

# Risk Management Insights

## Exit Strategy: Retiring and Closing Your Practice Considerations

Whether you are retiring, selling your practice, or simply moving on, the decision is not as simple as turning off the lights, but rather includes a variety of tasks. This article is not intended as an exhaustive guide; instead, it is a primer on certain considerations to assist you in planning and executing this transition. As with all major decisions, it is important to consult with appropriate professional advisors. Laws vary by jurisdiction, and the information provided in this article is not intended to serve as legal advice. Your legal and/or financial advisors can help you make the best decisions for your individual needs.

### Announce the Decision

Regardless of the reason why you are leaving practice, it is recommended that patients are notified of a change in their dental provider prior to the effective date of the change. The ADA provides a “Guide to Closing a Dental Practice” which includes a sample notification letter template. Also, consider how to transition ongoing patient care to other providers. Each patient’s treatment needs can vary considerably, so it is important to approach this step on a case-by-case basis. For example, patients who are undergoing more extensive treatment may require additional referral and follow-up care to avoid allegations of abandonment once you leave.

Fortress Insurance Company is a professional liability insurance company owned and operated by dentists. Fortress only insures dentists and knows firsthand how to protect you and your practice.



Walsh Duffield is the exclusive Fortress agents for dentists in the Seventh District Dental Society. Contact Christine Garvelli at 716-362-7363 or [cgarvelli@walshduffield.com](mailto:cgarvelli@walshduffield.com) with any insurance questions.

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In addition to notifying patients, it is important that you communicate this transition to your licensing board, state society, insurance carriers, and others.

### **Contact Your Insurance Agent**

As you prepare for retirement, your insurance portfolio is likely to change. It is important to ensure adequate insurance coverage for any future malpractice claims that may arise after you've left practice. If you have a claims-made policy, ask your agent about the need for tail coverage. In many cases, tail coverage is provided for free at retirement. Your insurance agent can also guide you through any updates to your disability, life, health, and other insurance coverages.

### **Medical Records Management**

Record retention laws vary by state. When preparing to transfer medical records, your state dental society and state dental practice act are good resources to what is required to maintain and/or transfer patient records including how to obtain proper patient authorization for disclosure, transfer, and storage of medical records. Unless your state mandates otherwise, it is important to maintain original patient records as you can be subject to medical malpractice claims years after the date you closed your practice's doors.

### **Transition Questions**

While not an exhaustive list, you may wish to discuss the following questions with an attorney familiar with the sale or closing of medical or dental practices. These questions may also be applicable if you are leaving a practice to join a new one.

1. Will ownership of existing patient records transition to the purchaser? If so, how will I access patient records in the event litigation arises?
2. How will patients be notified of the change in their dental provider?
3. What are the requirements for record storage if I retain ownership of my patient records? Is a storage facility sufficient? Can I keep the records in my home?

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4. How will new providers contact me about former patients that have allegations?
5. Similarly, how will former patients or referral sources contact me for records or questions if needed?
6. Am I required to keep a phone line open for a period of time after closure of a practice?

### Hazardous Material Disposal

Federal and/or state laws may dictate how certain hazardous materials are disposed. It is crucial that you dispose of waste items and medications in the proper manner. Inappropriate disposal could result in fines and penalties from regulatory agencies.

### Transitioning Due to Disability

Despite best efforts to plan ahead and prepare for a transition when you near retirement-age, unforeseen circumstances, such as becoming disabled, can require you to adapt your plans. Obtaining appropriate levels of disability insurance can help provide financial support if disability should occur. Your local Fortress agent can review your portfolio and make recommendations to help ensure you have appropriate coverages in place. Additionally, resources and organizations, such as the [American Association of Disabled Dentists](#), exist to support dentists through this phase.

### Resources

[ADA's A Guide to Closing a Dental Practice](#)

[ADA Practice Transitions: Know Your Options: How to Build the Right Exit Plan for You](#)

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