A Retirement Checklist for Ohio Pediatricians

This document is intended to provide an overview of various considerations associated with retirement for physicians in the state of Ohio. There is significant complexity to much of this process, having to do in part with differences in local contracts, organizational rules, personal circumstances, and federal guidelines among other things. Therefore this overview will necessarily deal in generalities and might be only one part of your retirement planning process.

The booklet was created by members of a workgroup that included retired and practicing physicians, and included consultation with an attorney and a financial advisor. All information provided is of a general nature and all specific concerns should be directed to your personal attorney or financial advisor.

This document was adapted from the Preretirement Checklist from the American Academy of Pediatrics Section on Senior Members, authored by Michael O’Halloran, MD, FAAP. The Ohio Chapter, American Academy of Pediatrics extends its heartfelt thanks to Michael O’Halloran, MD, FAAP and the American Academy of Pediatrics Section on Senior Members.

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1. Financial Planning Overview

1. Write down your goals
   • They may be making sure you don’t outlive your money, planning for healthcare costs, leaving a legacy or any number of other items.

2. Identify your resources
   • Investments, pensions, Social Security, homes, insurance policies, and any other asset.

3. Develop a retirement spending plan (a budget)
   • Everyone’s lifestyle has a certain cost and it is important to make sure your assets will support that cost for 20 or 30 years. One item overlooked by many is the rising cost of healthcare. Make sure healthcare expenses are factored into your retirement spending.

4. Evaluate scenarios
   • Make sure your goals match up with your assets and budget.
   • These scenarios will help you determine what type of pension to elect or when to start Social Security (typically later is better).

5. Implement your plan
   • Ensure your investments are optimized to meet your goals and your time frame.
     • Many studies have shown that a properly diversified portfolio is the most important part of long term investing.
     • Many people get the time frame wrong. For instance, money needed in the next 5 years should not be invested in the stocks. If the market drops you may not have enough time for it to recover.
   • Minimize tax liability whenever possible. IRAs, Roth IRAs, and taxable accounts all have advantages and disadvantages.

6. Monitor Your Plan
   • Are your assets still properly diversified?
   • Have laws changed that will affect Social Security or Medicare?

II. Insurance & Retirement Funds

Department of Human Resources (Employer): If you are working where there is such a department, it will likely be of considerable help with retirement plans and should be contacted.
Health, Dental and Life Insurance: After retirement, clinics and organizations will sometimes continue to help pay for health insurance. For example, premiums might be paid for you and possibly your spouse until death, subject to age and years of service rules. If you retire prior to eligibility for Medicare, ask about COBRA insurance from your employer.

Life Insurance: Same as above, but a conversion option may also be available.

Long Term Disability Insurance: Same as above, also with the possible availability of a conversion option. This insurance can typically be safely discontinued if you are no longer working.

Long Term Care Insurance: This coverage is for expenses associated with assisted living and skilled nursing facilities. Premiums are generally constant over the life of the policy, but the older you are when purchasing the policy, the higher the premiums.

Retirement Plans, IRAs, Etc.: You will likely need to contact your pension carrier or your personal financial consultant regarding these plans. Your plan may have special rules you will need to comply. Also, several distribution options are usually available. Obligatory “minimum” withdrawals are required from all retirement plans beginning at age 70 ½. Some can be deferred until the next calendar year. These areas of legal and financial planning may require consultation with specialists in either “elder law” or estate planning. To learn more about “elder law” view the information at public interest elder law groups such as the Connecticut Legal Services Elder Law Project or the Elder Law Center of the Coalition of Wisconsin Aging Groups.

Malpractice Insurance: The two issues that must be addressed are: i) Arranging for “tail coverage” should a claim be brought against you after retirement and; ii) professional liability coverage in the event that you choose to perform part-time or volunteer medical work.

Your malpractice insurance is most likely a “Claims Made” policy, the type that covers for events that take place and are reported while the policy is still in force. For coverage of events occurring during the time the policy is still in force but not reported until after that, you must purchase “tail coverage”. If you have the less common “Occurrence” policy you needn’t worry about the “tail”. In any event, check directly with your current malpractice insurer to assess your specific needs. When you check, also note the financial stability of your current malpractice insurer and inquire about arrangement for claims payment in the event of bankruptcy. Your State Department of Insurance or State Medical Society may also help in this area. Many arrangements may be available to you depending upon your circumstances.

Social Security: If you are old enough to receive benefits you will need to check with your social security office. Contact them at least 90 days prior to retirement to discuss the initiation of benefits. Consider making arrangements for direct electronic deposits of your Social Security payments to your bank.

Medicare: Timely application is essential. Delays in applying, if age eligible, can result in delays in benefits and higher premiums, e.g. Part D – Prescription Drugs. Typically you can enroll three months before your 65th birthday. To pick a plan can require a lot of research, or the use of a health care broker who is compensated by Medicare not the individual. Exploring the Advantage plans is recommended and understanding HMO’s vs PPO’s is critical for individual physician coverage.
Other items to consider:
- Most carriers will offer a free tail option upon permanent retirement.
- Some carriers will allow for coverage or locum activities as long as you do not re-enter private practice.
- All will protect the physician or their estate in the event of a lawsuit filed many years later, which is why the security of the carrier is important.
- In Ohio, the statue of limitations for a minor is 18 years plus one. So, a pediatrician who treats a newborn extends the time to file almost 20 years later.
- In the event of insolvency, the State of Ohio (and most others) offer a Guaranty Fund that will defend and pay up to $300,000 per claim.

### III. Organizational Issues

A. If you are part of, or employed by, a medical organization, there are often several steps to take for a smooth retirement (in addition to contacting your Human Resources Department, for the matters mentioned above).

1. Contact your Department Chair, Department Supervisor and Medical Director. This is especially important when your retirement will require recruiting a replacement or changes in support staff. In some organizations the actual retirement date is only established after considering the needs of the department, those of the organization, and those of the retiree.
2. An exit interview with the leadership of your group may be an option.
3. Attend to mailing address, phone number and email address changes.
4. Contact the state medical board concerning the continuation of an active license vs. emeritus license and all implications.
5. Contact Medical Staff Secretary of hospitals with which you are affiliated.
6. Contact the medical staff secretary about changing to emeritus status, if desired.
7. There may be ways to maintain some contact with your colleagues, clinics, or hospitals after retirement. Making contact with someone in your group who has already retired will usually be helpful.
8. If your group has an Information Systems department, you may need to contact the department director.
9. Notify your Mail Room
10. Contact your financial services payroll person.
11. Determine whether there are any continuing privileges such as access to doctors parking at the hospital or clinic, email privileges, or access to a fax machine.
12. Learn whether there are special arrangements for vacation benefits during the retirement year.

B. If you are part of an incorporated entity, and there are a number of shareholders, there is the selling of shares that is often involved or “buy out” you will need to discuss with the other parties and the group’s attorney about the process.

### IV. Patient Medical Records

If the practice is not being closed, then medical records are a non-issue.

13. If the practice is being closed, each state has its own legal requirement. Usually these records have to be available somewhere in perpetuity. In Ohio, the best link for information is: [http://www.healthinfolaw.org/state-topics/36,60](http://www.healthinfolaw.org/state-topics/36,60).
14. Each state is different, but there is a legal requirement generally to notify patients prior to you retirement (typically 30-90 days) in writing. Here is a template for letter: [http://www.greatsampleresume.com/Retirement-Letters/Physician-Retirement-Letter.html](http://www.greatsampleresume.com/Retirement-Letters/Physician-Retirement-Letter.html).

### V. Re-Entry Issues

This has become more prominent as physicians often go back to work after their “retirement” because of a number of factors including financial or personal issues. (Useful link: [physician-re-entry.org/](http://physician-re-entry.org/))
VI. Personal Issues

In addition to the above issues, you may want to consider taking care of some of these more personal matters.

1. **Physical exam**
2. Seek **financial and estate planning advice** (Money Manager, Financial Planner, Accountant, Lawyer, etc.). A financial advisor can also help you learn about special opportunities available to you.
3. **Review and update your Will, Durable Powers of Attorney, and Estate plans.** General attorneys do this but there are also those who specialize in estate law and elderlaw.
4. Be sure you have reviewed your **Living Will, Health Care Proxies, Advance Health Directives** and consider giving a copy to your primary advisor can also help you learn about special opportunities available to you.
5. Be sure you have reviewed your **Living Will, Health Care Proxies, Advance Health Directives** and consider giving a copy to your primary care physician, designated family members, and local hospital medical records.
6. **Notify your academic and professional groups about your retirement and decide whether to volunteer to help, to continue under a retiree status, or cancel.**
7. The American Academy of Pediatrics offers a reduced membership fee status as either a AAP Retired Fellow or AAP Emeritus Fellow.
8. Get active in the **Ohio Chapter, American Academy of Pediatrics.** Emeritus Fellows may retain their membership at no cost. There are short- and long-term opportunities including in advocacy, education, mentoring, committees and much more. Go to OhioAAP.org/membership/get-involved to indicate your interest areas and time availability.
9. **Remain active in the AAP with the AAP Senior Section.** There is no additional cost to be a member of this section.
10. **Helpful Websites**
    - AMA Senior Group Senior Group ama-assn.org
    - NOLO Law (estate planning) nolo.com
    - Medicare - www.medicare.gov
    - AARP - aarp.org
    - AAP Section for Senior Members aap.org/seniors
11. **Consider volunteering your medical expertise and/or child advocacy skills.**
12. For an example of a way to organize these personal matters, see the Personal Information Template here: aap.org/en-us/about-the-aap/Committees-Councils-Sections/Section-on-Senior-Members/Pages/Personal-Information-Template.aspx.

Visit the Practice of Pediatrics Pillar webpage at OhioAAP.org to view an electronic version of this booklet and additional links.
VI. Chapter Involvement

The Ohio Chapter, American Academy of Pediatrics is here for you in your retirement. Becoming involved in the Chapter’s activities that you feel passionate about allows you to make the most of your membership, while continuing work to improve the lives of Ohio’s children.

The Ohio AAP is organized into five key pillars that represent the scope of our work and promote member engagement. You may find more information at OhioAAP.org/pillars.

- **Advocacy Pillar** - Coordinates the Chapter’s legislative efforts and overall messaging.
- **Child Health Pillar** - Represents all areas of care of children but with the priority to have an overall shift in approach from treatment-focus to a focus on child wellness.
- **Foundation Pillar** - Supports the Chapter to advocate for the physical health, mental health, safety and education, and prevention of cruelty of Ohio’s infants, children, adolescents and their families; and advance the education and research to benefit infants, children, adolescents and their families.
- **Operations Pillar** - Oversees all of the Chapter’s MOC programs and is in charge of the organization’s fiscal responsibility and includes the Planning, Implementation and Performance (PIP) Committee.
- **Practice of Pediatrics Pillar** - Represents all areas that relate to providers and reaches out to specific populations of pediatricians such as hospitalists, sub-specialists and early career physicians. This pillar also includes the Pediatric Care Council, which brings together pediatricians and medical directors of managed care organizations to collaborate in finding practical ways to promote children’s health.

More on the Chapter programs, activities and events may be found at OhioAAP.org.

A special thanks to:

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