

DOCTOR *of* DENTISTRY

A BUSINESS AND LIFESTYLE MAGAZINE FOR DENTISTS

A Good Time for an Annual Checkup!

By James D. Rosenblatt



New Years is traditionally the time when we reflect upon our lives and make our resolution for the up coming year. But how many do the same for their practices? Generally, dentists spend all of their time working in their practice, with limited time remaining to work on their practice. Yet, without vision and direction, the practice will ultimately become listless and stagnant. This is the perfect time of year to step back and analyze your business, to review your fiscal and business results for 2005 and to plan for 2006. The following suggestions are intended to provide a variety of issues which may move your practice to the next level:

-Entity Structure: Take time to visit with your accountant and attorney to ensure your company structure still makes financial and legal sense while providing the maximum liability protection for you. Do not forget to consider the effect of any changes in your practice including adding a second office or planning to add a partner.

-Budgeting: Budgeting is essential for any business be it a multiple location, multiple dentist practice, or a one location, one dentist practice. A budget provides a roadmap and defines your goals for the up coming year and provides an opportunity to better understand your business. Moreover, budgeting expenses forces the practice to plan for marketing, charitable contributions

and growth.

-Financials: Most dental practices utilize either an employee or third party accounting services, instead of the dentist performing the accounting function themselves. Therefore, it is essential the dentist provide a close review of the financial statements, preferably monthly, but not less than quarterly. Monthly financials should include a balance sheet, a profit and loss statement and a cash flow statement. Upon completion of an annual budget, verify your practice's financial reports include the corresponding budget numbers and allows for comparison. Diligence requires questioning, and more importantly, understanding any anomalies. The best way to reach these goals is to create a fixed monthly meeting for the sole purpose of reviewing the financials.

-Insurance: Obviously malpractice insurance should be a must, but all practices also need to consider the importance of commercial insurance. Do you have adequate coverage for your equipment? Has new equipment been purchased since you renewed your policy but was never scheduled? Does your practice provide vehicle insurance? If employees are utilizing their private vehicles to perform tasks for the practice are the employees and the practice sufficient covered in the event of an accident?

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Most brokers are more than willing to discuss these matters; however, scheduling a meeting prior to renewal will allow your broker to provide you information of all risk issues prior to selecting insurance for the coming year. It might and make goals and better understand their employment position. Remember, a review need not be tied to changes in compensation. Evaluating benefits provides for employee involvement and allows your benefit provider/broker to better serve your needs. Although cost is always a consideration in the number and degree of benefits provided, consider potential trade offs which may benefit both your employees and your practice.

-Contracts: All medical forms should be reviewed annually for compliance with all state and Federal guidelines, including, but not limited to HIPPA and privacy regulations. Have you reviewed your real estate lease to make sure you comply with the insurance requirements? Is your real estate lease expiring soon and is it time to negotiate or consider moving. If your real property lease has a renewal option, do you need to provide notice? Have you reviewed your property and equipment leases? Remember, many equipment leases revert to a month-to-month lease if you fail to purchase or return the equipment at the end of the lease term, thereby costing you additional money.

Just like your patients, an annual check-up can come at the expense of some anxiety. But just like you reassure your patients, anticipating problems and being proactive can greatly reduce headaches from your practice later.

The Rosenblatt Law Firm specializes in helping businesses with legal and business issues. One of the firm's major practice areas

is working with dental and medical professionals. If you would like a copy of The Annual Company Checklist—Issues Every Business Owner Should Consider, from which this article is derived, please contact The Rosenblatt Law Firm at 614 - 9444 or e-mail us at info@rosenblattlawfirm.com.