

PRACTICE CRISIS ACTION PLAN

Every year in North Texas, a number of dental practices are required to handle a crisis involving their practitioner. While the actual number of these events that occur each year is hard to determine, it's a safe estimate that a crisis happens in a North Texas practice 2 to 3 times each month. Just in the past 60 days, I can recall no less than 5 events that have resulted in the absence of the owner dentist for an extended period of time, if not permanently. The common causes for these absences are: disability due to an accident or illness, extended absence due to surgery or pregnancy, death of the practitioner, dependency issues, or the illness of a spouse or family member.

When a crisis in a practice occurs, chaos and uncertainty can prevail, for all parties involved. Family members of the practitioner may be faced with significant economic issues as well as management concerns. The office staff has lost its leader and main producer. The patients are uncertain what the future of their care might be. The solution to minimize the potential for disaster is to have an Action Plan in place. Every practice and every owner must have an Action Plan in place to deal with such an event.

The Action Plan for a practice details the events that should take place immediately after it is discovered that the practitioner will be out for an extended period. Prior to implementation of this Action Plan, I highly recommend having some or all of the following Practice Protection vehicles in place.

- 1) Will- We all hear and read about the importance of having a will. However, every year, I am required to help transition a dental practice where the deceased neglected to have a will. This simple document will help expedite the sale, protect the value of the Estate and have the property of the deceased distributed as they wish, not as the State wishes. If you don't do anything else after reading this article, get a will.
- 2) Consider a Codicil to your Will- A Codicil is a document executed separately from your will that details the steps to take for the sale of your practice in the event of your death. This Codicil typically appoints a representative/agent to act on your behalf to expeditiously sell the practice and make those critical, timely decisions necessary to accomplish this.
- 3) Establish an Emergency Aid Group in your dental community. In short, an Emergency Aid Group is a network of dentists who have agreed to assist a fellow practitioner's practice on a limited basis immediately after a crisis. The purpose of the Group is to volunteer to work at the office in crisis until a permanent solution is found, or the dentist can return. Each member/dentist of the Group volunteers for a half or full day without compensation. In most cases, a Group Leader is appointed who coordinates the scheduling of the members with the assistance of a key staff member (we'll discuss this later) from the practice in

crisis. The Group Leader role rotates within the group each year.

- 4) Insurance Policies- There are 3 basic types of insurance coverage that can provide financial benefits to the practitioner (disability), the practitioner's family (life insurance) and the practice (business overhead insurance). The benefits and security that each of these types of policies provide can be immeasurable at a most critical time.
- 5) Maintain a well informed family and staff- Key family members and key staff members should be aware of the existence and location of all of the above mentioned documents and policies. Make sure your family knows where the will is, whether a Codicil is in place, what insurance coverage you have and with what company, and whether you are member of an Emergency Aid Group.

The 2nd element for creating practice stability in the time of a crisis is the implementation of an Action Plan through an appointed key staff member. Choose a staff member that is reliable, level headed and a leader in the time of crisis. This key person, the Action Plan Administrator, will work closely with your family, the Emergency Aid Group, and a practice Broker if necessary. The Action Plan Administrator will also coordinate practice communications to the other staff members and the patients. Once an Action Plan Administrator(s) is chosen, make sure that your family is aware of this.

The key to retaining patients, and therefore maintaining financial security and stability for all, is to have a practice wide positive attitude. This attitude comes from having a guideline to follow. When a practice is floundering due to uncertainty, the patients easily pick up on this uncertainty as well. One key fact to remember is that most patients are extremely loyal to a practice in the time of a crisis. They only lose that loyalty when they sense uncertainty, chaos, or that the truth is being withheld.

My involvement with numerous crisis situations has led me to develop the following recommendations:

- 1) The Action Plan Administrator, in conjunction with the family and broker, should develop and document a story line for the staff to use in communication with patients and the public. The story line should be written out so that all staff members use the same wording. For example- "Dr. Smith was involved in a ____ accident on the weekend of November __. As a result of the accident, Dr. Smith will be out of the office for approximately __ months to recover. We are fortunate that Dr. Smith is a member of a group of fellow dentists who are volunteering to treat our patients until Dr. Smith returns or until we select a qualified full time Associate. We have already interviewed a number of qualified dentists and will be selecting the best candidate to provide your care in Dr. Smith's absence."
- 2) Adopt a "Business as Usual" attitude. Maintain the office hours and schedule. Retain staff members as well. The worst decision is to shut down the practice,

drastically curtail the hours worked, or dismiss staff. It is critical to maintain the vitality of the practice during a crisis period, whether the owner will be returning or not.

3) Act Promptly and Decisively- If an Emergency Aid Group is in place, the sooner they step in, the better. If the practitioner is going to be out for longer than 3-4 weeks, it's wise to consider hiring a full time Associate. Local temp agencies, practice brokers and practice consultants are all sources to help the practice find the associate that will be best suited to the practice. There are also resources available to assist the Action Plan Administrator in structuring the terms of employment, including compensation, for the Associate.

4) Retain knowledgeable experts- When an event occurs that results in the practitioner not returning, it is advisable to retain an independent, unbiased expert to assist in the practice transition. Grieving family members, upset staff members or inexperienced advisors cannot make timely, unemotional or realistic decisions for the practice future. The practice future, and the financial security of the family and staff members requires an efficient orderly transition.

5) Create a list of key contacts- Make sure the Action Plan Administrator has a list of your advisors. This list would include; attorney, accountant, financial advisor, banker, and key consultants. The Action Plan Administrator should also know how to contact your key family members. In addition, if you are the Top Level Administrator for your practice software (which you should be), please have someone outside of the office in possession of the password. This could be your spouse, another family member or your CPA. Lastly, every online account you have has a password associated with it. Make a listing of all of these passwords and make sure that someone trustworthy knows where the list is.

This article is not intended to be all encompassing, but more to encourage you to start processing the complexities that your office and family will face if a crisis occurs. Preplanning for a crisis is one of most thoughtful, loving actions you can take today to help your staff and family survive and endure the process in the future.

Dan Lewis, Lewis Health Profession Services, Inc. (972) 437-1180.
Dan@lewishealth.com