



# Leaving a Group Medical Practice to Start Solo Practice: My Journey

Text by Dr Desmond Wai

I left public service back in 2006 to join a private group specialist practice (the “old clinic”). After working in the old clinic as an employee for six years, I decided to start my own solo private specialist practice (the “new practice”).

The transition was challenging. Neither medical school nor postgraduate training prepared me for this. Looking back, I could have incurred huge financial losses if I had not handled it properly.

Leaving a medical group practice is no simple feat, and I share my experience and lessons learnt in this article.

## Study the employment contract in detail

When I signed the employment contract with the old clinic back in 2006, I did not bother much about the details, likely because I was naive and too eager to join the group then.

I have since learnt several important terms and concepts in the employment

contract that could be extremely crucial for when one resigns.

### Notice of resignation

My notice period was three months so I could not start my new practice or work for anyone else till the notice was fully served. One ought to be careful not to use the time or resources at the current practice during working hours to plan for the new practice, as that could imply stealing company time or resources.

### Gardening leave

The duration of resignation notice – the time between having tendered and the time one stops working at the clinic – can be a stressful period.

The old clinic was also wary that I could “steal” patients. A senior staff of the old clinic eventually met up with me, in the presence of the company lawyer, to grant me “gardening leave”.

During gardening leave, the doctor is not allowed to enter the clinic unless

given permission, but will still be paid salary during the period. This alleviated any worry of the old clinic’s management that I would poach existing patients and also gave me time to plan for my own practice (and even enjoy an overseas trip).

According to lawyers, this is a common practice among law firms and other businesses, when associates and partners leave one practice to join another.

### Non-compete clause

What this clause means is that the employee who has resigned cannot practise within a certain distance of their previous clinic, for a specific duration.

Some doctors are disallowed to practise within the same building for a period of six to 12 months. As such, their new place of practice must be in another building within the hospital or at another hospital.

However, a problem will occur if the old practice has numerous branches

all over Singapore! This would cause the departing doctor to have limited locations to start his/her new clinic. I thus strongly advise colleagues and friends to scrutinise this particular clause before you join any group.

### **Non-solicit clause for staff**

It was also stated in the contract that I could not employ any staff from the old clinic within six months of my resignation. Staff are part of a company's assets and many companies would not want their staff working for a competitor in the same specialty.

To avoid unnecessary misunderstanding, I advise all to avoid poaching staff from their old employer or any clinics of the same specialty.

### **Non-abandonment vs non-solicit for patients**

The 2016 edition of the Singapore Medical Council (SMC) Ethical Code and Ethical Guidelines states clearly that if a doctor is terminating the doctor-patient relationship, the doctor is ethically obliged to offer the patients the choice to see another doctor with the necessary medical records, for continuity of care. This is termed non-abandonment.

However, patients' medical records belong to the clinic licensee, not the individual doctor. Thus, informing existing patients of my new clinic location in person or by mail could have led to me breaking the non-solicit clause for patients.

Breaking the non-solicit clause for patients may lead to lawsuits to recuperate loss of revenue. In one Singapore case many years ago, a dentist left a group practice to start his own practice nearby. Many of his old patients joined him at his new practice. The original employer then sued the dentist in court for loss of revenue.

It was a complex situation and in the end, the group practice lost the case. However, defending oneself in court is an expensive affair even if one wins the case. Legal costs recovered from the plaintiff may not cover the full legal expenses.

It is therefore best to have a meeting with the clinic management to have a mutual agreement to determine who should inform the patient. In my case,

the old clinic had another in-house gastroenterologist who took care of the existing patients and informed them of my departure. I did not inform my patients personally.

### **Intellectual property of the old clinic**

During one's employment, the doctor may have written some protocols and patient information materials such as printouts, brochures, webpages and animations.

The copyrights of such materials typically belong to the clinic, rather than the doctor who created them. It is thus best to rewrite and/or recreate any such web or written materials for your new clinic.

### **Plan ahead**

As I could only start my clinic three months after I resigned, I planned for my new clinic based on that timeline. The endpoint was such that I could start my new clinic as soon as it was legally feasible.

I then worked backwards to determine my timeline.

### **MOH licensing inspection**

Depending on how many clinic inspections the Ministry of Health (MOH) has in line, the waiting time for clinic inspection can range between one and two months. To apply for a MOH licence, I had to present my confirmed clinic address, a tenancy agreement to prove that I was the rightful tenant of the clinic premise, a floor plan of the clinic, and a computer set up with a clinic management system.

Though MOH license inspection is done via Skype nowadays, every item of the checklist must be ready on the day of inspection. Do note that the doctor will not be able to print their business cards or put up a clinic website until the clinic licence is approved.

### **Confirmation and documentation**

I did not want to resign without a clinic space, so I had to view different clinics at different hospitals prior to the resignation. I had to look for a clinic premise, negotiate with the landlord about the leasing start date and rents, and finalise and sign a tenancy agreement.

Once the location was confirmed, I had to get the landlord to sign a tenancy agreement, which was submitted to

MOH for clinic license application once I confirmed the renovation contractor and renovation plan.

### **Renovation and set-up**

For my new practice, I rented a room at an established clinic and very little renovation work was required. However, I still had to confirm a floorplan, set up a computer, a clinic management system and a pharmacy cabinet with a lock for the MOH clinic inspection.

### **Hiring new staff**

This is a difficult task. Even back in 2012, there was a shortage of clinic staff. I had to confirm a clinic assistant with a start date several weeks later. Ample time is needed for the staff to serve his/her own notice period.

The new staff should start at least one to two weeks prior to the clinic's commencement so new patients can call to book appointments. I was fortunate to have my wife helping me as a clinic staff during the transition period.

### **Administrative matters**

I also had to set up meetings with many people, including representatives from laboratories, imaging centres, pharmaceutical companies, etc, to confirm my medication bonus arrangements, inventory and investigation logistics. Additionally, I needed to set up a company registered with the Accounting and Corporate Regulatory Authority, and also confirm my company secretary and accountant.

Informing SMC and your medical insurance or indemnity insurer is also important. For any new clinics commencing from 2023 onwards, doctors must also meet up with insurance companies and/or third-party administrators to determine if the doctor can be enrolled on their panels.

### **Public notices and promotion**

It was obviously important to let people know of my new clinic location. I set up a website and several social media accounts so that my old patients could find me if they wanted to. I also put up a professional announcement in *SMA News* so SMA Members would know of my new practice.

## Finance

This is a sensitive topic.

### Bonus

Read the employment contract in detail. Some companies reward staff with a pro-rated bonus according to the months he/she had worked in the calendar year. For example, if the doctor's last day of service is 31 August, he/she would be entitled to two-thirds of the year-end bonus.

However, some companies only give out bonuses after a staff has served a full calendar year.

### Accounts receivables

Some group practices offer profit-sharing and incentives for generating revenue above a set target. Yet, though service has been rendered and the invoice issued to the payer, the payer may take a while to pay up. This revenue is often referred to as "accounts receivables".

For example, if I do a gastroscopy on a patient on 1 June, I would submit my scope fees to his insurer on the same day. Yet his insurer may only reimburse this amount months later, when I am no longer at the old practice. In other words, the money that the doctor earns may only be paid to the old clinic after he/she has left.

I recommend all colleagues to discuss this with their employers to decide how this amount of money that has been earned by you could be tracked and reimbursed even after resignation.

### Clawback

Some companies offer staff benefits like accident, hospitalisation and medical indemnity insurances. It is key to read the employment contract to ensure no clawbacks will be made at resignation.

For reference, when we buy property with a mortgage, the bank often gives a legal subsidy. However, the legal subsidy needs to be clawed back if the mortgage is fully redeemed within three years. This may be similarly applied in your contract.

## Keeping an amicable relationship

I strongly advise all to maintain an amicable relationship with your former employers. We were colleagues who have worked together for a significant part of our working life after all.

At times, a patient may request medical services requiring us and our ex-colleagues to attend to together. Also, there may be medico-legal issues that require cooperation with one's old colleagues and clinic staff. Therefore,

always maintain a good relationship with one another.

## Final thoughts

To conclude, resigning from a practice to start your own carries with it many challenges. The best way to prepare for this day of resignation is to scrutinise and study the employment contract even before signing it.

If in doubt, discuss with any senior colleagues, especially people who have had experience leaving a group practice. Alternatively, consult a corporate lawyer if you find that the employment contract contains too much legal jargon.

Last but not least, enjoy your new practice. ♦

Dr Wai is a gastroenterologist in private practice. He enjoys writing about life as a doctor. He strongly believes that doctors must share their experience and knowledge with one another to raise the standard of the medical profession.

