

Decisions and Concerns for the Senior Dentist to Answer Prior to Taking an Associate

1. Do you need an associate? -- can you instead change to block scheduling, add a hygiene assistant or a second hygienist and thus delay hiring another Dr.?
2. Will the personalities and individual styles of senior Dr. and associate complement one another or clash?
3. Are treatment philosophies and modalities compatible?
4. Will a buy-in be offered?
5. Preferred length of associateship before a buy in or buy out begins?
6. Who will write the associateship contract?
7. An associateship contract must include these provisions as associateship begins and as part of termination conditions should termination occur:
 - a. Who owns the patient records?
 - b. How long will associate's patient records be maintained should they depart?
 - c. How can patient records be accessed?
 - d. Can patient records be duplicated?
 - e. Patients cannot be solicited for future treatment by the departing associate.
 - f. How will completion of active cases be handled?
 - g. The contract must stipulate that associateship does not constitute any ownership.
 - h. Staff of senior Dr. cannot be recruited.
 - i. The contract must include a restrictive covenant specifying distance and time lapsed after departure of associate before they can practice in the area.
8. Structure of association
 - a. Employee
 - b. Independent Contractor
 - c. Solo group
9. Compensation of associate
 - a. Straight Salary on production or collection? (Collection recommended)
 - b. Increase in associate's compensation once a production/collection threshold is met?
 - c. Are expenses (lab, etc.) paid by associate deducted prior to or after calculation of percentage of compensation?
 - d. Schedule of compensation payment
 - e. Is a compensation review to be done? When?
 - f. Benefits
 - i. Vacation
 - ii. Holidays
 - iii. Continuing education
 - iv. Professional dues
 - v. Insurance - responsibility for:
 - malpractice
 - health
 - other
10. Workdays and hours (total workdays per year)?
11. Office policies and procedures; dress code; etc.?
12. Buy-in options?
13. Method and timing of evaluation if and when buy-in begins?
14. Will there be any adjustment of appraised value?

15. Assignment of new patients? of shared patients?
16. Ownership of records?
17. Management tasks for associate?
18. Staff number, selection, training, supervision?
19. Fee schedule - adherence to financial agreements and collection procedures?
20. Emergency coverage and policies?
21. Ownership and/or purchase of supplies and instruments?
22. Lab fees and procedures?
23. Equipment needs, use, responsibilities?
24. Financial arrangements if buy-in or buy-out occurs?

Very Important:

1. Is patient load sufficient for another Dr. ?
 - a. Recare rate -- at least 75% to 80% effective
 - b. of hygiene fees -- associate gets percentage of exam only or exam and x-rays; not prophylaxis and fluoride.
 - c. Show rate -- at least 80-85% in pedo; 85-95% in general, ortho and other specialties
 - d. Case acceptance rate -- at least 85-90%
 - e. Number of active patients (over 2,000 may need associate in general practice; over 4,000 in pedo; over 250 active cases in ortho)
 - f. Booked ahead? (giving each patient the next appointment, not a series of appointments) If more than 4-6 weeks, consider an associate.

2. Can management systems handle an associate? Consider:
 - a. Staff—additional needs? Additional training?
 - b. Accounting method for associate's production/collections
 - c. Billing and accounting systems
 - d. Insurance processing and follow-up
 - e. Appointment scheduling
 - f. Recare system
 - g. Supply/inventory system
 - h. Sterilization/OSHA/HIPAA procedures
 - i. Telephone system capacity
 - j. Computer capability
 - k. Good idea -- separate bank account for his/her collections if associate is independent contractor.

3. Disposition of current accounts receivable (A/R before associate begins).

Miscellaneous Considerations for Senior Dentist:

1. Why do you want an associate?
2. Do you want an associate full time or part time?
3. Facility size OK? Is growth possible?

4. How large does senior dentist/owner want practice to become? Does junior dentist/associate agree?
5. Total charges last 2-3 years; total collections; collection percentage rate (97% + after adjustments for Medicaid, other managed care, etc.)
6. Current overhead rate (less owner's compensation)?
7. Projected financial outcome for owner -- return on investment?
8. Anticipated up front expenses: draw for associate? moving expenses for associate? insurance and other benefits? When will benefits begin?

Senior dentist should ask potential associate to discuss:

1. Your one-, three- and five-year goals. Financial needs? If your compensation is to be calculated on a percent of production, do you need a draw before your production is at a level to provide fair compensation? Method of repayment of draw must be agreed upon.
2. Who will be your advisors?
 - a. Accountant
 - b. Attorney
 - c. Practice management consultant
3. How much authority do you want?
4. How long would you like to work before a buy-in might begin?
5. What strengths will you bring to the practice?
6. Time frame for acceptance of associateship offer?

This document written by Ann Page Griffin is the property of Practicon and can be reproduced for use in private practice. It cannot be reproduced for sale or profit. Copyright © Practicon Inc.