

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 personalities and styles of senior Dr. and associate combine well?
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 part employment and as part of termination conditions should termination occur:
 - Who owns our patient records?
 - How long will associate's patient records be maintained?
 - How can records be accessed?
 - Can records be duplicated?
 - Patients cannot be solicited for future treatment by the departing associate.
 - How will completion of active cases be handled?
 - Associateship does not constitute any ownership.
 - Staff of senior Dr. cannot be recruited.
 - Restrictive covenant specifying distance and time lapsed after departure.
7. Structure of association
 - Employee
 - Independent Contractor
 - Solo group
8. Compensation of associate
 - Straight Salary on production or collection? (Collection recommended)
 - Increase in associate's compensation once a production/collection threshold is met?
 - Are expenses (lab, etc.) paid by associate deducted prior to or after calculation of percentage of compensation?
 - Schedule of compensation payment
 - Is a compensation review to be done? When?
 - Benefits
 - ▶ vacation
 - ▶ holidays

- ▶ continuing education
- ▶ Professional dues
- ▶ insurance - responsibility for:
 - malpractice
 - health
 - other

9. Workdays and hours (total workdays per year)
10. Office policies and procedures; dress code; etc.
11. Buy-in options
12. Method and timing of evaluation if and when buy-in begins
13. Adjustment of appraised value?
14. Assignment of patients?
15. Ownership of records?
16. Management tasks for associate?
17. Staff number, selection, training, supervision
18. Fee schedule - adherence to financial agreements and collection procedures
19. Emergency coverage and policies?
20. Ownership and/or purchase of supplies and instruments?
21. Lab fees and procedures?
22. Equipment needs, use, responsibilities?
23. Financial arrangements if buy-in or buy-out occurs

Very Important:

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

2. Can management systems handle an associate? Consider:
 - Staff—additional needs? Additional training?
 - Accounting method for associate's production/collections
 - Billing and accounting systems
 - Insurance processing and follow-up
 - Appointment scheduling
 - Recare system
 - Supply/inventory system
 - Sterilization/OSHA/HIPAA procedures
 - Telephone system capacity
 - Computer system capacity
 - 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).

Senior Dentist Should Consider:

1. Why do you want an associate? full time? part time?
2. Can compromises be made; for example, hire a hygiene assistant to speed hygiene flow?
3. Facility size OK? Is growth possible?
4. How large does senior dentist/owner want practice to become? Does junior dentist/associate agree?
5. How will shared patients be allocated?
6. Distribution of new patients?
7. Total charges last 2-3 years; total collections; collection percentage rate (97% + after adjustments for Medicaid, other managed care, etc.)
8. Current overhead rate (less owner's compensation)?
9. Projected financial outcome for owner -- return on investment?
10. Anticipated up front expenses: draw for associates? moving expenses for associate? insurance and other benefits from day one?

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?
 - accountant
 - attorney
 - 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?