Risk Management Tool Kit for Practice Acquisitions

The following are items for consideration when acquiring an orthodontic practice.

Overview Questions:	
Is the practice in a good location? (i.e., accessible location, good visibility)	Yes ☐ No☐
Does the exterior and interior of the practice look attractive, modern/electronic?	Yes ☐ No☐
Do you know why the existing owner is interested in selling the practice?	Yes ☐ No☐
Does the owner/seller have a good reputation in the community?	Yes ☐ No☐
Will the existing doctor(s) continue to work in the practice after the sale?	Yes ☐ No☐
Are there other dental professionals or orthodontists working in the practice? Will they continue to work after the sale?	Yes ☐ No☐ Yes ☐ No☐
If there is a lease on the building and/or equipment: Are there at least 6 months left on the lease? Is the lease assignable?	 Yes ☐ No☐ Yes ☐ No☐
Will the existing doctor's referral base continue to refer to the practice?	Yes ☐ No☐

Closer Look Questions:	
After reviewing the tax returns, is the practice profitable?	Yes ☐ No☐
Does the practice have an adequate patient flow to continue to be profitable?	Yes ☐ No☐
Does the owner/seller have a clean record of disciplinary action against them?	Yes ☐ No☐
Are there no current lawsuits or regulatory complaints filed against the practice owner?	Yes ☐ No☐
Is the existing owner/seller an experienced orthodontist?	Yes ☐ No☐
Are the staff well-trained? Will the staff continue to work in the practice?	Yes ☐ No☐ Yes ☐ No☐
Is all software up to date? Are the software and user licenses transferable?	Yes ☐ No☐ Yes ☐ No☐
Is the practice and owner/seller free of any loans or liens?	Yes ☐ No☐
Will the existing doctor(s) sign an agreement to purchase and annually maintain professional liability insurance and obtain individual Certificates of Insurance?	Yes ☐ No☐

Detail Questions:	
Have the patient charts been randomly audited for thoroughness and accuracy?	Yes ☐ No☐
Are progress radiographs routinely taken, interpreted, and charted?	Yes ☐ No☐
Is the practice limited to orthodontics? (Does not perform or provide services not covered by AAOIC's Master Policy? (e.g., Botox®, cosmetic injectables, surgery, anesthesia, etc.)	Yes ☐ No☐
Are all dentists or orthodontists who are employed at the practice eligible for AAOIC coverage?	Yes ☐ No☐
Does the office comply with all federal and state regulations, including sterilization procedures, OSHA, HIPAA, and radiation protection?	Yes ☐ No☐
Does the practice have an Office Policy Manual that outlines employee duties and responsibilities, along with all other federal and state regulatory compliances?	Yes ☐ No☐
If forming a new entity (e.g., on OSO), will the new entity be financially responsible for extended reporting (tail) coverage if member doctors need to change carriers?	Yes ☐ No☐

If you are unsure or answer "No" to any of the above questions, you may want to seek advice from a professional in your area (i.e., a business attorney, real estate specialist, or practice management specialist). If the question is related to your professional liability insurance, you may contact an AAOIC representative at 800-240-2650 or underwriting@aaortho.org.

DISCLAIMER

The material provided in this checklist has been prepared to provide general information only. It is not intended to be exhaustive or comprehensive or to be relied upon or substituted for legal or other professional advice.