Shhhhh……..What We Do Not Want to Talk About

Planning to Survive

Brenda P. Thaxton, RDH, B.S.

Widow of Steven F. Thaxton, DDS, MAGD

Statistics 2014: 3523 active dental license in Tennessee. 41 dentist reported deceased in 2014. 11 of those had active licenses. Odds, therefore are, 1 in 320 chance of dying with an active license.

FYI odds: Powerball win 1 in 175,223,510
Being attacked by shark 1 in 11,500,000
Being struck by lightning 1 in 134,900
Amateur golfer making hole in one on par 3 hole 1 in 12,500

So, let us talk while informed decisions can be made and while you can preplan as needed and wanted.

Unthinkable happens !

You are in shock and in a daze. Tic, Tic, Tic, Tic, Tic
You have 2 years to sell the practice but…..Tic, Tic, Tic, Tic
Every day the value of the practice is going down !

Suggested timeline:

- First hour--------Who to call ?
-
- 2-3 hours--------Donate organs?
-
- 2-4 hours--------Funeral home comes---leave hospital
-
- 2-6 hours--------Do you need to see a physician?
-
- 4-12 hours------Safety deposit box?

-
- 4-16 hours------Plan funeral (if not pre-done)
-
- 4-18 hours------Stabilize the office and staff---YOU NOW OWN A DENTAL OFFICE
-
- 18-36 hours----Meet with transition people or speak with them
- 3-5 days---------Funeral
-
- 6-7 days---------Meet with your attorney
-
- 6-7 days---------Meet with your CPA
-
- 6-7 days---------Meet with the office staff
-
- 7-10 days-------Appraisals and inventory
-
- 7-14 days-------Inform agencies---changes
-
- 7-TBA------------Show the office and building
-
- 7-TBA------------Go through ALL THE BUSINESS PAPERS
-
- 3mts-TBA-------The DEAL falls through
-
- TBA---------------Will you personally finance deal?
-
- TBA---------------Send letter to patients
-
- TBA---------------Will you continue working? In office?
-
- ? ? ?-------------Now, go on living !

We will consider each bullet point. Every point is filled with things to consider for your unique situation.   This is not a “do it this way” talk. This course’s purpose is to make you aware of the multitude of decisions that must be made while you, the spouse, are at your emotional worst. Many a spouse has made poor decisions during this time.

I am not an authority or expert in the fields of accounting, law, insurance, office management, practice transitions or grief management. I have simply been through it, managed to do it well, have an on going wonderful relationship with the purchasing dentist and want to help others survive the horrific first year after the death of our dentist spouse.

Dentists will have the opportunity to consider setting up the systems necessary to make the continuation of their patient care and the selling of their offices handled well. They can give their spouses the gift of knowing what to do and who to contact both for office situations and for personal situations.

For the purpose of this discussion, I will refer to the spouse as female and the dentist as male. I know this is gender bias but it is too cumbersome to try to always say both male and female.

Appendix – sample letters and forms –

Steven F. Thaxton, DDS, PA
Brenda P. Thaxton
312 West Main Street
Lebanon, Tennessee 37087

CONFIDENTIALITY AGREEMENT

In connection with your consideration of the purchase of the professional practice of Client, you have requested that Client disclose certain confidential, proprietary information, records and data, including, but not by way of limitation, tax returns, fee schedules, financial statements and certain financial reports (all such information is hereinafter referred to as "Confidential Information"). This Agreement is to confirm that you will use the Confidential Information solely for the purpose of evaluating the transaction and you will not use the Confidential Information in the operation of your own business or disclose the Confidential Information to any third parties except as provided herein. You may disclose this information to an accountant, attorney or consultant of your choosing, so long as their use and consideration of the material is in connection with your prospective purchase and they agree, by extension, not to disclose the information and/or material provided to you by way of this Agreement.

This Agreement shall remain effective even if no transaction between Client and you is consummated. In the event no transaction is consummated, you will promptly return to Client any and all Confidential Information which is in written or printed form and you will not retain any copies, extracts or other reproductions in whole or in part of such written or printed materials.

You hereby acknowledge that the remedies at law for the breach of the terms of this Agreement are inadequate and that Client shall be entitled to injunctive relief to enjoin any such breach (in addition to any other legal and equitable remedies which may be available to Client) together with all costs and expenses, including reasonable attorney's fees, relating to the enforcement of its rights hereunder.

If you are in agreement with the foregoing, please so indicate by signing and returning one copy of this Agreement.

AGREED AND ACCEPTED

this ____ day of ______________, 2013

______________________________ ______________________________

Signature (Full Name and Designation) (Please print full name and designation)

(Please complete the information below)

____

Address

____

City/State/Zip

____

Phone Fax E-Mail Address

____

Documentation Storage

Location of Important Personal Documents

For each item below, indicate where the document is stored, such as in your home (H) or at your business (B).

Advisor (A) Business (B) Home (H) Safety Deposit Box (S) Not Applicable (NA)

____ Bank statements and checkbook(s)

____ Birth certificates

____ Citizenship papers

____ Court documents

____ Credit card agreements and statements

____ Divorce decree(s) and/or pre-nuptial agreement(s)

____ Employee benefit handbook

____ Health care proxies

____ Insurance and annuity policies (life, disability, health, auto, homeowners, liability, long term care, and employer-provided coverage)

____ Investment property (real estate) statements and historical records

____ Living wills

____ Loan documents (mortgage, autos, insurance, personal, etc.)

____ Marriage license(s)

____ Medical records

____ Personal tax returns

____ Power of attorney

____ Property titles (home, autos, cemetery plots, etc.)

____ Property tax information

____ Retirement account information (IRA accounts, beneficiary designations, company pension statements, etc.)

____ Security information (investments)

____ Social Security statements

____ Trust documents

____ Warranties and major receipts

____ Wills

Location of safety deposit box(es) and key(s):____

Location of documents at Home (Fire-proof safe in hall closet, 3rd drawer in filing cabinet, etc.):

____

Location of documents at Business (fire-proof safe under office manager's desk, locked file drawer in my desk, etc.):

____

Location of Important Business Documents for Your Dental Practice

Advisor (A) Business (B) Home (H) Safety Deposit Box (S) Not Applicable (NA)

____ Financial records, checkbook, and business plan

____ Employee benefit plans and records

____ Insurance policies (property, liability, disability, key person, overhead, worker's compensation, etc.)

____ Legal documents (buy/sell agreement, articles of incorporation, legal entity, etc.)

____ Property titles and property tax information

____ Succession plan* (at retirement, disability, or premature death)

____ Tax records

____ Checklist of Significant Personal Property Information

Receptionist's Name ______________________________ Phone Number _______________

Office Manager's Name ______________________________ Phone Number _______________

* If you are married or have partners in your dental practice, a succession plan is critical for your practice in case of an early death. Consult with your financial advisors for more information or assistance.

Notes: ____ Date _______________

Insurance Coverage

Checklist of Personal Insurance Information

1. Insurance Coverage for ❑ you ❑ spouse ❑ your practice

   Type of Policy (life, disability, long term care, malpractice, business overhead, etc.) ____________

   Name of Insurance Carrier____________ Name of Agent ____________

   Policy Number____________ Benefit Amount ____________

   Owner____________ Beneficiary____________

   Contingent Beneficiary____________

   Loan Outstanding ❑ yes ❑ no   Premium Paid By ❑ you ❑ business

2. Insurance Coverage for ❑ you ❑ spouse ❑ your practice

   Type of Policy (life, disability, long term care, malpractice, business overhead, etc.) ____________

   Name of Insurance Carrier____________ Name of Agent ____________

   Policy Number____________ Benefit Amount ____________

   Owner____________ Beneficiary____________

   Contingent Beneficiary____________

   Loan Outstanding ❑ yes ❑ no   Premium Paid By ❑ you ❑ business

3. Insurance Coverage for ❑ you ❑ spouse ❑ your practice

   Type of Policy (life, disability, long term care, malpractice, business overhead, etc.) ____________

   Name of Insurance Carrier____________ Name of Agent ____________

   Policy Number____________ Benefit Amount ____________

   Owner____________ Beneficiary____________

   Contingent Beneficiary____________

   Loan Outstanding ❑ yes ❑ no   Premium Paid By ❑ you ❑ business

4. Insurance Coverage for ❑ you ❑ spouse ❑ your practice

   Type of Policy (life, disability, long term care, malpractice, business overhead, etc.) ____________

   Name of Insurance Carrier____________ Name of Agent ____________

   Policy Number____________ Benefit Amount ____________

   Owner____________ Beneficiary____________

   Contingent Beneficiary____________

   Loan Outstanding ❑ yes ❑ no   Premium Paid By ❑ you ❑ business

Checklist of Personal Investments

Completing the checklist below will allow your executor to quickly and completely assess key assets in your estate. It will also serve as a planning reminder to assist in how you may want your estate distributed. On the first line, list the name and phone number of the individual, firm, or institution that manages your money for each applicable account. On the next line, list your account number and current market value.

Type of Investment	Owned by: You	Spouse	Joint	Today's Value
Checking Account ____________				
Account Number____________	❑	❑	❑	$________
Savings Account ____________				
Account Number____________	❑	❑	❑	$________
Money Market Account ____________				
Account Number____________	❑	❑	❑	$________
Certificate of Deposit ____________				
Account Number____________	❑	❑	❑	$________
Government or Corporate Bonds ____________				
Account Number____________	❑	❑	❑	$________
Stocks ____________				
Account Number____________	❑	❑	❑	$________
Mutual Funds ____________				
Account Number____________	❑	❑	❑	$________
IRAs ____________				
Account Number____________	❑	❑	❑	$________
401(k), 403(b) or other Retirement Plan ____________				
Account Number____________	❑	❑	❑	$________
Limited Partnerships ____________				
Description____________	❑	❑	❑	$________
Other (describe): ____________				
Account Number____________	❑	❑	❑	$________
Other (describe): ____________				
Account Number____________	❑	❑	❑	$________

Tennessee Family Dental
Steven F. Thaxton, DDS, PA
312 W Main Street
Lebanon, TN 37087
615-444-3185

Dear Friend,

The sign at your dental office has changed. I am sure you all would like an update on what is going on. First, let me say that it is all good and very settled. I am well pleased at how it has all worked out. Tennessee Family Dental is the new name.

In my first letter to you, I overlooked a piece of information that I knew but you probably did not know. The State of Tennessee will not allow me to own the practice for longer than two years. There is a nice law on the books stating that only a dentist may own a dental practice in the State of Tennessee except the surviving spouse may own it for two years. At the two year mark, no exceptions, the doors must be closed if the practice has not sold to a dentist.

In the previous letter I introduced Dr.-------. Dr. ---- is no longer with the practice. She came and helped me during the early stages of adjusting to the loss of Steve. She decided the scope of this practice was not a good fit for her. There were also more business opportunities for her husband elsewhere and we all agreed that her mission to help out had been fulfilled. She left in March and I thank her very much for all she did.

I met with and interviewed numerous dentists. Dr. Ryan O'Neill has purchased the practice and the property. He did so in late February. Dr. O'Neill has since moved to Lebanon and is in the process of becoming one of us. I am completely enjoying working with him. His dentistry, his thought processes, his interactions with patients and employees, and his desires to keep updating his education are wonderful. I have now worked with him for five months and without hesitation I can recommend him to you. He will be my new dentist to provide my care in the future and I am pleased with his quality. He is even trying to hummmmmm.

So, who is Dr. Ryan O'Neill? He was born in New Orleans. His family moved to Birmingham, Alabama when he was a child. He played football in high school and quarterbacked his 5-A high school team. He graduated from the University of Alabama early and took a trip around the world for 6 months on church missions. He has some wonderful stories about his adventures. He then attended The University of Alabama at Birmingham, where their Dental School is located, and graduated with a Doctorate in Dental Medicine. Dr. Thaxton attended UAB for his residency in Dental Anesthesia and thought it was an excellent program.

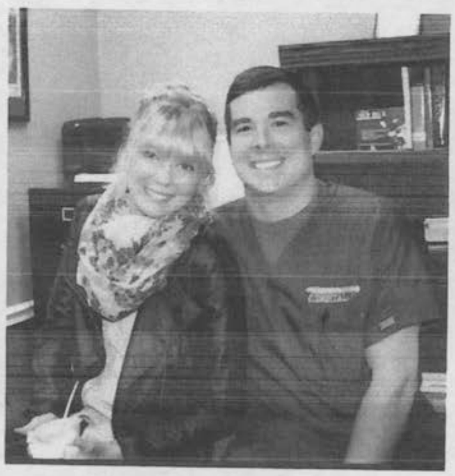
Continuing his Northern migration, he moved to the Nashville area and helped a dentist in the area, seeing his patients, while that dentist was recovering from a life changing accident. Dr. Katie -----, who mentored with Dr. Thaxton for two years, also helped the Nashville dentist during his recovery and met Dr. Ryan O'Neill. She was very impressed with his dentistry, compassion, religious centering, and overall personality. It was through Dr. Katie that I met Dr. O'Neill.

Dr. O'Neill has had a practice in Nipper's Corner for several years. He has a dentist who provides care in that office. He is living in Lebanon and providing care here Monday, Tuesday, Wednesday mornings, Thursday, and 2 Saturday mornings a month. He is at Nipper's Corner most Fridays. As you can tell, he is a very hard worker and is convenient to your schedule and possibly to your Nashville work location if you work in Nashville. He is in-network with more insurance companies than Dr. Thaxton so he is probably in-network with yours. Dr. O'Neill has hired everyone you are used to seeing in the office and has added front desk help for Miss Debbie and dental hygienists for Saturdays.

He is a wonderful young man. The only thing bad my University of Tennessee Alumni self can say is that he is Alabama football to the core. He has a dog, Bones, and you will have to inquire about its teeth (a good story there). He is getting married in October to Shaylee Simeone, a local singer/songwriter, and they will make Lebanon their home together. I am excited about their future here, your relationship with him and our hospitality towards them. It's been a tough ten months for me, but the prayers, thoughts, notes, and words from you all have really helped. It is so apparent to me that God has had his hand in helping me with all that I needed to do. Again, thank you for all the years of friendship and trust.

Sincerely,

Brenda P. Thaxton



Items to consider from a personal level:

HAVE A GREAT RELATIONSHIP WITH: Attorney, CPA, Insurance agent

Put contact information of all the people to call in your cell phone
Be sure to put their cell phone number in your phone so you can text also

Make a list of the people to call, should the unthinkable happen, in the NOTES apps
In your phone (a friend could then take that list and start calling or while
You are in shock and not thinking well, you have a printed list to go by

Discuss organ donation and wishes--medical history/medications--contraindication

Discuss funeral arrangements, obituary, what charities for memorial donations, pall bearers, veteran? disk of pictures, voice mails saved?, type of service, music, speakers? Consider going ahead and finalizing arrangements now

Both names on Safety Deposit Box?

Personal stocks, bonds, bank accounts, mortgages, deeds, insurance policies, cars, boats, etc. Make a list, passwords, how to access, only current ones, whose name is on what?, whose social security number is on what?, what was the purchase price of major assets? (you will then need the current value of those items at time of death) Whose name is on utilities and cell phone account?

Your wills-------current and where are they? Must have original (State of Tennessee is very picky about this—will not accept a copy)

Insurance Agent---who?----How much life insurance? Who is beneficiary and who is the OWNER of the policies? Health Insurance, Umbrella, Homeowners, Car, boat, long term care, cancer, disability?

Check the deed on the house------in whose name(s)?

Where is the state and federal personal tax information?

Retirement plan funds and original papers on who is beneficiary

Throw away paperwork on closed bank accounts, investment accounts, retirement accounts, insurance policies----Throw out closed ones---this gets confusing

Save all paperwork showing paid in full for all major purchases and original copies of major life paperwork (marriage certificate, birth certificate, signed Beneficiary pages)

MAKE A LIST OF ALL PASSWORDS

Things to consider in the dental office:

HAVE A GREAT RELATIONSHIP WITH: Attorney, CPA, Insurance agents, dental supply person(s), transition person? And who are these people and their contact information and where are you going to keep this list?

Who to call if the unthinkable happens from an office point of view? Where is that list? And where is the contact information? And is it updated?

Discuss if spouse can handle owning the office and remember this is while they are almost immobilized with grief and personal business to handle.

Discuss who you want to help with holding the office together and selling office. In this discussion remember your staff and who you think can help do this or not and who you think can help with the phones.

Discuss or think about what other dentist might allow your hygiene department to work under their license and who could provide immediate emergency care for your patients. Who's DEA number and Dental License can supplies be ordered under? Meet with them and go over this and maybe do this for each other if needed. Plan ahead

Consider having the office inventoried and update it every couple of years---

Consider having the building appraised and update it every couple of years—

Consider a transition company (remember that may need to change in the future, so how binding do you want it to be?)

Do you want extra life insurance to cover the overhead/payroll while the office is being sold?

Who can sign checks, who does payroll, who has the credit card and can use it, whose names are the credit cards in?

Make a list of agencies to notify with your identification numbers and the agencies contact numbers---DEA, NPI, malpractice insurance, business insurance, facility NPI, Tax ID number, radiation safety, workman's Comp

Who makes signs or banners in your area and their contact information

Who can run reports? Be sure audit trail reports are run immediately and current account receivables and production.

Take a good fraud prevention course

List all loans and encumbrances against the practice---keep it current

Who is the retirement plan company and who is the contact person and what is the contact information?

AUGGGGGGG……List of third party payers (dental insurance companies) with contact information and your provider numbers….they have to be informed

Discuss different ways to sell your practice and what type of practice is it? Sole ownership, partnership, LLC, corporation? And ways to sell it like asset, stock, "good will." Talk now so these terms are not foreign

Think about type of letter to patients informing them of transition of office

Remember:

Planning does not make something happen.

Being organized is helpful for retirement

You will have your office transitioned at some point

There are good people willing to help

TENNESSEE DENTAL ASSOCIATION

February 18, 2016

Mrs. Brenda Thaxton
1720 Blairmont Drive
Lebanon, TN 37087

Dear Mrs. Thaxton:

Thank you for reaching out to the TDA on behalf of your company, We Must Be Practical. While we continue to be sad regarding your husband's tragic death, we are inspired that you want to use the difficult things that you experienced in a positive way to help other families in similar situations.

The Tennessee Dental Association is pleased to support We Must Be Practical in your efforts to help those who unexpectedly find themselves owning and/or managing a dental practice due to the untimely death or incapacitation of a practicing dentist.

Due to the nature of your business, We Must Be Practical does not fit into an endorsement category, however, that does not lessen our enthusiasm for the goals of your company. The TDA wishes you all the best.

Sincerely,

K. Jean Beauchamp, DDS

K. Jean Beauchamp, D.D.S.
Secretary of the TDA

KJB/aw

660 BAKERS BRIDGE AVENUE SUITE 300 FRANKLIN, TENNESSEE 37067 615 / 628-0208 FAX: 615 / 628-0214

Contact information:

Brenda P Thaxton	We Must Be Practical Company
Pelley1@aol.com	1720 Blairmont Drive
615-218-6084	Lebanon, TN 37087

Alliance of American Dental Association
211 E. Chicago Ave.
Suite 730
Chicago, IL 60611 312-440-2865

Dept. of Veterans Affairs
1120 Vermont Ave, N. W.
Washington, DC 20421

Social Security Administration
6401 Security Blvd.
Baltimore, MD 21235 800-772-1213

American Dental Association
211 E. Chicago Ave
Chicago IL 60611 312-440-2500

Tennessee Dental Association
660 Bakers Bridge Avenue
Franklin, TN 37067 615-628-0208