

# Open Forum

## Closing My Father's Medical Practice: Lessons Learned

Planning ahead and keeping good records can ease the burden on grieving families.

BY JAN COPLEY

**W**hen my physician father died in 2003 at the age of 80, it was not a surprise. He had been in failing health for a while, although he continued to run his practice. What was a surprise was the mess he left behind.

The story of how it was left to me to close his practice of 48 years should serve as a cautionary tale to other physicians. The message, in a nutshell, is to put your affairs in order, inform your spouse and/or adult children about the ins-and-outs of your practice and your finances and, lastly, have an updated estate plan.

My father, Douglas Copley, MD, passed away July 2, 2003, in Temple City, Calif., where he had practiced for nearly five decades.

When he died, I was forced to handle closing his practice. My mother had mostly been kept in the dark about my father's practice and his financial affairs but, at her age, even if she were in the know, it would have been difficult for her. It was difficult for me, and I'm a financial professional, an estate planning attorney.

The first thing I did was see whether I could sell my dad's practice. I contacted a firm that specializes in such transactions, but learned that his small practice wasn't really salable. Dad's income in recent years was modest, and most of his patients were on Medicare, Medi-Cal or private pay. I learned too late that I might have been able to hire a *locum tenens* physician to cover the practice while I sought to sell it as a going concern. That might have been a good option, but I didn't know about it in time, so I was forced to sell the practice piecemeal.

I sold my father's patients' charts to another doctor, the one who had covered

for him over the years. Fortunately, we were able to get a nice premium for the charts, and the buyer agreed to take records of patients my father had seen in the previous seven years, although I had to twist his arm to do that. I boxed up all the records and stuffed them into the doctor's car, happy that they had a new home.

I was glad that task was done, but I also had to send letters to my dad's patients, telling them their records were transferred to the other doctor. If not, I might have run afoul of the patient abandonment laws. I wrote the letter, thanked them for being my dad's patient, had my mother sign it, and mailed it off. Another job done.

Next, what to do about all the old medical equipment? Who wanted a 40-year-old examining chair, for example? Or some old glass syringes? It turned out that the hoary old equipment was salable—for use in Mexico. I got \$400 for all of it.

I actually got as much for the vintage 1960s furniture in the waiting room—from a nearby used furniture dealer.

What about the drug samples in his office? What do you do with this stuff? I had no idea. I ended up having it destroyed at the lab my father used to run his tests.

I cancelled my dad's DEA license and notified the state medical board that he had passed away. Then, I dived into the office's finances. What about accounts payable and accounts receivable? Dealing with the Medicare carrier was a challenge, although

it eventually came around. And a collection agency is still trying to get the private-pay patients to pay up.

In all, we collected \$7,000. And, fortunately, all my father's bills were paid.

I cancelled his lease, his insurance policies, including his malpractice policy, while making sure he still had coverage in case any late claims come in.

All of this took me six weeks to do. I own my own business, a legal practice, so I was able to make many of the phone calls from my office. I don't know how someone without this kind of flexibility could have done it. Of course, the time I spent closing my dad's practice was time I wasn't working in my own business.

Nearly as difficult as closing the practice was sorting out my father's personal finances. It turned out my father left a nice estate for my mother, but getting to the bottom of it was a challenge. He had spent his life protecting my mother so, as a result, she didn't know much about estate plans, bank accounts, life insurance policies, investments and such.

When he was preparing for heart surgery two years before he died, I urged my dad to see an estate planning attorney, but he didn't take my advice. After all, what did I know? I'm only an estate planning attorney.

My parents did have an old estate plan, although it was outdated and not well done. Dad had also not updated his health-care advance directive, so when I went to the hospital as he was dying, new confidentiality laws prohibited the doctors and nurses from giving me much information. Can you imagine being told that no one can tell you what's wrong with your hospitalized parent?



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As far as my dad's personal finances were concerned, I found documents all over his office indicating that he had accounts at this bank and that. I found five CDs totaling \$450,000 that neither my mother nor I had known about. It took a day of visiting banks to discover this information, and then I had to take my mother to various institutions to straighten these accounts out.

My dad had left his estate in a joint trust with my mom, but it would have been better if he had appointed me as a co-trustee along with my mother, so I could take care of things without burdening her.

Fortunately, my dad had a good accountant, so filing tax returns was not a problem. That was a blessing. There was enough to do without having to deal with the IRS.

In the end, it all worked out. My dad was a fine doctor, a good husband and a wonderful father. But he should have included his wife and family in his finances. It would have made things a lot easier for us after his passing.

Nobody thinks they are ever going to die. I know my father figured he'd go on seeing his patients forever. Sometimes I thought he would, too. But nobody lives forever. The human mortality rate is 100 percent—even if you are a doctor. If you don't want your death to be any more burdensome to your family than it will certainly be, you must plan ahead.

Appropriate steps include:

- Informing your spouse and children of what you have and where it is,
- Keeping your records in good shape,
- Having a business succession plan in place and
- Having an updated estate plan.

I got quite an education after my father's death. I learned a lot more about running a medical practice than I ever wanted to know. And I visited more banks in one day than I want to again.

Please, spare your loved ones this burden. Plan for the day when you are no longer around. ■

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