

NEW BUSINESS CHECKLIST FOR HEALTH CARE PROVIDERS IN FLORIDA¹

1. MISCELLANEOUS LICENSES

- a. Obtain county occupational license (if applicable). Most counties have occupational licenses. Contact the tax collector of your county for requirements.
- b. Obtain city occupational license (if applicable). Some municipalities (cities and towns) require occupational licenses. Contact the tax collector of your city or department of licenses and permits for requirements.
- c. County business permit for office. This may require inspection by the Fire Marshall, so plan early as you may have to schedule this some time ahead.
- d. City business permit for office (if applicable). This may require inspection by the Fire Marshall.
- e. DEA Registration. Apply for your U.S. Drug Enforcement Administration (DEA) number so you will be authorized to write prescriptions:
 United States Department of Justice
 Drug Enforcement Administration
 Central Station
 P.O. Box 28083
 Washington, D.C. 20038-8083
 (800) 882-9539

2. INCORPORATION OR OTHER ENTITY FORMATION

- a. File articles of incorporation (or agreement for LLC or partnership agreement) with Secretary of State and obtain certificate of incorporation, certificate of existence or other official document from state.
- b. Complete bylaws (or regulations for LLC).
- c. Complete corporation resolutions or other documents needed to establish corporate bank accounts.
- d. File for subchapter-S status. Use IRS Form 2553 (copy attached or obtain from any IRS office). **URGENT - DO THIS RIGHT AWAY**
- e. Register any fictitious business name you will be using with the Secretary

¹ **WARNING: THIS LIST IS MEANT TO BE FOR ILLUSTRATIVE PURPOSES ONLY TO HELP ASSIST YOU. IT IS NOT MEANT TO BE COMPLETE OR ALL-INCLUSIVE OF EVERY ACTION YOU MUST TAKE. PROVIDING THIS LIST IS NOT MEANT TO BE PROVIDING YOU LEGAL ADVICE ON THIS IMPORTANT SUBJECT. YOU SHOULD CONSULT WITH AN APPROPRIATELY EXPERIENCED LAWYER AND AN APPROPRIATELY EXPERIENCED C.P.A. TO ENSURE YOU RECEIVE THOROUGH AND APPROPRIATE ADVICE.**

of State.

- ___ f. Annual report for corporation must be filed with Secretary of State each year or corporation will be administratively dissolved. Use January of the year as a goal for filing this.
- ___ g. Consult with attorney to ensure completion of all other requirements for incorporating and doing business in Florida as a corporation or other business entity (there are additional documents to be completed or filed and additional actions that should be undertaken).

___ **3. FEDERAL EMPLOYER I.D. NO.**

- ___ a. File IRS Form SS-4 to obtain federal employer identification number (FEIN). Copy of IRS Form SS-4 is attached or available from any IRS office. Each employer must have a FEIN. **DO THIS EARLY AS IT MAY TAKE SEVERAL WEEKS TO OBTAIN.** (Note: You may obtain one by telephone the same day or by telefax. Please see attached instructions.)

___ **4. MEDICARE/PROVIDER I.D. NO. (PHYSICIANS AND MEDICAL BUSINESSES ONLY)**

- ___ a. Apply for Medicare Provider Identification Number (P.I.N.) as early as possible. If a corporation or business entity, apply for new one. **DO NOT USE ANOTHER ENTITY'S MEDICARE P.I.N THAT IT ASSIGNS TO YOU!**
- ___ b. Apply for provider numbers or otherwise contract with Blue Cross/Blue Shield and other major insurers, managed care plans, and third party payors.
- ___ c. There are many other requirements for physicians and medical groups or businesses. It is recommended that you consult a board certified health care attorney for these.

___ **5. PAYROLL TAXES - FEDERAL**

- ___ a. We recommend contracting with a service company such as PAYCHEX that can take care of all of the following for you for one low monthly fee. It is well worth it to avoid the hassle. If you do contract with a payroll company, it will usually provide all of the items contained within this Section 5 of this checklist including filing all forms and reports required by the IRS or the state. If you contract with PAYCHEX you may tell them George F. Indest III at the Health Law from referred you to them.

PAYCHEX
800 Trafalgar Court
Maitland, Florida 32751
(407) 667-1798

- ___ b. General instructions and rates for federal withholding, FICA withholding, and employer's share of FICA, are contained in IRS Circular E (generally revised in January), available at any IRS office.

- ___ c. A Form W-4, Employee's Withholding Allowance Certificate, must be received from each employee. This form is used to determine the amount of income tax to be withheld from an employee's wages.

- ___ d. Form I-9, Employment Eligibility Verification Form, must be completed for each employee.

- ___ e. Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return is filed by January 31 to report required FUTA taxes.

- ___ f. Form 941, Employers Quarterly Federal Tax Return, is used to report social security and income taxes withheld and is filed by April 30, July 31, October 31, and January 31.

- ___ g. Form W-2, Wage and Tax Statement, must be given by the employer to each employee by January 31 to report their salaries.

- ___ h. **PAYROLL TAX DEPOSIT REQUIREMENTS:** Deposit is made at your bank, using a Federal Deposit Coupon, Form 8109. You will receive a supply of coupons after you apply for an Employer Identification Number. Deposit instructions are found in your Circular E.

- ___ **I. FICA AND WITHHOLDING TAX DEPOSITS**
 - ___ (1) For correct payment of the payroll tax liability, an employer must determine if they are a "monthly" or "semiweekly" depositor. If the total tax reported in the 4 quarter lookback period is less than \$50,000, they are a monthly depositor. If the total tax reported during this period is greater than \$50,000, they are a semiweekly depositor.

 - ___ (2) A monthly depositor will deposit all taxes accumulated for the month by the 15th of the following month.

 - ___ (3) A semiweekly depositor must deposit on Wednesday

and/or Friday depending on what day of the week wages are paid. Refer to your Circular E for these rules.

___ j. **FEDERAL UNEMPLOYMENT TAX**

Federal unemployment tax is paid for each employee annually by the employer. The tax is .8% (.008) of the first \$7,000 of wages paid each employee. If the liability at the end of a quarter reaches \$100 or greater, a tax deposit is required. The deposit is made at the bank using Federal Deposit Coupons. These taxes will be reported on form 940 filed at year end (see above).

___ k. **STATE UNEMPLOYMENT TAXES**

___ (1) For information in Florida, write to:

Department of Commerce
Bureau of Unemployment Compensation
Tallahassee, Florida 32301

___ (2) Initially, a Form UCS-1, Report to Determine Status, is filed.

___ (3) Form UCT-6 is filed quarterly. This report is used to report individual employees wages and to pay the State unemployment taxes. The report is due April 30, July 31, October 31, and January 31.

___ (4) For new employers the tax rate is 2.7% of the first \$7,000 of wages paid to each employee annually.

___ **6. STATE SALES TAX**

___ a. Information in Florida is available by writing:

Department of Revenue
5050 W. Tennessee Street, Building K
Tallahassee, Florida 32399-1045
Winter Park phone (407) 623-1141

___ b. In general, the rate is 6%, but it may vary by county. Currently, Seminole County must report at a rate of 7%. At the present time there is no tax on professional services such as medical or legal fees. However, this may change. Check on it.

___ c. Monthly reports and payments are due the 20th day of the month.

___ d. Generally, sales taxes are due from the sale of any tangible property, and rentals. As a general class, only the sales of food, medicine, and services

are excluded. A sales tax number can be obtained by filing form DR-1, Application for Sales and Use Tax.

- ___ e. A "Use" tax is required to be paid on any purchases of tangible personal property purchased from out of state and not resold.

___ 7. INTANGIBLE TAX

- ___ a. Florida has an Intangible Personal Property Tax, which taxes the value of a business's receivables, notes, basis in stocks, and other intangible assets. Recently, certain exemptions have been enacted which may apply to you. Information is available by writing:

Department of Revenue
5050 W. Tennessee Street, Bldg. K
Tallahassee, Florida 32399-0145

- ___ b. The Intangible Tax Return is due June 30. The return is based on information as of the prior December 31. There are discounts available for earlier filings.

___ 8. TANGIBLE PERSONAL PROPERTY TAX

- ___ a. Each county has a tangible personal property tax. This tax is assessed and collected by the local County Tax Assessor. For information in Florida, contact:

Orange County:
Richard Crotty, C.F.A.
Orange County Property Appraiser
100 East Pine St., 2nd Floor
Orlando, Florida 32801-2799

Seminole County:
H.W. "Bill" Suber
Seminole County Property Appraiser
1101 E. First Street
Sanford, Florida 32771

Other Counties:
Local County Property Appraiser
Local County Offices

- ___ b. A Tangible Personal Property Tax Return is due April 1. The tax will be assessed based on this form and is payable in November.

___ **9. CORPORATE TAX RETURNS**

___ a. We recommend you retain a good, reliable accounting firm that is familiar
with the unique features of physicians's practices. The ones we
recommend are:

(1) Marcie Babione, CPA
Blake, Kuehler, Babione & Pool Accountants
4060 Edgewater Drive
Orlando, Florida 32804
Telephone: (407) 291-6400

(2) Mr. Michael Brosius, CPA
The PM Group
1752 Howell Branch Road
Winter Park, Florida 32789-1121
Telephone: (407) 645-1150

Please tell them that George F. Indest III of the Health Law Firm referred
you.

b. The Florida Corporate Income Tax Return, for those businesses operating
in the Corporate form, is due the first day of the fourth month following
the fiscal year-end, or April 1 for the calendar year corporations.

___ c. The Federal Corporate Income Tax Return, Form 1120, is due the fifteenth
day of the third month following the fiscal year-end or March 15, for
calendar year corporations.

___ **10. INSURANCE**

___ a. All employers, regardless of the number of employees, must carry
Workmen's Compensation Insurance. See your insurance agent.

___ b. General liability, premises, automobile. Contact your local agent to make
sure you have adequate coverage for all areas of your operation.

___ c. Professional negligence insurance. If a professional, obtain professional
liability (malpractice) coverage insurance in appropriate amounts to
satisfy minimums required by state law, by the LLC Act (if applicable)
and to adequately cover your professional activities. We highly
recommend that you research this matter and obtain your insurance
through only with one of the most financially solvent, reputable insurers
licensed in Florida. Contact the Florida Medical Association, your
professional association or us for recommendations.

- ___ d. "Broad Form" or License Defense Coverage. Many professional liability insurance companies now provide as additional coverage (usually for only a small additional annual charge) "Broad Form Coverage" which will pay your legal fees and expenses associated with any professional disciplinary investigation or hearing, peer review investigations and hearings, hospital credentials hearings, Medicare and Medicaid audit or investigation defense, actions taken against your professional license or by your professional licensing board or association, defense of utilization review proceedings, defense of federal healthcare subpoenas, etc. This coverage is well worth the small additional charge. **However make sure your insurance coverage will provide: 1) at least \$25,000 in coverage for this benefit, 2) allow you to select the attorney you want to represent you, and 3) provide coverage for at least the events listed here.**
- ___ e. Tail Coverage/Prior Acts. If you have been in practice in your profession in the past, determine if you should obtain "tail coverage" or coverage for "prior acts."

___ 11. MISCELLANEOUS ITEMS

- ___ a. Health Insurance & HMO Panels. Apply as early as you can for membership on the panels of any insurers, HMOs, PPOs or other plans in which you intend to participate. Check around concerning each and be selective about the ones you decide to join. examine each agreement carefully to determine whether or not it is really to your advantage to join under the terms and conditions imposed by that plan's agreement. Contact the Florida Medical Association and your local county medical association to determine which ones not to apply to (if any).
- ___ b. Yellow pages advertising. Check into Deadlines for this as early as possible. Most finalize ads at beginning of June each year.
- ___ c. Fictitious Business Names. Check into availability of these early. Apply for any you desire. It may take several weeks to have these advertised and then process applications.
- ___ d. Internet Domain Names. Check into availability. Apply for these as soon as possible or the one(s) you want may disappear on you. Also, consider registering your domain name as a fictitious business name to better protect it from later claims by others.
- ___ e. Confidential Business Information and Trade Secrets. Determine if you have any documents, procedures, processes, manuals, client lists, formulas, software, programs or other information that might be considered to be confidential business information or trade secrets. Decide early what steps may be necessary to protect these from employees

or others who might be tempted to take and use them.

ADDITIONAL MATTERS TO CONSIDER (RECOMMENDATIONS ON MANY OF THESE CAN BE MADE BY YOUR LOCAL COUNTY MEDICAL ASSOCIATION):

Location of Office (visibility to passing traffic, exterior signage, proximity to hospital(s) and referring physicians, etc.)

Office Space (How big, type of facilities, access by patients, lease or purchase, etc.)

Equipment - Medical (Type needed, lease, purchase or finance, new or used, etc.)

Telephone System

Wireless Phones

Answering Service

Personnel

Printing Needs: Letterhead
Appointment/Business Cards
Stationary
Envelopes
Prescription Pads
Forms - registration/medical history
Progress Notes
Super bills

Fee Schedule

Computer

Credit Cards - MC/Visa

Resource Materials:

CPT Coding Manual (Order from AMA)
Evaluations and Management (E&M) Manual

Coding Books: CPT

ICD-9 >Medicode (800) 999-4600
HCPCS

Hospital Charges -

Compliments of George F. Indest III, Board Certified Health Care Attorney, Altamonte Springs, Florida

Insurance Claims

Medical Records:

 alphabetical tabs

 year tabs

Managed Care

Bio-Medical Waste Disposal

OSHA Manual

Job Descriptions/Personnel Manual

Policy & Procedure Manual

CLIA Registration

Referral Tracking

Rubber Stamps

Desk and Door Signage

Marketing: Consider the following:

 Newspaper

 Office Brochures

 Announcement Cards

 Ask-A-Nurse

 Open House (Be sure to send out thank you notes to
 all attending no later than several days afterwards)

 Participate in hospital activities, seminars, etc.

 Participate in Health Fairs

 Put on training seminars for technicians, nurses and nonspecialists

 Free or discounted advertising publications such as Treasure Chest

 Central Florida Family Magazine - 420-5222 (advertising)

 Join the area Chamber of Commerce and participate
 in their monthly meetings

 Join Rotary Club and other civic or business oriented organizations

FORMS (Note: Obtain and use latest versions):

1. IRS Form SS-4 and Instructions (obtain online)
2. Instructions for obtaining FEIN by telephone/telefax (obtain online)
3. Form DR-1 (Florida) (obtain online)
4. IRS Form 2553 and Instructions (obtain online)

Compliments of George F. Indest III, Board Certified Health Care Attorney, Altamonte Springs, Florida

**INSTRUCTIONS FOR APPLICATION FOR
FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN) & IRS FORM SS-4**

VIA TELEPHONE:

If you are an officer of the corporation/LLC, you are allowed to obtain the FEIN by telephone. You must be able to prove who you are and you must be the one who will sign the IRS Form SS-4. You must have your (the officer's) date of birth, social security number, local address, and mother's maiden name available to give to the IRS clerk. Fill out the IRS Form SS-4 in advance and have it before you when you call.

Call IRS to obtain FEIN for a Florida corporation/business entity: 800/829-4933
(NOTE: It is best to call early between 7:30 a.m. - 8:00 a.m., but the hours of operation are 7:00 a.m. to 10:00 p.m. local time, Monday through Friday.)

VIA TELEFAX:

Fax completed Form SS-4 to IRS (Attn: FEIN Assignment): 631/447-8960

(NOTE: Include cover letter requesting that the FEIN number be faxed back immediately. Be sure to include your telefax number. By requesting immediate action, receipt of the number should take approximately 7-10 days, versus 4-5 weeks if applied for by mail.)

VIA MAIL:

(Note: processing timeframe is four (4) weeks. Ensure the Form SS-4 contains all required information. Mail the form to the following address:

Attention: EIN Operation
Post Office Box 9003
Holtsville, New York 11742-9003

The EIN number will be mailed back to you.

APPLY ONLINE

You can apply for your EIN number online by filling out the necessary fields on the online form. go to www.irs.gov/formspubs. Where it says "search for . . ." type in "SS-4" and follow instructions. An EIN will be issued after the successful submission of the completed Form SS-4 online. (Not all business entity types may use this method). A preliminary validation is performed, and the taxpayer will be alerted to information the IRS needs that may not have been included.

3RD PARTY AUTHORIZATION

Compliments of George F. Indest III, Board Certified Health Care Attorney, Altamonte Springs, Florida

A 3rd Party designee must fill out the SEC.6103(c) disclosure information at the bottom of the Form SS-4. The SS-4 Form must also be signed by the taxpayer for the 3rd Party designee authorization to be valid. The Form Ss-4 must be mailed or faxed to the appropriate service center. A 3rd Party designee may call for an EIN, however, a faxed Form Ss-4, with the taxpayer's signature, is still required. The 3rd Party designee's authority terminates at the time the EIN is assigned and released to the designee.