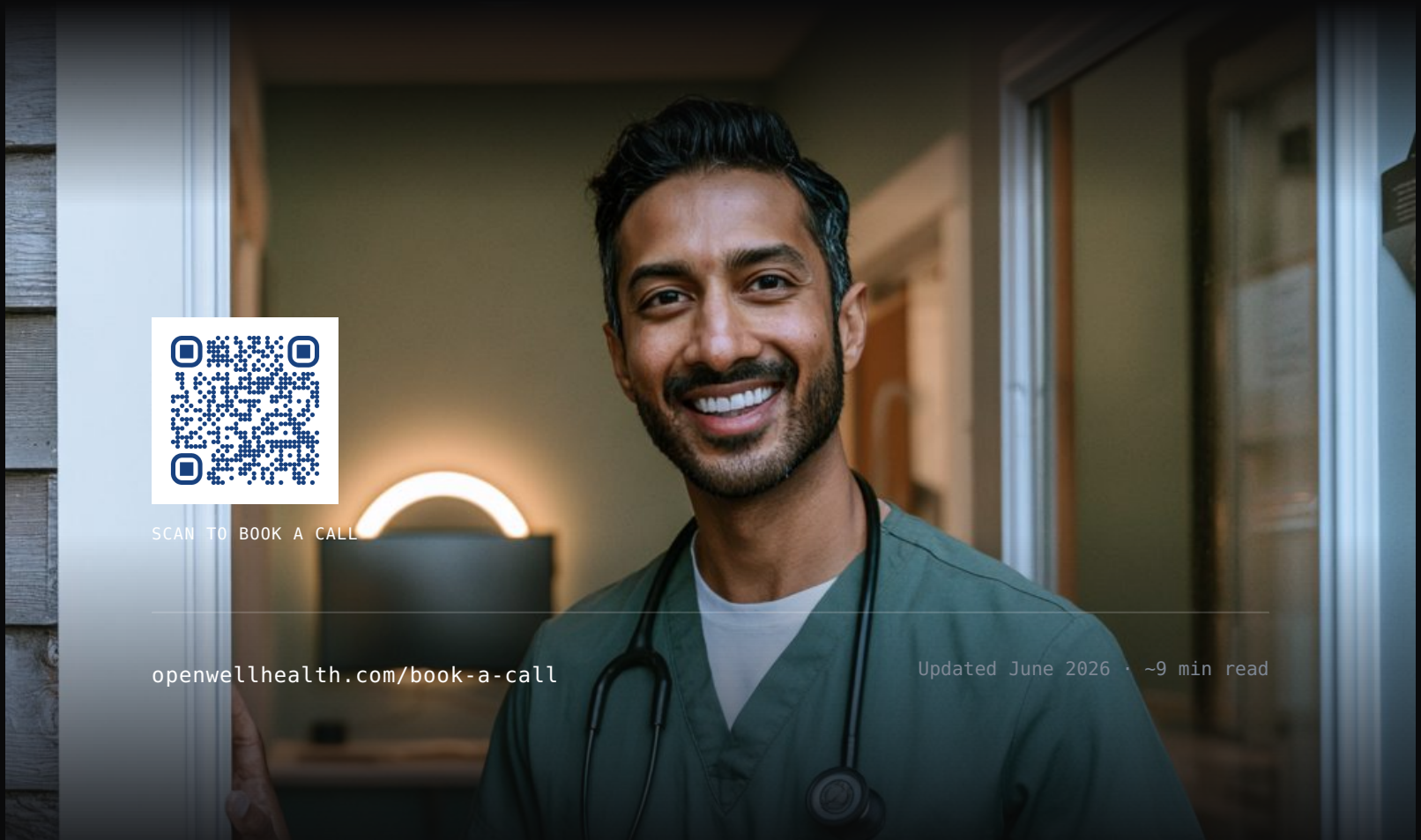
LAUNCH PLAYBOOK

How to Start Your Own Medical Practice From Scratch: The Complete Sequence

Starting a medical practice takes eight ordered steps: entity, EIN/NPI, malpractice, banking, payment model, EHR, HIPAA, launch. Here is the full sequence.



SCAN TO BOOK A CALL

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LAUNCH PLAYBOOK

Starting a medical practice from scratch comes down to eight core steps: (1) form a legal entity (PC or PLLC), (2) get your EIN and NPIs, (3) secure malpractice insurance, (4) open business banking, (5) choose your care and payment model, (6) stand up your EHR and patient intake, (7) complete HIPAA compliance and consents, and (8) brand the practice and enroll patients. **The single decision that most determines your timeline is step 5: a cash-pay practice skips insurance credentialing and can open in roughly 4–6 weeks, while an insurance-based practice typically takes 6–12 months.**

What should you decide before you file anything?

Two decisions come before the paperwork, because they change everything downstream.

First, your payment model. Cash-pay (direct primary care, concierge, functional, longevity) versus insurance-based. This isn't a detail to settle later — it determines your software, your staffing, your overhead, and whether you wait 90–150 days for commercial payer credentialing before you can bill (a verified industry range; Medicare runs roughly 15–90 days, Medicaid 60–120). If this is your first independent launch, cash-pay is usually the faster, leaner path. How to Start a Direct Primary Care Practice

Second, if you're currently employed, your contract. Check the non-compete and the moonlighting/outside-activity clauses before you build anything patient-facing. Building the foundation — entity, licensing, branding — generally isn't "practicing medicine," but seeing patients in a restricted area can be. Get ambiguous language reviewed by a healthcare attorney licensed in your state. Physician Non-Compete Clauses, Explained How to Test Your Own Practice Without Quitting Your Job

They treat the list as infinite, so they never start.

FROM THE BRIEF

The eight steps, in order

Step 1 — Form your legal entity

Most physicians form a professional corporation (PC) or professional LLC (PLLC), depending on state rules. This is the legal container for the practice; it affects taxes, liability, and ownership. Some states' corporate-practice-of-medicine (CPOM) rules constrain who can own a medical entity — this varies by state, so confirm yours before filing. How to Set Up the Legal Entity for Your Medical Practice

Step 2 — Get your federal IDs

Apply for an **EIN** (the business's tax ID) and confirm your **individual NPI**, then obtain an **organizational (Type 2) NPI** for the entity through NPPES. These unlock banking, prescribing workflows, and — if you ever bill insurance — payer enrollment. None of this is hard; it's just unfamiliar the first time.

Step 3 — Secure malpractice insurance

Bind coverage before any patient contact. The structural choice is claims-made versus occurrence, and the right answer depends on your specialty and state. If you're leaving an employed role, check now who pays the tail on your old policy — tail coverage can run into five figures, and discovering it's yours at exit is a common, expensive surprise.

Step 4 — Open business banking

Business checking, a payment processor (or membership-billing system for cash-pay), and a bookkeeping system, separated cleanly from personal finances from day one. Commingling funds is a classic rookie mistake that makes taxes and any future financing harder.

Step 5 — Commit to your model and pricing

This is the pivot point of the whole sequence. Cash-pay models let you run a smaller panel — commonly cited at 400–800 patients for DPC — skip payer credentialing entirely, and go live in weeks. Insurance-based practice means CAQH setup and enrollment with each payer, which adds months during which you cannot bill. Set your membership tiers or fee schedule here, priced to your market and cost structure, not to your fear.

Step 6 — Stand up your operating systems

You need an EHR/charting tool, online scheduling, patient intake and forms, secure messaging, and a way to take payment. Historically physicians stitched together five disconnected tools; the integration tax shows up every day afterward. The modern approach is one integrated system configured to your model, so enrollment, payment status, scheduling, and records actually share data. What Software You Need to Run an Independent Medical Practice

Step 7 — Complete HIPAA compliance and consents

Run a security risk analysis, put safeguards in place (encryption, access controls, audit logs), execute a Business Associate Agreement with every vendor that touches PHI, publish a Notice of Privacy Practices, and prepare patient consent and financial-responsibility forms. The working rule: no BAA, no PHI. HIPAA Compliance for a New Clinic

Step 8 — Brand and enroll

Name the practice, build a simple, high-trust website with online booking, claim your Google Business Profile, and start converting interest into booked visits. Your first patients usually come from your network, your community, and your story — not paid ads. How to Get Your First Patients for a New Practice

Which steps can run in parallel?

The sequence above is the dependency order, not a mandate to do one thing per month. Steps 1–4 are administrative and can run concurrently once the entity filing is in. The model decision (step 5) should actually be made *first*, because it determines what steps 6–8 look like and whether you add a credentialing track at all.

EXHIBIT

STEP	DEPENDS ON	TYPICAL DURATION	PARALLELIZABLE?
1. Entity (PC/ PLLC)	State CPOM rules confirmed	Days to a few weeks, varies by state	Start first
2. EIN + NPIs	Entity (for EIN and Type 2 NPI)	Days	Yes, with 3–4
3. Malpractice	Model decided (affects risk profile)	Days to weeks	Yes, with 2 and 4
4. Banking & payments	EIN	Days	Yes
5. Model & pricing	Nothing — decide first	A decision, not a task	Precedes everything
6. EHR & operations	Model; entity helpful	1–3 weeks configured; longer if assembling a multi-tool stack	Yes, with 7
7. HIPAA & consents	Vendor choices from step 6	1–2 weeks on a compliant platform; months DIY	Yes, with 6
8. Brand & enroll	Model, pricing, booking system	1–3 weeks for site and profile; enrollment ongoing	Begins during 6–7
(Insurance only) Credentialing	NPIs, CAQH profile	90–150 days commercial (verified)	Runs alongside everything — and is the long pole

Run in parallel and the critical path collapses. Run sequentially, in spare evenings around a full-time job, and the same list stretches to a year.

How long does the full sequence take?

The honest range is **4–6 weeks to 12 months**. A cash-pay launch with the tracks run in parallel — especially telehealth or hybrid, with no build-out — sits at the fast end (the 4–6 week figure is a launch-service delivery benchmark; confirm against current delivery data). A DIY insurance-based launch with a physical build-out sits at the slow end, with the 90–150-day credentialing wait as the immovable long pole. The full breakdown, including what's parallelizable and what isn't, is here: How Long It Actually Takes to Open a Private Medical Practice

What do physicians get wrong about this sequence?

They treat the list as infinite, so they never start. The most consistent pattern across stalled launches isn't a hard step — none of these eight is individually difficult. It's that the steps are unfamiliar, they arrive all at once, and the physician is attempting them in spare time around a full-time clinical job. The feeling that the requirements are infinite is what causes procrastination, not the requirements themselves. Eight steps, most of them delegable, is the whole list.

They default to insurance without pricing the delay. Payer enrollment isn't just paperwork — it's 90–150 days of carrying overhead while legally unable to bill commercial payers. If you'd choose cash-pay anyway in two years, choosing it now saves you the most expensive quarter of your launch.

They buy software before choosing a model. Step 6 executed before step 5 produces an insurance-era EHR bolted awkwardly onto a membership practice, or five disconnected subscriptions you'll spend months reconciling. Model first, systems second.

Reality check

Be honest with yourself about three things before you start the sequence.

Runway. Plan for 6–12 months of personal expenses in reserve even for a fast launch. Going live in six weeks does not mean a full panel in six weeks — most physicians model a 6–18 month build to a sustaining panel. Launch speed and ramp speed are different numbers.

Demand risk. The one assumption no checklist can validate is whether enough patients in your market will pay for your care under your model. The sequence above gets you open; it doesn't guarantee a panel. The reversible path — building the foundation while employed, seeing a small panel on the side where your contract permits — is how you test that assumption before you bet a salary on it.

Ownership load. Every step above is doable or delegable, but the practice that results is a business you own. If what you want is zero administrative ownership and a fixed salary, this sequence builds you the wrong thing. The physicians who regret launching are usually the ones who leapt without running their numbers; the ones who regret staying employed never let themselves run them at all.

Costs for each step are broken out separately: How Much It Costs to Start a Private Medical Practice (Real Numbers). The common failure modes have their own article: The Biggest Mistakes Doctors Make When Starting a Practice.

Frequently asked

What is the very first step to starting a medical practice?

Decide your payment model (cash-pay vs. insurance) and, if you're employed, check your contract's non-compete and moonlighting clauses. The first *filing* is your legal entity — a PC or PLLC per your state's rules — because the EIN, organizational NPI, and business banking all hang off it.

Can I start building my practice while still employed?

Usually yes, for the non-clinical foundation: entity, IDs, licensing, banking, branding, systems. Seeing patients is where non-competes and moonlighting clauses bite, so have those clauses reviewed by a healthcare attorney licensed in your state before any patient contact.

Do I need to rent office space before opening?

No. Starting telehealth or hybrid avoids a build-out entirely, cuts both cost and timeline, and lets you validate demand with a small panel before committing to a lease. Add space when the panel justifies it.

How much money do I need before starting the sequence?

Startup costs vary widely by model — a lean telehealth cash-pay launch costs far less than an insurance practice with a physical build-out. The bigger number is working capital: 6–12 months of personal runway while the panel fills. Full line items: How Much It Costs to Start a Private Medical Practice (Real Numbers).

Do I have to take insurance to have a viable practice?

No. Direct primary care alone has grown to roughly 3,000+ practices nationwide (per the DPC Frontier mapper), running on flat memberships with no payer contracts — and per the AAFP, 94% of DPC physicians report satisfaction with their practice versus 57% of non-DPC peers.

What licenses do I need before seeing the first patient?

An active state medical license in every state where you'll see patients (including telehealth patients' states), your NPIs, DEA registration if you'll prescribe controlled substances, and applicable business permits. The full inventory with sequencing: Licenses and Credentialing You Need to Open a Clinic.

This article is general information, not legal or financial advice. Entity rules, CPOM restrictions, and licensing vary by state — confirm yours with a healthcare attorney licensed in your state.

HOW OPENWELL CAN HELP

Done-for-you, end to end.

If you'd rather not be the general contractor for all eight steps, Openwell launches cash-pay practices end to end — entity, licensing, EHR, HIPAA, branding — and leaves you running on one integrated platform afterward.

Book a call → openwellhealth.com/book-a-call

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