

Dental Entrepreneurial Boot Camp

Valuations, accounting, taxes and
basics of practice profitability

May 18, 2019



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Your presenters



Ron Barthell, CPA
Partner



Robyn Murray, CPA
Senior Manager

Agenda

- Example returns
- Student loan debt
- Estimate of practice value
- Compensation formula
- Management report
- New practice checklist



Example tax return 1

Form 1120S Department of the Treasury Internal Revenue Service	U.S. Income Tax Return for an S Corporation ▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. ▶ Go to www.irs.gov/Form1120S for instructions and the latest information.	Form No. 1120S 01-19 2018
For calendar year 2018 or tax year beginning _____, and ending _____		
A S election effective date 04/01/2000	B Business activity code number (see instructions) 621210	D Employer identification number E Date incorporated 04/01/2000 F Total assets (see instructions) \$ 302,098.
G Is the corporation electing to be an S corporation beginning with this tax year? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If "Yes," attach Form 2553 if not already filed		
H Check if: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return (5) <input type="checkbox"/> S election termination or revocation		
I Enter the number of shareholders who were shareholders during any part of the tax year: _____ 1		
Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.		
Income	1a Gross receipts or sales 1,868,975. b Return and allowances 25,867. c Est. Subtract line "b" from line "a": 1e 1,843,108.	
2 Cost of goods sold (attach Form 1125-A)	2	
3 Gross profit. Subtract line 2 from line 1c	3 1,843,108.	
4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4	
5 Other income (loss) (attach statement)	5	
6 Total income (loss). Add lines 3 through 5	6 1,843,108.	
7 Compensation of officers (see instrs. - attach Form 1125-E)	7 255,060.	
8 Salaries and wages (less employment credits)	8 416,391.	
9 Repairs and maintenance	9 4,935.	
10 Bad debts	10	
11 Rents	11 101,300.	
12 Taxes and licenses STATEMENT 2	12 83,211.	
13 Interest (see instructions)	13 463.	
14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14 14,680.	
15 Depletion (Do not deduct oil and gas depletion.)	15	
16 Advertising	16 62,224.	
17 Pension, profit sharing, etc., plans	17 147,773.	
18 Employee benefit programs	18 780.	
19 Other deductions (attach statement) STATEMENT 3	19 340,160.	
20 Total deductions. Add lines 7 through 19	20 1,426,977.	
21 Ordinary business income (loss). Subtract line 20 from line 6	21 416,131.	
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions) 22a	
b Tax from Schedule D (Form 1120S)	22b	
c Add lines 22a and 22b	22c	
23a 2018 estimated tax payments and 2017 overpayment credited to 2018	23a	
b Tax deposited with Form 7004	23b	
c Credit for federal tax paid on fuels (attach Form 4136)	23c	
d Refundable credit from Form 8827, line 8c	23d	
e Add lines 23a through 23d	23e	
24 Estimated tax penalty (see instructions). Check if Form 2220 is attached	24	
25 Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed	25	
26 Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid	26	
27 Enter amount from line 26: Credited to 2019 estimated tax Refunded	27	
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
Sign Here	OWNER	
Signature of officer	Date	Title
Print/Type preparer's name	Preparer's signature	Date
ROBYN L. MURRAY, CPA	ROBYN L. MURRAY, CPA	03/12/19
Paid Preparer's name	Preparer's name	PTIN
BAKER TILLY VIRCHOW KRAUSE, LLP	BAKER TILLY VIRCHOW KRAUSE, LLP	P01258996
Firm's address	Firm's EIN	Phone no.
225 S 6TH ST #2300 MINNEAPOLIS, MN 55402	**-***9910	612.876.4500
JWA 511701 12-12-18 For Paperwork Reduction Act Notice, see separate instructions. Form 1120S (2018)		



Example tax return 2

Form 1120S <small>Department of the Treasury Internal Revenue Service</small>		U.S. Income Tax Return for an S Corporation <small>▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. ▶ Go to www.irs.gov/Form1120S for instructions and the latest information.</small>		<small>OMB No. 1545-0047</small> 2018
EXTENSION GRANTED TO 09/16/19				
For calendar year 2018 or tax year beginning _____ and ending _____				
A S election effective date 01/01/2018	B Business activity code number (see instructions) 621210	C Check if Sch. M-3 attached	D Employer identification number	E Date incorporated 03/28/1972
F Total assets (see instructions) \$ 524,853.				
G Is the corporation electing to be an S corporation beginning with this tax year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach Form 2553 if not already filed				
H Check if: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return (5) <input type="checkbox"/> S election termination or revocation				
I Enter the number of shareholders who were shareholders during any part of the tax year 3				
Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.				
1 a Gross receipts or sales 5,495,047.		b Allowances 29,880.	c Subtract line 1b from line 1a	1c 5,465,167.
2 Cost of goods sold (attach Form 1125-A)				2
3 Gross profit. Subtract line 2 from line 1c				3 5,465,167.
4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)				4
5 Other income (loss) (attach statement)		STATEMENT 1		5 148.
6 Total income (loss). Add lines 3 through 5				6 5,465,315.
7 Compensation of officers (see instrs. - attach Form 1125-L)				7 1,433,103.
8 Salaries and wages (less employment credits)				8 1,862,022.
9 Repairs and maintenance				9 3,080.
10 Bad debts				10
11 Rents				11 192,094.
12 Taxes and licenses STATEMENT 2				12 295,206.
13 Interest (see instructions)				13 14,045.
14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)				14 42,167.
15 Depletion (Do not deduct oil and gas depletion.)				15
16 Advertising				16 18,196.
17 Pension, profit-sharing, etc., plans				17 72,410.
18 Employee benefit programs				18 126,144.
19 Other deductions (attach statement) STATEMENT 3				19 983,445.
20 Total deductions. Add lines 7 through 19				20 5,041,912.
21 Ordinary business income (loss). Subtract line 20 from line 6				21 423,403.
22 a Excess net passive income or LIFO recapture tax (see instructions)		22a		
b Tax from Schedule D (Form 1120S)		22b		
c Add lines 22a and 22b				22c
23 a 2018 estimated tax payments and 2017 overpayment credited to 2018		23a		
b Tax deposited with Form 7004		23b		
c Credit for federal tax paid on fuels (attach Form 4136)		23c		
d Refundable credit from Form 8827, line 8c		23d		
e Add lines 23a through 23d				23e
24 Estimated tax penalty (see instructions). Check if Form 2220 is attached				24
25 Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed				25
26 Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid				26
27 Enter amount from line 26: Credited to 2019 estimated tax			Refunded	27
Sign Here ▶ Signature of officer _____ Date _____ Title PRESIDENT				
<small>Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.</small>				
Preparer's name RONALD J. SZARZYNSKI, CPA		Preparer's signature RONALD J. SZARZYNSKI, CPA	Date 03/08/19	PTIN P00030314
Firm's name BAKER TILLY VIRCHOW KRAUSE, LLP		Firm's EIN **-***9910		Phone no. 612.876.4500
Firm's address 225 S 6TH ST #2300 MINNEAPOLIS, MN 55402				

JWA
811701
10-17-18

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Form **1120S** (2018)

Repayment of student loan debt

Production Required to Payoff Debt			
Combined Tax Bracket	<u>30.00%</u>	<u>40.00%</u>	<u>45.00%</u>
Gross Production	87,313	101,865	111,125
Write-offs and adjustments	(17,463)	(20,373)	(22,225)
Net Production-Collections	69,850	81,492	88,900
Overhead Rate-60%	(41,910)	(48,895)	(53,340)
Net Income	27,940	32,597	35,560
Federal and State Tax	(8,382)	(13,039)	(16,002)
Available To Pay Debt	19,558	19,558	19,558

Estimate of practice value

PAINLESS DENTISTRY, DDS, PA
Estimate of Practice Value
December 31, 201X

Method 1 - asset value	Low	High
Dental equipment -	\$150,000	\$150,000
Office equipment and furniture	10,500	10,500
Leasehold improvements	20,000	20,000
Dental supplies & hand instruments	15,000	15,000
Accounts receivable	110,000	125,000
Patient records/goodwill	490,000	765,000
Total value	\$795,500	\$1,085,500

Estimate of practice value (cont.)

PAINLESS DENTISTRY, DDS, PA Estimate of Practice Value December 31, 201X

Method 2 - Annualized net production (weighted ave)

12/31/xx	\$1,100,000	times 1	\$1,100,000
12/31/xy	1,350,000	times 2	\$2,700,000
1231/xz	<u>1,530,000</u>	<u>times 3</u>	<u>\$4,590,000</u>
		6	\$8,390,000

divide by 6	<u>\$1,398,333</u>
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Average annual net production	<u>\$1,398,333</u>
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Total value	<u>\$769,083</u>	<u>\$1,048,750</u>
	55%	75%

Estimate of practice value (cont.)

PAINLESS DENTISTRY, DDS, PA Estimate of Practice Value December 31, 201X

Method 3 - Capitalized earnings

Average annual net production-(from above)		\$1,398,333
Less: Average operating expenses	60%	(839,000)
Professional labor (38% of net Dr.prod after lab)		(350,000)
Equipment contribution		<u>(25,000)</u>

Excess Earnings	<u><u>\$184,333</u></u>
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Capitalization Rate	<u>20%</u>	<u>16%</u>
	(5 times)	(6.25 times)

Total value

<u><u>\$921,667</u></u>	<u><u>\$1,152,083</u></u>
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Estimate of practice value (cont.)

PAINLESS DENTISTRY, DDS, PA Estimate of Practice Value December 31, 201X

Method 4 - Annualized earnings		Low	High
Total earnings(amt available for doctors)			
	12/31/xx	\$420,000	
	12/31/xy	\$520,000	
	12/31/xz	<u>\$650,000</u>	
Total earnings for the above years		<u>\$1,590,000</u>	
		div by 3	
Average annual earnings		<u>\$530,000</u>	
		2	2.5
Total value		<u>\$1,060,000</u>	<u>\$1,325,000</u>

Estimate of practice value (cont.)

PAINLESS DENTISTRY, DDS, PA Estimate of Practice Value December 31, 201X

Average value of the four methods presented

Method 1	\$795,500	\$1,085,500
Method 2	769,083	1,048,750
Method 3	921,667	1,152,083
Method 4	1,060,000	1,325,000
Total of the four methods presented	\$3,546,250	\$4,611,333
	div by 4	div by 4
Average of the above valuation methods	\$886,563	\$1,152,833
Calculated value (average of low & high)	\$1,019,698	

Other Balance Sheet items at 12/31/1X

Cash	\$20,000
Accounts payable	(2,500)
Payroll withholdings payable	(7,500)
Notes payable	(100,000)
Current year profit	0
Net total	(\$90,000)

Net value	929,698
Net value-rounded	930,000

Compensation formula

PAINLESS DENTISTRY, DDS, PA
Compensation formula
For the 12 months ended December 31, 201X

PRACTICE VALUE=\$930,000	50%= \$	465,000	
STOCK			90,000 AFTER TAX \$
COMP SHIFT			375,000 PRE-TAX \$
	6.0%	=\$5478.08 PER MONTH FOR 72 MONTHS	
NET INCOME			100,000
ADD: SALARIES AND FRINGE BENEFITS OF OWNER DRs			<u>510,874</u>
COMPENSATION POOL			<u><u>\$610,874</u></u>

Compensation formula

ALLOCATION OF COMPENSATION POOL:	SENIOR	JUNIOR	TOTAL	
70% COMP POOL X NET PRODUCTION %	265,682	161,930	427,612	70.00%
30% COMP POOL X OWNERSHIP \$	91,631	91,631	183,262	30.00%
TOTAL COMPENSATION	357,313	253,561	610,874	100.00%
COMP SHIFT (5478.08/MO)	65,738	(65,738)	0	
NET EARNED	423,051	187,823	610,874	
LESS: SALARIES PAID	300,000	150,000	450,000	
AUTO EXPENSES	1,000	0	1,000	
DUES AND JOURNALS	1,712	1,301	3,013	
TELEPHONE	596	0	596	
MEDICAL INS	18,000	10,000	28,000	
CONTINUING EDUCATION	3,200	565	3,765	
PROFIT SHARING/401K	24,500	0	24,500	
TOTAL SALARIES AND FRINGES	349,008	161,866	510,874	
BALANCE OF COMP DUE (OVER)-CURRENT	74,043	25,957	100,000	
BALANCE OF COMP DUE (OVER) FROM PRIOR YR	0	0	0	
COMPENSATION DUE (OVERPAID)	74,043	25,957	100,000	

Stock Payment

\$90,000 6 yr 7% 1534.41/mo

\$18,412

Compensation formula

	SENIOR	JUNIOR	TOTAL
GROSS PRODUCTION	750,000	450,000	1,200,000
LESS: LAB FEES PAID	(65,000)	(32,500)	(97,500)
NET PRODUCTION	685,000	417,500	1,102,500
PERCENT OF NET PRODUCTION	62.13%	37.87%	100.00%
PERCENT OF OWNERSHIP	50.00%	50.00%	100.00%

Management report

	Current period				
	This year	%	Last year	%	\$ Change
	Oct - Dec		Oct - Dec		
Gross Production	\$888,812	100.0	\$894,498	100.0	(\$5,686)
Adjustments & Writeoffs	(\$228,999)	-25.8	(\$215,099)	-24.0	(\$13,901)
Net Production	\$659,813	100.0	679,399	100.0	(\$19,587)
Receipts	\$673,989	102.1	\$664,554	97.8	9,435
Staff Salaries	168,927	25.6	165,249	24.3	3,677
Lab Fees	81,220	12.3	39,404	5.8	41,816
Dental Supplies	33,790	5.1	(14,395)	-2.1	48,186
Office Supplies	40,896	6.2	23,089	3.4	17,806
Occupancy	16,653	2.5	16,509	2.4	143
Other	\$395,231	59.9	\$490,187	72.2	(\$94,956)
Net Income/(Loss)	(\$62,727)	-9.5	(\$55,489)	-8.2	(\$7,238)
OVERHEAD	\$429,089	65.0	\$312,312	46.0	\$116,777

	Year-to-date					Avg.
	This year	%	Last year	%	\$ Change	
	Jan - Dec		Jan - Dec			
	\$3,560,160	100.0	\$3,470,618	100.0	\$89,542	
	(\$941,839)	-26.5	(\$890,676)	-25.7	(\$51,163)	
	\$2,618,321	100.0	\$2,579,942	100.0	\$38,379	
	\$2,580,516	98.6	\$2,571,583	99.7	\$8,934	98 plus
	656,611	25.1	624,068	24.2	32,543	24-28
	198,593	7.6	178,697	6.9	19,896	7-9
	157,570	6.0	135,422	5.2	22,148	6-8
	115,329	4.4	93,480	3.6	21,849	2-3
	67,639	2.6	66,613	2.6	1,026	6-8
	\$1,094,766	41.8	\$1,191,066	46.2	(96,300)	
	\$290,009	11.1	\$282,237	10.9	7,772	
	\$1,504,804	57.5	\$1,401,367	54.3	103,437	58-62

PAINLESS DENTISTRY, DDS, PA
Management report
December 31, 201X & December 31, 201Y

Overhead analysis	
Key expenses	
Staff Salaries	32,543
Lab Fees	19,896
Dental Supplies	22,148
Office Supplies	21,849
Occupancy	1,026
	97,462
Other expenses	
sales tax	(5,674)
continuing ed	(7,976)
Repairs	
office promotion	
ins	7,123
professional fees	0
consulting fees	16,489
Dues & subs	
Advertising	
Misc	(3,987)
	5,975
Total overhead changes	103,437

Management report

PAINLESS DENTISTRY, DDS, PA For the 3 & 12 months ended December 31, 201X & December 31, 201Y

	Jan - Dec <u>201X</u>	%	Jan - Dec <u>201Y</u>	%	<u>Difference</u>
Doctor Production	\$2,458,597	69%	\$2,385,603	69%	\$72,994
Hygiene Production	1,101,563	31%	1,085,014	31%	16,548
Other Dr Production	0	0%	0	0%	0
Total Production	\$3,560,160	\$1	\$3,470,618	\$1	\$89,542

	<u>201X</u>		<u>201Y</u>		<u>Difference</u>
Doctor Production	\$2,458,597	-	\$2,385,603	-	\$72,994
Adjust/Writeoffs	(650,421)	-26.5%	(612,225)	-25.7%	(38,196)
Net Production	1,808,176		1,773,378		34,798
Less: Lab	(198,593)		(178,697)		(19,896)
Cerac X *150	(24,750)		(30,300)	368	
Net After Lab	1,584,833		1,564,381		20,452
	38%		38%		
Doctor Earnings	\$602,236		\$594,465		\$7,772

	<u>201X</u>		<u>201Y</u>		<u>Difference</u>
Receipts	\$2,580,516	-	\$2,571,583	-	\$8,934
Overhead	(1,504,804)		(1,401,367)		103,437
Net available	1,075,712		1,170,216		(94,503)
Doctor Earnings	(602,236)		(594,465)		7,772
Owner Profits	473,476		575,751		(102,275)
Total Practice Net Prod	\$2,618,321		\$2,579,942		
INVESTMENT RETURN	18.08%		22.32%		-4.23%

<u>DOCTOR EARNINGS</u>					
	<u>201X</u>		<u>201Y</u>		<u>Difference</u>
Net profit	\$290,009	-	\$282,237	-	\$7,772
Salary	599,038		637,168		(38,130)
Cont ed/mtgs	7,143		14,387		(7,244)
Payroll taxes-dr	21,929		22,482		(553)
Health Ins	0		0		0
Drs Dues and Licenses	10,329		6,656		3,673
Profit Sharing	12,105		12,057		48
Marketing/entertainment	38,447		37,816		631
Telephone	8,620		9,787		
Prof fees	0		2,650		
Auto	2,609		11,927		(9,318)
Dr. fixed assets	9,624				
Dr other expenses	1,833		4,966		
Drs Comp Pool	1,001,687		1,038,616		(36,929)
TOTAL EARNINGS	\$1,001,687		\$1,038,616		(\$36,929)
Depreciation	48,309		117,169		(68,860)
Wages, payroll taxes other dr	0		0		0
Interest Expense	11,271		4,716		6,555
Profit sharing staff	14,446		9,716		4,730
	74,026		131,601		(57,575)
Total Drs + Other	\$1,075,712		\$1,170,216		(\$94,504)

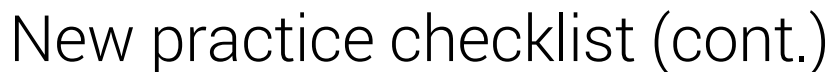
	Jan - Dec <u>201X</u>	Jan - Dec <u>201Y</u>	<u>Difference</u>
Hygiene Salaries	\$291,005	\$275,845	\$15,160
Hygiene Production	1,101,563	1,085,014	16,548
Salaries as a % of Prod	26.42%	25.42%	0.99%

<u>Cash Flow - Year 201X</u>		
CASH BALANCE AT 1/1/201X		\$54,212
Net Income	\$290,009	
Depreciation and Amortization	48,309	
Adjustments:		338,318
Dividends	(416,506)	
Fixed Assets Purchases	(46,412)	
Due To/From	(44,935)	
Shareholder Loan	0	
Loan	0	
Bank Loan	183,899	
401K Withholding	(6,068)	
Other Receivables	0	
Retirement Plan Payable	0	
		(330,022)
CASH BALANCE AT 12/31/1X		\$62,507

	<u>CURRENT YEAR 12/31/1X</u>	<u>PRIOR YEAR 12/31/1Y</u>
Accounts Receivable	\$255,699	\$245,048
Monthly Average		
Gross Production	296,680	289,218
# Of Months of Gross		
In Accounts Receivable	0.86	0.85

New practice checklist

	Date Assgnd	Assgnd To	Completed	Comments
I. Practice Legal Structure				
1. Type: Sole Proprietorship, Partnership or Corporation				
A. Practice Name				
2. Choose an Attorney for				
A. Partnership/corporation formation				
B. Dentist contracts				
C. Office/equipment leases				
D. Collection issues				
E. Employment issues				
F. Employment Agreement (if applicable)				
3. Choose Advisors				
A. Attorney				
B. Accountant				
C. Practice Management Consultant				
D. Insurance Agent				
E. Banker				
F. Information System Consultant				
G. Real Estate Agent				
4. Practice Contract Monitoring Log				
II. Practice Location				
1. Dental Rating Survey				
2. Demographic Study				
3. Competitor Analysis				
4. Real Estate Agent				
5. Selection of Location				
III. Practice Site				
1. If Leasing:				
A. Type of lease: (Triple Net, etc.)				
B. Leasehold Improvements needed/allowances				
C. Term of Lease and Cancellation Clauses				
D. Termination Provisions				
E. Renewal Terms				
F. Liability Insurance Coverage/Landlord vs Tenant Responsibility				
G. Limitation on hours (if any)				
H. Parking Spaces for Tenants				
I. Remodeling Fees/Build-out Allowance				
J. Maintenance and Repairs				

[illegible]

New practice checklist (cont.)

<input type="checkbox"/>	2. Develop Chart of Accounts				
<input type="checkbox"/>	3. Develop Accounts Payable procedures				
<input type="checkbox"/>	4. Apply for Federal & State Employer Identification Numbers				
<input type="checkbox"/>	5. Internal Control Policies and Procedures				
<input type="checkbox"/>	VI. Office Equipment				
<input type="checkbox"/>	1. Develop list of major furniture, fixtures & equipment needed				
<input type="checkbox"/>	2. Initial Supply Inventory				
<input type="checkbox"/>	A. Dental				
<input type="checkbox"/>	B. Office				
<input type="checkbox"/>	3. Special Requirements				
<input type="checkbox"/>	A. Electrical				
<input type="checkbox"/>	B. Certification-Registration				
<input type="checkbox"/>	4. Explore Group Purchasing Opportunities				
<input type="checkbox"/>	VII. Licenses/Permits/Registrations				
<input type="checkbox"/>	1. Determine requirements for: City and County occupational/privilege/business licenses				
<input type="checkbox"/>	2. Inform State Medical Licensing Board of new address or process for licensure by state				
<input type="checkbox"/>	3. Submit change of address regarding Federal DEA number				
<input type="checkbox"/>	4. Determine CLIA requirements and submit application				
<input type="checkbox"/>	5. Develop Compliance processes for:				
<input type="checkbox"/>	A. OSHA				
<input type="checkbox"/>	B. CLIA (Laboratory)				
<input type="checkbox"/>	C. HIPAA				
<input type="checkbox"/>	D. Dental Practice Compliance Program				
<input type="checkbox"/>	6. Secure Government Forms				
<input type="checkbox"/>	A. Federal W-4				
<input type="checkbox"/>	B. Tax Tables				
<input type="checkbox"/>	C. State W-4				
<input type="checkbox"/>	D. Tax Tables				
<input type="checkbox"/>	E. Federal I-9				
<input type="checkbox"/>	VIII. Provider Numbers/Credentialing Applications				
<input type="checkbox"/>	1. Complete Hospital Medical Staff Credentialing				
<input type="checkbox"/>	2. Contact Medicare/Medicaid for provider applications				
<input type="checkbox"/>	3. Determine which MCOs to participate with				
<input type="checkbox"/>	4. Secure credentialing applications				
<input type="checkbox"/>	5. Medical/Dental Society Memberships				
<input type="checkbox"/>	A. State Medical Society				
<input type="checkbox"/>	B. County/Parish Medical Society				
<input type="checkbox"/>	C. Specialty Society				
<input type="checkbox"/>	D. American Dental Association				
<input type="checkbox"/>	6. Managed Care Contracting Assessment				
<input type="checkbox"/>	A. Length of time to obtain provider numbers				
<input type="checkbox"/>	B. Dates of submission of applications				
<input type="checkbox"/>	C. Date(s) of receipt of provider numbers by major insurance companies				
<input type="checkbox"/>	D. Responsible parties for obtaining Managed Care Contracts				

New practice checklist (cont.)

<input type="checkbox"/>	E. Managed Care Contract Status Report				
<input type="checkbox"/>	F. Obtain NPI Numbers (Group/Individuals)				
<input type="checkbox"/>					
<input type="checkbox"/>	IX. Personnel				
<input type="checkbox"/>	1. Begin advertising for and interviewing applicants				
<input type="checkbox"/>	2. Hire Office Manager				
<input type="checkbox"/>	3. Develop staffing/salary projections				
<input type="checkbox"/>	4. Develop benefit structure				
<input type="checkbox"/>	5. Develop job descriptions				
<input type="checkbox"/>	6. Develop personnel policies/procedures				
<input type="checkbox"/>	7. Schedule staff orientation				
<input type="checkbox"/>	8. Dentist Benefit Package				
<input type="checkbox"/>	9. Order Payroll Withholding Booklets (i.e., Federal, State, City) through local IRS office)				
<input type="checkbox"/>					
<input type="checkbox"/>	X. Practice Information Systems				
<input type="checkbox"/>	1. Evaluate computer system needs and desired functions				
<input type="checkbox"/>	2. Solicit information from system vendors				
<input type="checkbox"/>	3. Solicit bids from desired vendors				
<input type="checkbox"/>	4. Schedule PMS/EMR Demonstrations				
<input type="checkbox"/>	5. Perform Cost/Benefit Analysis Re: Outsourcing Billing				
<input type="checkbox"/>	6. Select Computer Consultant				
<input type="checkbox"/>	7. Select Computer				
<input type="checkbox"/>	8. Hardware Specifications/Quotes				
<input type="checkbox"/>	9. Evaluate Lease/Purchase/ASP Options				
<input type="checkbox"/>					
<input type="checkbox"/>	XI. Dental Records				
<input type="checkbox"/>	1. Choose format				
<input type="checkbox"/>	2. Obtain samples from vendors				
<input type="checkbox"/>	3. Determine need for dictation equipment and solicit information from vendors				
<input type="checkbox"/>	4. Assess feasibility of electronic medical records				
<input type="checkbox"/>	5. Assess feasibility of voice recognition system				
<input type="checkbox"/>	6. Develop policies/procedures for record maintenance				
<input type="checkbox"/>					
<input type="checkbox"/>	XII. Business Office				
<input type="checkbox"/>	1. Develop Dental Practice Policy & Procedure Manual				
<input type="checkbox"/>	2. Select and/or develop Business Office forms				
<input type="checkbox"/>	3. Develop patient encounter form (Superbill)				
<input type="checkbox"/>	4. Select Collection Agency				
<input type="checkbox"/>					
<input type="checkbox"/>	XIII. Clinical Procedures				
<input type="checkbox"/>	1. Develop Clinical Policies/Procedures for:				
<input type="checkbox"/>	A. Patient Care				
<input type="checkbox"/>	B. Laboratory				
<input type="checkbox"/>	C. X-ray				
<input type="checkbox"/>	D. Prescription refills				
<input type="checkbox"/>	E. Infection control				
<input type="checkbox"/>	F. Employee safety and health				

New practice checklist (cont.)

<input type="checkbox"/>	2. Dental Forms				
<input type="checkbox"/>	A. Patient Registration				
<input type="checkbox"/>	B. Medical Record Release				
<input type="checkbox"/>	3. Reference Lab Arrangement				
<input type="checkbox"/>	4. Obtain quotes for laboratory services				
<input type="checkbox"/>	5. On call schedule/coverage				
<input type="checkbox"/>	6. Appointment Scheduling				
<input type="checkbox"/>	7. Office/Hospital Procedures Protocol				
<input type="checkbox"/>	8. Prescription Refill Policy				
<input type="checkbox"/>	9. Patient Registration Packet				
<input type="checkbox"/>	XIV. Insurance				
<input type="checkbox"/>	1. Choose Insurance Broker and obtain policies for:				
<input type="checkbox"/>	A. Professional Liability				
<input type="checkbox"/>	B. General and Premise Liability				
<input type="checkbox"/>	C. Property/Contents				
<input type="checkbox"/>	D. Auto				
<input type="checkbox"/>	E. Employee Dishonest				
<input type="checkbox"/>	F. Workers' Compensation				
<input type="checkbox"/>	G. Special Coverages				
<input type="checkbox"/>	H. Health				
<input type="checkbox"/>	I. Life				
<input type="checkbox"/>	J. Disability (LT/ST)				
<input type="checkbox"/>	K. Umbrella Policy				
<input type="checkbox"/>	L. Business Interruption				
<input type="checkbox"/>	2. Financial Planning Services				
<input type="checkbox"/>	XV. Practice Compliance & Integrity				
<input type="checkbox"/>	1. Medical/Dental Practice Compliance Program				
<input type="checkbox"/>	2. Coding Compliance Program				
<input type="checkbox"/>	3. HIPAA				
<input type="checkbox"/>	A. Privacy				
<input type="checkbox"/>	B. Security				
<input type="checkbox"/>	4. OSHA				
<input type="checkbox"/>	5. ADA				
<input type="checkbox"/>	6. OIG Work Plan Risk Areas				
<input type="checkbox"/>	7. Physician & Employee Compensation Standards & Evaluation				
<input type="checkbox"/>	8. Billing Issues & Regulations				
<input type="checkbox"/>	XVI. General Office Services				
<input type="checkbox"/>	1. Choose vendors to provide the following services:				
<input type="checkbox"/>	A. Waste management (regular and biohazardous)				
<input type="checkbox"/>	B. Janitorial services				
<input type="checkbox"/>	C. Pest control				
<input type="checkbox"/>	D. Landscape maintenance				
<input type="checkbox"/>	E. Answering service				
<input type="checkbox"/>	F. Transcription service				

New practice checklist (cont.)

	G.	Laundry/linen service				
	H.	Phone Systems				
		o Office				
		o Cell				
		o Voice Mail				
		o OnHold System				
		o Obtain Quotes				
	2.	Obtain telephone numbers				
	3.	Utilities				
	A.	Electric				
	B.	Gas				
	C.	Water				
	4.	DSL Lines/T-1 Lines				
	5.	Magazine Subscriptions				
	6.	Office preparation/decor				
	A.	Paint				
	B.	Wallpaper				
	C.	Carpet				
	D.	Pictures				
	E.	Accessories				
	7.	Fax				
	8.	Copier				
	9.	Printer				
	10.	Scanner				
	11.	Computer Hardware				
	12.	Keys for personnel				
	13.	Develop patient flow processes				
	14.	Schedule move in dates				
	15.	Determine office hours				
	16.	Schedule appointments with applicable pharmaceutical representatives				
	17.	Posting Requirements				
	18.	Obtain Security System				
	19.	Technical Requirements				
	A.	Telephone Wiring/Cabling				
	B.	Computer Wiring/Cabling				
	C.	Network Cabling				
	D.	Electrical Outlets				
	XVII. Marketing					
	1.	Develop Marketing Plan and Budget				
	2.	Interior/Exterior Signage				
	3.	Develop and have printed:				
	A.	Stationery/Envelopes				
	B.	Practice brochure				
	C.	Announcements				
	D.	Business cards				
	E.	Appointment cards				

New practice checklist (cont.)

	F.	Recall cards/letters				
	G.	Placards for office				
	H.	Newspaper announcements				
	I.	Yellow Page Ads				
	J.	Order Patient Education Materials				
	K.	Prescription Pads				
	L.	Referral Form				
	M.	Fax Cover Sheet				
	N.	Note Pads				
	4.	Business Plan Development/Target Marketing				
	A.	Dentists				
	B.	Hospitals				
	C.	Pharmacies				
	D.	Nursing Homes				
	E.	Home Health Agencies				
	F.	Medical Societies				
	G.	Community/Civic Leaders				
	H.	Chamber of Commerce				
	I.	Community/Civic Organizations				
	J.	Major Employers				
	K.	Managed Care Companies				
	L.	Media				
	M.	New Resident Information (Welcome Wagon)				
	5.	Competitor Assessment				
	6.	Identify Key Constituencies				
	7.	Development of Strategic Business Plan				
	8.	Media Opportunities				
	9.	Website Development				
	10.	Schedule Physician meetings regarding potential referral sources				
	11.	Register for patient referral service at local hospitals and Medical Society				
	12.	Check on memberships at civic/social organizations				
	13.	Plan Reception/Open House				
	14.	Conduct Customer Service Training for all employees				
	15.	Develop First Year Business Plan				
	16.	Hospital Orientation Process				
	17.	Physician Mentor (Via Hospital)				
	18.	Personal/Family Issues				
	19.	Obtain and Evaluate Market Data				
	20.	Physician Directory Listings				
	21.	Call Center Listings				
	22.	Add Physician Information to Hospital(s) Website(s)				
	23.	Stamp for Patient Education Literature				

Thank you!



Ron Barthell, CPA

Partner

ronald.barthell@bakertilly.com

+1 (612) 876 4727



Robyn Murray, CPA

Senior Manager

robyn.murray@bakertilly.com

+1 (612) 876 4705