Lewis
Health
Profession
SERVICES, INC.

PURCHASER'S CHECK LIST

1. SECURING THE PRACTICE ACQUISITION LOAN

- ❑ Gather the necessary documentation
  - Prepare cover letter describing opportunity
  - Personal Financial Statement
  - Personal Living Expenses Budget
  - Tax returns of Seller (3 years)
  - Tax returns of Purchaser (3 years)
  - Cash flow projections for business
  - Current year income and expenses of practice
  - Practice appraisal

- ❑ Obtain insurance coverage for loan securement
  - Life insurance in the amount of the loan
  - Use existing policy
  - Obtain new policy
    - Obtain Insurance policy Collateral assignment form

  - Personal Disability policy- monthly benefit to equal loan payment
    - Verify ability to substitute Business Overhead policy

  - Obtain Contents Insurance for purchased assets

  - Obtain Workmen's compensation policy (Optional)

- ❑ Make application with 3rd party payors
  - PPO providers (Delta, Met-life, etc.)
  - Capitation & Medicaid providers
  - **(approval may take 45-60 days)**

2. RESOLVE PRACTICE PURCHASE CONTINGENCIES

- ❑ Meet with Landlord to secure new lease or lease assignment
  - Have personal financial statement available
  - Letter of Financing approval

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- ❑ Meet with staff of Seller
  - Group and individual meetings
  - Emphasize your plan to retain employees without immediate changes
  - Obtain ideas for practice growth
  - Secure verbal commitments for retention of employees

3. PREPARE TO ASSUME BUSINESS

- ❑ Interview and select accountant
  - Determine level of services needed
  - Have Contract of Purchase and Sale reviewed
  - Tax allocations of assets

- ❑ Interview and select attorney
  - Determine level of services needed
  - Have sale documents reviewed
  - Have loan documents reviewed
  - Establish business form/documentation

- ❑ Choose form of practice operation
  - Sole Proprietorship
  - Subchapter S corporation
  - "C" Corporation
  - Professional Association (PA)

- ❑ Apply for Tax ID # (Employer Identification Number)
  - Either call (800) 829-4933 or
  - Internet Application http://www.irs.gov

- ❑ Interview and select bank for business accounts
  - Set up accounts
  - Order checks, deposit slips and bank deposit stamp
  - Determine need for business credit/debit card
  - Determine need to Visa/Mastercard servicing account

- ❑ Obtain DEA number or change address
  - Order prescription pads

- ❑ Establish electronic tax filing account (EFTPS)

- ❑ Apply for or change address of Malpractice insurance

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- ❑ Determine method of business accounting
  - Use of outside sources
  - Accountant or Bookkeeper
  - Business software- QuickBooks or Peachtree

- ❑ Determine need to apply for payroll services such as Paychex

- ❑ Interview and select printer
  - Determine immediate needs
    - Business cards
    - Letterhead & envelopes
    - Brochures
    - Announcements to colleagues, friends, family

4. SELLER AND PURCHASER CONFERENCE(S)

- ❑ Discuss employee's salaries, benefits, bonus
- ❑ Discuss sick day and vacation policies
- ❑ Provide/obtain employees' salary histories and work records
- ❑ Review Fee Schedule
- ❑ Discuss Seller's policies for Warranty work
- ❑ Discuss Seller's policies for pro bono or discounted work
- ❑ Obtain/revise/write Office Policy manual
- ❑ Review new patient procedures
- ❑ Review case presentation procedures
- ❑ Review minimum of 10 patient charts for diagnosis consistency
- ❑ Discuss current suppliers and labs
- ❑ Discuss specialists used
- ❑ Discuss office staff meeting policies/ frequencies
- ❑ Review Seller's list of patient charts to be kept (family, friends)
- ❑ Review Seller's ongoing treatments of special need patients

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5. PRIOR TO CLOSING

- ❑ Prepare Letter of Introduction/Transfer to practice patients
  - Seller normally composes
  - Purchaser revises and approves
  - Send out immediately after Closing

- ❑ Prepare letter to Referral sources

- ❑ Prepare letter to other professionals- specialists

- ❑ Send announcements to your friends/family and potential referral sources.

- ❑ Telephone company phone transfer
  - Order Transfer of Service Agreement
  - Verizon (800) 483-5000
  - AT&T/SBC (800) 499-7928
  - Notify Yellow Pages of business ownership change

- ❑ Apply for transfer of software license(s)
  - Dental software
  - Business software
  - Imaging
  - Patient Education
  - Digital

- ❑ Contact sign company for name addition/change

- ❑ Contact property manager for name addition/change

- ❑ Transfer or establish credit card servicing agreement

- ❑ Determine need to transfer or establish status with
  - PPO providers (Delta and Blue Cross)
  - Capitation providers
  - Medicaid system

- ❑ Coordinate transfer of practice health insurance plan

- ❑ Order new Message on Hold tape

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6. CONCURRENT & IMMEDIATELY AFTER CLOSING

- ❑ Notify professional societies of address change
  - Local, state and national level
  - Other professional societies

- ❑ Transfer maintenance Agreements
  - Computer hardware and software
  - Postage meter
  - Copy machine

- ❑ Notify service providers for new accounts
  - Oxygen and nitrous tanks
  - Security System
  - Waste disposal
  - Long distance carrier
  - Dental supply companies
  - Office supplies
  - Laboratories
  - Direct vendors/suppliers
  - Display advertising vendors

- ❑ Determine need for new Certificate of Occupancy & schedule transfer of utilities
  - City of Dallas (214) 948-4480 Building Inspection
  - Gas Company
  - Electric Company
  - City services- water and waste

- ❑ Change answering machine tape/message

- ❑ Meet with new staff to discuss:
  - phone greeting changes
  - scripting language to patients
  - Scheduling treatment appointments for Seller
  - handling of accounts receivables/credit balances

- ❑ Set up Texas Workforce Commission account
  - This must be done AFTER your first payroll is made
  - On line at www.twc.state.tx.us/customers/bemp/bempsub3.html

- ❑ Convert dental software to new business
  - Establish new provider numbers in dental software

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