

Risk Matters: Side Businesses



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Many physicians are finding ways to earn income in addition to their regular employment. These “side businesses” typically utilize a physician’s specialized skills, knowledge, and licensure to perform. Not all of them increase a physician’s risk of malpractice - for example, teaching/lecturing, authoring/editing books and journals, and serving as an expert reviewer for claims and lawsuits carry little, if any, malpractice risk. However, many side businesses do have the potential to increase the risk of a malpractice claim.

An area of particular concern that can significantly increase the risk of malpractice is one that involves the supervision of others. Physicians who agree to serve as a Medical Director for an outside facility such as a prison, nursing home, or MedSpa are at a higher risk. Similarly, physicians who supervise or collaborate with Advanced Practice Practitioners who are not associated with their practice are at an increased risk of potential liability. In these supervisory situations, physicians are not only responsible for their own actions or inactions, but also for the care provided by those they supervise. Some of the legal theories advanced by plaintiff’s attorneys in malpractice claims against supervising physicians include vicarious liability, negligent supervision, negligent hiring,

practicing/supervising outside the applicable standard of care, and failure to adhere to state required rules (such as an absence or deviation from written protocols).

A physician should thoroughly consider all risks before engaging in these types of side businesses. Our Claims Attorneys are available to help if you have any questions or concerns. You will also need to notify our Underwriting Department if you are engaging in a side business that potentially increases your liability risk or is outside the occupation or specialty you identified on your SVMIC application.

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