

BTER Pre-Assessment/Assessment Questions (All Modules)

Module 5 - Starting a Practice		
No.	Question	Answer
1	The decision to start a practice warrants the same amount of planning and financing as any other small business.	True – A medical practice is in fact a small business.
2	The decision to start a practice necessitates approaching this endeavor as an entrepreneur and requires that one start the process of starting a practice 6-12 months before opening the doors of the practice.	False - The planning process needs to start 18-24 months in advance of starting a practice.
3	When starting your own practice, your personal credit will have no bearing on whether you will qualify for a business loan or line of credit to finance your practice.	False – Obtaining financing will depend on 3 aspects of your personal finances, character, credit and collateral; therefore maintaining excellent credit is essential.
4	The history of on-time bill pay constitutes the largest part of one’s FICO score, which plays an important part in obtaining necessary financing to start a practice.	True – Your history of on-time bill paying constitutes 35% of your overall credit (FICO score).
5	A Federal Tax Identification Number (TIN) is also known as an Employee Identification Number.	True – All businesses must obtain a Tax ID number. It is free and can be obtained online at irs.gov .
6	All states uniformly require the same types of licensure, limited to a State medical license and Drug Enforcement Agency number.	False -Some states have additional requirements in order to become licensed in that state or to practice medicine in that state. For example, Texas requires an additional legal-based test for physicians seeking licensure there, and Illinois requires that physicians obtain a Controlled Substance license.
7	Assembling your “Go To Team of Advisors” includes an accountant, an attorney, a financial planner, a physician mentor, an IT consultant and a banker.	True – To start, ask colleagues for referrals to their team of advisors.
8	Assembling advisors who have a history of working with physicians and medical practices makes checking their references unnecessary.	False – It is always and absolutely necessary to check the references of any advisor, consultant or employee.
9	Conducting market research, including investigating the numbers of same-specialty physicians, patient demographics and the regional payor mix are essential aspects of building one’s plan to starting a practice.	True – Local hospitals and medical centers, as well as state medical societies, are good sources of this information.
10	A financial pro-forma indicates an insurance companies performance regarding reimbursements to a practice.	False- a pro-forma is a budget, which projects a practice’s expenses and revenues annually over a period of time. The pro forma is an essential part of any business plan.