

Preparing for the worst

Having a disability response plan in place can help you, your loved ones and staff avoid disaster in the event of mishap or illness.

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While no one likes to think about what would happen to his or her dental practice in the event of disability or death, some basic pre-planning can avoid a practice disaster.

The situation is all too frequent where a car accident or sporting mishap leaves a practitioner unable to run his or her practice. Without a disability response plan, staff and patients ponder leaving the practice while family members struggle to navigate the practice through uncertain waters.

All dentists should take the time to construct their own disability response plan consisting of instructions to the family member or practice custodian who will shepherd the practice during a disability or after death. Whether the disability response plan is simple or elaborate, the following will provide some important considerations for dentists to incorporate into their plan.

Designate someone to run the practice

In those practices where the owner dentist's spouse is involved in the day-to-day operation, the spouse would be a likely candidate to run the practice if the owner dentist is incapacitated. The downside to depending on the spouse during the dentist's disability or after death is that the spouse will likely be immersed in caring for the ill or disabled spouse or, worse yet, dealing with the loss of a spouse.



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It seems more practical to appoint a close dentist friend to administer the practice in time of need. Many dentists join a disability group that has a number of member dentists committed to spending a weekday in rotation through the practice when crisis strikes.

Forming a disability group is relatively easy, and having five or more dentist members lessens the weekly burden of rotation through the incapacitated member's practice. Most disability groups are headed by a chairperson who immediately assumes charge once called into action.

Some more sophisticated dis-

ability group agreements contain special power of attorney forms, giving the chair broad powers to operate the fallen member's practice.

Centralize practice information

Most dentists retain "in their heads" the key information on the business side of keeping their practice running smoothly. Whether your practice custodian is a spouse, friend or a disability group, having centralized business and financial information is essential.

Prepare a written operating plan for your practice that contains the

following information.

Business Bank: List the name of the bank or banks that you use for your practice, the account numbers and the purpose of each account. For instance, many dentists use a general account to deposit receipts and then transfer funds into a different payroll account. Also include the name of someone from the bank where your practice has its accounts to be contacted by the practice caretaker.

Credit Line Money Market Accounts: List the sources that are used in the practice in the event of operating cash shortages.

Monthly Rhythm of Accounts Payable: List, in order of priority, which bills require monthly payment and the time of each month that they are typically paid.

Insurance Policies: List each type of insurance your practice has, including the carrier, policy number and date of policy lapse. This list would include professional liability; office package; worker's compensation; disability; practice overhead insurance; life insurance; and medical/dental.

This information would be very useful to the practice custodian to ensure there is no lapse in coverage. Furthermore, the appropriate carrier can be notified in the event that policy benefits are to be paid.

Practice Team of Professionals: Name, address and phone number of the practice accountant, business attorney and insurance agent(s) are key information that should be readily available. The practice custodian or disability chairperson should notify these individuals of the disability or death of the practice owner so that a collective effort can be made to preserve the practice value for continuation or sale.

Statement of Desires: It would be helpful to your spouse
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or practice custodian to state what your desires are in the event of serious disability or death. Many practitioners will name colleagues they would like to have purchase their practice or identify a particular practice broker to list and sell the practice in the event of death.

Prewritten Letters: Some foresighted dentists and disabili-

ty groups have several prewritten form letters ready to print and send to each patient of record advising of the following:

- temporary incapacity of the dentist assuring continuity of care while the dentist recovers;
- permanent disability resulting in the transfer (sale) of the practice to a well-qualified buyer; and,
- death of the dentist resulting in the transfer (sale) of the

practice to a well-qualified buyer.

Conclusion

It cannot be predicted if or when you might become unable to handle the duties of your practice due to an accident or sudden illness resulting in disability or death. What can be predicted is the deleterious effect your absence will have on your practice.

All dentists who own their practices should have a disability response plan to enable a person or group to act immediately as the practice custodian to assume the reins of the practice.

Following through with some or all of the suggestions in this article will enable dentists to construct their own disability response plan, and will provide family, staff and patients with a steady course through unsteady waters.