



QUARTERLY REPORT

HELPING YOU KEEP YOUR DENTAL PRACTICE SAFE

SPRING 2015

Land mines of dental office lease negotiation and administration

We frequently hear from dentists who have problems negotiating space for their dental office, or who later did not really understand the fine print of what their lease actually says. Most often, leasing problems are best solved when the lease is first negotiated.

Here are some common pitfalls in searches and negotiations for dental offices.

Time becomes your enemy

Missing a deadline or allowing your lease to expire can give your landlord powerful leverage (potential eviction) which makes it difficult to negotiate good renewal terms. Don't wait until the last minute to exercise your lease renewal option. Start planning a renewal or relocation process 14 to 16 months in advance. At that time identify critical deadlines and designate someone to be responsible for making sure your practice meets them. Start renewal negotiations at least 6 months before the notice deadline.

Falling in love (with one location)

Finding the "perfect" location and negotiating only on it is a perfect formula for an expensive outcome. Single-site negotiations nearly always result in less than desirable terms. It's far wiser to leverage market forces by negotiating multiple sites simultaneously. Then if one falls through, you'll have a backup plan.

I know my lease is here, somewhere

Your lease defines your relationship with the landlord and outlines the responsibilities of both parties. Make sure you have a complete, executed, original copy filed and know where it is. Keep a back-up offsite as well.

The devil is in the details

Landlords can and do use heavy-handed tactics to gain the upper

hand and can catch you on a legal technicality if you're not careful.

One example (of many), most leases require landlord approval of a sublease. A large practice learned that informing the landlord of a subtenant is not the same as obtaining their approval. When the tenant exercised the renewal option, the landlord's attorney claimed default and threatened eviction to try to force the tenant to accept an exorbitant rent increase at renewal.

The "one size fits all" myth

Landlords want to convince you their lease is a "standard commercial lease," when in reality it might not meet your practice's unique needs. You or your tenant representative must know how to negotiate important changes in the lease to tailor it to the needs of a dental practice. Remember, with leases everything is negotiable.

Buyer beware

Opening a new dental office is complex and costly. As you begin your search and negotiation be alert to the fact you have entered a field full of landmines easily triggered by the unwary. Landlords and their brokers will seem friendly but their bottom line is to get you to lease the most space, at the highest rent, with the fewest concessions and the most landlord friendly lease structure possible.

Forces on your side

Not choosing team members well will invariably lead to risks and costs far in excess of the relatively modest cost of having specialized professionals working on your side. Choosing an advice team with strong dental credentials is not only the best protection from the unknown, it will prove to be the most cost effective as well as the most reliable predictor of an optimal outcome. Key members of your advice team should

include a tenant representative, space planner, equipment supplier, attorney, contractor and lender.

Scott Welton is President and Lead Broker for The Business Space Advocate. The BSA specializes in helping dentists find locations, negotiate leases obtain financing, and coordination clinic design and construction. He can be reached at 425-745-8723 or at <http://TheBSA.net>.

RISK MANAGEMENT TIP

Thorough patient communication and charting

Perceived poor communication and documentation are prime culprits in litigation against dentists. Better communication can be achieved by making a stronger effort to involve the patient in decision-making and thoroughly recording those discussions in the patient's chart. For example if a patient says they are declining prescribed treatment "due to large out-of-pocket costs," that needs to be recorded in their chart.

Complete chart notes should include a thorough accounting of patient treatment, dissatisfaction and resolution(s). There should be timed and dated contemporaneous entries detailing action, care, communication, instruction and refusals.

If your charts are complete, you won't have to go back and pull details of a patient's care from memory. It will all be there in writing if you need it.



Closed Claim Review

Did you know that your office’s heating and cooling unit on the side or roof of your building contains about \$100 worth of scrap metals that thieves love to steal? Vandals prey on these exposed units, which can cost thousands of dollars to replace.

One of our insured’s heat pumps was vandalized three times in three months. Each occurrence rendered the unit a total loss, and it had to be replaced. The unit was located in an out-of-sight corner of the office, hidden by a tall wooden fence and

shrubbery. Following the first loss, the fence was removed and a security light was installed. The thieves returned two more times. Eventually, the doctor had an HVAC/utility security cage installed around the unit. Your property policy will pay for the direct physical damage to the unit after your deductible. However, policies do not pay for preventive measures to stop future losses.

Here are some easy steps you can take to protect your heating and cooling unit from vandals and thieves:

- Install security lights and camera.
- Make sure the unit is not hidden from sight.
- Establish a strategy with your security company.
- Have an HVAC/utility security cage with a bolt-cutter-proof lock installed.

If you have any questions, please contact our Claims Department at 503-952-5275 or 800-452-0504.

Have you conducted a HIPAA security risk analysis recently?

A HIPAA security risk analysis is a thorough review and analysis of your practice’s processes. It identifies vulnerable areas that may increase your risk of HIPAA violations. Violations include cybersecurity and other data breaches of patient Protected Health Information (PHI).

Completion of a security risk analysis ensures your physical, technical and administrative processes are HIPAA-compliant. Risk analysis is

required by law (164.308(a)(1)(ii) (A)*. It is important that you not only complete the analysis but also review it periodically for necessary updates. You are also required to provide staff training at least annually.

Please send us an email at dbicquestions@dentistsbenefits.com to request a sample HIPAA security risk analysis for dental practices and up-to-date HIPAA security forms.

DBC offers a cybersecurity policy that can protect you in case of a breach. For more information, contact Shelley Campbell at 503-952-5271 or 800-452-0504, or visit dentistsbenefits.com/cybersecurity.

**Per the federal Department of Health & Human Services, Office for Civil Rights*



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DBIC QUARTERLY REPORT

HELPING YOU KEEP
YOUR DENTAL
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An Oregon company formed by dentists for dentists

DBIC provides personal service from our underwriters, claims specialists and risk managers, as well as risk management programs created specifically for dental practices.

We’re the leading insurer of dentists in Oregon and are endorsed by the Oregon Dental Association (ODA).

We offer:

- ✓ Professional Liability
- ✓ Businessowners
- ✓ General Liability
- ✓ Earthquake/Flood*
- ✓ Cyber Security*
- ✓ Workers Compensation*
- ✓ Employment Practices Liability*
- ✓ Life*
- ✓ Disability*
- ✓ Medical*

**Coverages brokered through DBC*