Part III: Transition to Private Practice

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Transitioning from residency into private practice can be difficult. Being aware of some of the difficulties you may encounter can help to ease that transition. Throughout residency, we are trained to manage different types of cases and patients, but under the supervision of an experienced attending that can provide assistance and knowledge to ensure safe and effective patient care. When entering into private practice, depending upon the group, you can find yourself as the lone anesthesia provider at a surgical center with the expectation of doing cases with little or no support system. Also, you can find yourself as-signed to cases which you had limited experience in man-aging as a resident and feel uncomfortable performing them due to familiarity. These situations can be over-whelming straight out of residency, especially when you feel that you need to be autonomous immediately. The most important thing to remember is to never be afraid to ask questions and for help when it is needed to ensure therapeutic care and patient safety. Every person in your group started out in an unfamiliar setting at some point in their career and they can be your best resource for advice and direction. If you do not feel comfortable going to your department chair with every little question you have, you can always find another partner or employee in the group whom you trust and can run cases by them if you are un-sure. These types of collaborative discussions are expected often when you are right out of residency to ensure safe practice.

During residency, you are used to having an attending watching over you rather than yourself supervising another provider. There is a sharp learning curve when it comes to supervising, and even experience teaching other residents prior to graduation does not quite prepare you for supervising multiple rooms of CRNAs or AAs. When doing a case alone, you become used to controlling most aspects of the patient care to your own preference. When supervising, it is important to accept that there are multiple ways to do the same job and that you may receive push back from someone who has been doing things a certain way for decades. It is important to learn to pick your battles such as standing your ground on points of appropriate patient care and safety while letting some small personal preferences be done in a different manner. Otherwise you may end up in a challenging working environment.

The other consideration with supervision is the number of rooms you may be covering. The average coverage ratio is anywhere from 2-4 rooms. You must learn to manage your time to see all your patients preoperatively as well as be present for all the critical parts of the case i.e. Induction/emergence. Depending on the practice you may also be responsible for giving breaks in all your rooms. Initially this all may seem overwhelming and difficult to manage but if you try and develop a broad plan at the beginning of the day and ask coworkers for help when needed you will ad-just quickly.

Graduating residency and transitioning in to private prac-tice may seem overwhelming, but every year it is success-fully accomplished by new graduates. If you have survived years of training, then you have the knowledge and skills needed to succeed. You just need to enter with confidence that you can do it, as well as the humility to know when to ask for help.

Part III: Financial Planning

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Overview

One of the most exciting and challenging aspects of transitioning from training into clinical practice is financial planning. Creating a financial plan can be daunting, but with appropriate foresight and guidance you will be prepared to plan for your financial future. With the average indebtedness of medical school graduates exceeding $187,000, a strong financial plan is essential to achieving financial independence.

Before making any steps toward improving your standard of living you should establish your financial plan with a budget to guide your priorities. When considering retirement savings, compounding interest makes every dollar you save now worth more than any of your future savings. If others are depending on your salary, life insurance and disability are necessary to protect your loved ones should anything unexpectedly happen to you. For the trainee with debt, the time immediately following training comes with significant risk.

First Steps

Emergency Fund

Before considering a major purchase, establish your emergency fund. Six months of cash in an interest-bearing liquid account (savings, money market, etc.) serves as a good buffer for emergencies that may arise. Should your first job not fully meet your expectations, having a fund to cover day to day expenses can offer tremendous freedom should you find yourself seeking a new practice. Additionally, your emergency fund will cover your expenses during the waiting period of your disability insurance should you become disabled.

Finding a Financial Planner

As you begin to consider your financial future, consult a financial advisor to help guide you through the process. Before doing so, it would benefit you to learn how your advisor is paid. Advisors are paid a commission on the insurance plans or investment products they sell or they are paid by fees. Fee only advisors carry a fiduciary responsibility act only in your best interest. You can find a local fee-only financial advisor by searching www.napfa.org, The National Association of Personal Financial Advisors. A financial advisor can help you with your retirement planning and acquiring insurance policies.

Insurance Policies

Immediately following training is a particularly vulnerable time in your financial plan. This is a time when many carry high debt but have yet to receive a high income. Any life event that could alter your ability to practice and generate an income could be devastating. To protect against this risk, disability insurance is an essential component of your financial plan. Ask your financial advisor about own-specialty-specific disability plans, which would pay if you were injured and unable to perform the duties of your current job but would allow you to still work in another field. Your new practice may offer a group disability plan, but these are not portable and generally, these plans do not carry favorable definitions of disability.

After purchasing your disability insurance, consider life insurance if anyone else depends on your salary. Life insurance is sold as whole life, which is more expensive and is seen as an investment, or as a term life. Term life policies carry the benefit of being much more affordable and they allow you to protect yourself at especially vulnerable times of your financial plan. These plans can be purchased in multiple year increments (e.g. 10, 15, 30 years), which would allow you to layer the plans to have higher coverage during especially vulnerable periods in your financial plan. When shopping for insurance plans, price comparisons can be especially difficult for disability plans. Be certain that your financial advisor can provide you with quotes from multiple providers to ensure that you have access to the best plan for you. Both types of insurance require a health assessment with laboratory testing to determine your health status, which influences the price of your policy. Life insurance is a bit easier to compare as websites like www.term4sale.com allow you to input your demographic information and immediately provides a list of insurance plans with agents in your area who can help you with purchasing.

Loan Repayment

With ever increasing interest rates for graduate education, aggressive educational loan repayment is the cornerstone of a wise financial plan. With federal interest rates at and above 6%, it is prudent to repay debt quickly or refinance. Many private lenders offer opportunities to refinance at competitive rates, your financial advisor can help you determine which method of repayment is best for you, as private lenders can have differing terms and more stringent conditions for repayment.

Retirement

The best way to start with your retirement planning is to begin with the end in mind. At what age would you like to retire? What percentage of your working income would you need to retire comfortably? These questions should serve as the starting point for how much of your income you should save, as well as the different investment vehicles you plan to use. 401ks and IRAs penalize withdrawals prior to age 59 ½, so if you desire more flexibility with your retirement age, differing methods of retirement savings would be required.

When considering different job offers, do not overlook employer contributions to retirement, as these benefits can certainly add up. If your practice/employer provides a match to your contributions to your retirement account, you should max out this contribution. For physicians exceeding the IRA income limit, a Health Savings Account (HAS) can serve as a tax protected investment vehicle. An HSA is exclusively available to enrollees of high deductible health plans and offers triple tax advantages:

1. Pre-tax deduction
2. Tax free growth
3. Tax free withdrawal for qualifying expenses

Summary

You have spent nights and weekends studying and learning to care for your patients; be sure to spend time learning about personal finance and don’t be afraid to get professional help. Finishing training is an exciting time of life and putting significant thought and effort to creating an excellent financial plan will pay dividends for years to come.