

Starting Your Endodontic Practice

This guide is intended to be a foundation from which to establish your endodontic practice.

This check list helps you to decide on everything from the location you select and the equipment you purchase, to the staff you hire. Having completed the checklist, you will be able to effectively implement the choices you have made, and begin your endodontic practice on solid footing.

Beyond this document, information is available from a number of sources including the internet, colleagues, the AAE, the ADA, vendors, and schools.

Start Up can be organized in three steps:

■ Location

Where do you want to practice?

■ Choices

The **Choices** step allows you to decide everything from the building location to equipment to staff. In this step, you can detail the information for a **Business Plan**. The **Business Plan** is then used to secure finances and ensure that everything you'll need has been addressed.

■ Implementation

In **Implementation**, you physically set up the practice, hire staff, and get ready to see patients.

Step I: Location

Step II: Choices

Professional Services

State and Federal Legal Requirements

Location

Office Lay Out

Equipment

Staff

Insurance

Write a Business Plan

Secure the Loan

Step III: Implementation

Equipment

Staff

Paper

Marketing

Third Party Services

Set Up a Maintenance List

Step IV: Practice Management

Step I - Location

The decision for where you want to practice is influenced by family and preference for life style.

In addition, considerations need to be made for competition, market saturation, anticipated growth in areas, and comparable profitability for the area.

Sources of Information:

- census.gov
- Local Chamber of Commerce
- Practice Brokers
- Unofficial Survey

Lots of information is available online to quantify population and growth across the country.

Practice Brokers know which areas are growing and have access to information about practices available for sale.

You can call endodontists and general dentists in an area of interest.

Step II - Choices

Professional Services

- ☐ **Choose a bank.**
The bank provides services for general check-writing accounts, short term loans, and online banking. FICA payments will be made every two weeks through the bank's secure website. Many employees also prefer direct deposit payroll.
- ☐ **Choose an attorney.**
The attorney helps you establish the legal structure for the practice. Many practices establish a Professional Corporation (PC) or Professional Associate (PA). The choice for legal status affects taxes and legal liability.
- ☐ **Choose an accountant.**
The accountant provides services to help you fill out the forms and calculate the amounts of quarterly and annual taxes, at both federal and state levels. In addition, many accounting firms provide additional accounting services such as payroll. Look for an accountant who specializes in small businesses. A referral for an accountant can be obtained from your attorney, a vendor you trust, and the state dental association.
- ☐ **Choose an insurance agent.**
- ☐ **Choose a computer hardware technician.**

State and Federal Legal Requirements

- ☐ Research special state laws related to patient care.

Each state has its own regulations and requirements. Access the state dental association to determine your requirements. This information determines if you have any special equipment needs. For example, you may be required to record a patient's Blood pressure.

- ☐ Decide the best legal structure for the practice.

The choice for legal status affects taxes, retirement plan options, and legal liability.

- ☐ Obtain a state license number.

- ☐ Obtain a federal tax id number.

<http://www.irs.gov/businesses/small/article/0,,id=98350,00.html>

- ☐ Obtain a license to write prescriptions.

Each state has its own regulations and requirements for an endodontic practice.

Access the state dental association to determine your requirements.

Example: Louisiana - <http://www.ladental.org/RulesandRegs.htm>

Register on-line with the DEA or call 800-882-9539.

You will need to have the following information to complete the form:

- Tax ID number and/or Social Security Number
- State Controlled Substance Registration Information
- State Medical License Information
- Credit Card

- ☐ Obtain a license for General Anesthesia and Conscious Sedation

- ☐ OSHA

<http://www.osha.gov/Publications/OSHA3187/osha3187.html>

□ State laws related to the business

The following list of links to state websites provide quick access to business requirements for each state.

IRS - Department of Treasury – <http://www.irs.ustreas.gov>
Alaska Department of Revenue – <http://www.revenue.state.ak.us/index.htm>
Arizona Department of Revenue – <http://www.state.az.us/dor>
California Franchise Board – <http://www.ftb.ca.gov/>
Colorado Department of Revenue – <http://www.taxcolorado.com>
Delaware Division of Revenue – <http://www.state.de.us/revenue/>
Florida Department of Revenue – <http://www.myflorida.com/dor/>
Georgia Department of Revenue – <http://www.State.Ga.US/Departments/DOR/>
Hawaii Department of Taxation – <http://www.state.hi.us/tax/tax.html>
Idaho State Tax Commission – <http://www.state.id.us/tax/home.htm>
Illinois Department of Revenue – <http://www.revenue.state.il.us/>
Kentucky Revenue Cabinet – <http://www.revenue.state.ky.us/>
Maine Revenue Services – <http://www.state.me.us/revenue/homepage.html>
Maryland Comptroller of the Treasury – <http://www.comp.state.md.us/>
Massachusetts Department of Revenue – <http://www.dor.state.ma.us/>
Michigan Department of Treasury – <http://www.treas.state.mi.us/>
Minnesota Department of Revenue – <http://www.state.mn.us/ebranch/mdor/index.html>
Missouri Department of Revenue – <http://dor.state.mo.us>
New Hampshire Department of Revenue – <http://www.state.nh.us/revenue/>
New Jersey Division of Taxation – <http://www.state.nj.us/treasury/taxation/>
New Mexico Department of Revenue – <http://www.state.nm.us/tax>
New York State Department of Taxation and Finance – <http://www.tax.state.ny.us/>
North Carolina Department of Revenue – <http://www.dor.state.nc.us/>
Ohio Department of Taxation – <http://www.state.oh.us/tax/>
Oklahoma Tax Commission – <http://www.oktax.state.ok.us>
Oregon Department of Revenue – <http://www.dor.state.or.us/>
Pennsylvania Department of Revenue – <http://www.revenue.state.pa.us/>
South Carolina Department of Revenue – <http://www.sctax.org>
South Dakota Department of Revenue – <http://www.state.sd.us/drr2/revenue.html>
Texas Windows on State Government – <http://www.window.state.tx.us/>
Utah State Tax Commission – <http://tax.utah.gov/>
Virginia Department of Taxation – <http://www.tax.state.va.us/>
Washington State Department of Revenue – <http://dor.wa.gov>
Wisconsin Department of Revenue – <http://www.dor.state.wi.us>
Wyoming Department of Revenue – <http://revenue.state.wy.us/>

EXAMPLE:

Delaware Division of Revenue – <http://www.state.de.us/revenue/>

Click on Business Taxpayers to pop up a window of services and forms.

Location

☐ Choose the location of your practice.

Considerations:

- Access: Is this area close to referrals? Can this building be accessed easily?
- Directions: Can patients easily follow the directions to find your office?
- Parking: Is there plenty of parking for patients?
- Ambiance: Does this facility reflect the image of your practice, and appeal to your referrals?
- Size: How large is the space?

For a location to build:

- What plans are known for new roads in the area?
- Are Water and Wastewater available?
- Does the local Chamber of Commerce have any other information about what else is being built in the area, and any other changes?

For a location to lease:

- Water /Wastewater: Is the space adequately plumbed?
- Storage: Is there enough storage for inventory, compressors, etc?
- Maintenance: Is the building well maintained?
- Restroom: Are they clean?
- Security: What kind of security system is in place?
- Tenants: Talk to the current tenants to learn of their experiences. Are problems quickly addressed? Has the building ever been broken into?

☐ Lease or Build

Buy an Office - Advantages:

- Known Costs: With a commercial mortgage, the long-term cost is fixed.
- Taxes: Mortgage interest, property taxes and other items are tax deductible.
- Additional Income: With additional space in the building, rental income helps pay for the note.
- Retirement: The building could fund retirement.

Buy an Office - Disadvantages:

- Initial Costs: Compared to a lease, the purchase of a building includes additional costs. The down payment, appraisal, and improvement costs can add up.
- Time: Some time will be needed for maintenance.

Lease - Advantages:

- Prime Property: Access to a good location with a high image may only be affordable with a lease.
- Limited Resources: A lease has less up-front costs than a purchase which allows investments to be placed in equipment and marketing, instead of real estate.
- Time: A lease includes maintenance performed by someone else, which frees you to focus on other aspects of the practice instead of managing a building.

Lease - Disadvantages:

- Variable Costs: Rent increases, and the practice may be forced to move.
- Equity: A lease does not build equity like owning a building.

(Details on Leases –Attachment A)

☐ Hire and coordinate architects and contractors for the build out.

If you lease, a referral for an architect can be available from the building and can be part of the allowance to finish the space.

Office Lay out

Supply firms can provide some assistance with the size and placement of equipment in the operatories.

☐ Patient Waiting Area:

- Electrical outlets
- Computer connections
- Sharp corners
- First impressions
- Drinks
- Proximity to front desk

☐ Front Desk:

- Window or Open
 - HIPAA Compliance and patient privacy





- Phones at the front - cable for a minimum of 2, even if you start with 1.

- Electrical Outlets

- Where

- Power wall warts

- Mount Surge Protectors

- (vs power strip)

- How Many Outlets:

- Front Desk: Minimum of 7

- Phone, Headset, Printer, Credit Card machine, Fax/Copier, Computer, Monitor

- Server: Minimum of 3

- Computer, Monitor, Network Switch

- Cut holes for cable management



- Computer connections

- Computer ventilation

- Computer equipment generates heat. Most equipment has a fan at the back or side to cool the device. Computers mounted in cabinets will fail without proper ventilation. For example, Printers/Copiers placed in a corner in a side room may not get enough circulated air.

- Depth of Equipment compared to the depth of the counter tops

- Keyboard

- Printer, copier with additional gaps for ventilation

- Cabinet design

- Height of cabinets when seated

- Height of cabinets compared to computer monitors

- Height of cabinets and lighting

- Clutter and drawers

- Paper shredding

- Dimensions for a serviced container

- In House shredder

- Requires a cross-cut shredder

- Noisy

- Noise of equipment

- Printers can be noisy, and should not be placed too near a phone.

- Carpet

- Noise

- Rolling chair

☐ **Operatory:**

- HIPAA Compliance and patient privacy
- Computers:
 - Network wire separate from other devices and electrical fields
 - Ventilation
 - Sterilization
 - Monitor Placement
 - Wireless keyboard and mouse
 - Keyboard Mount

☐ **Back office:**

- Sterilization
- Break Room
- Storage
- Utility
- Staff Lockers

☐ **Other:**

- Bathroom
- Server computer
- Network Cables

Examples follow to illustrate the importance of

- Halls
- The shape of the front desk.
- The location of bathrooms.
- The location of x-ray equipment in relation to computers.

Example 1:



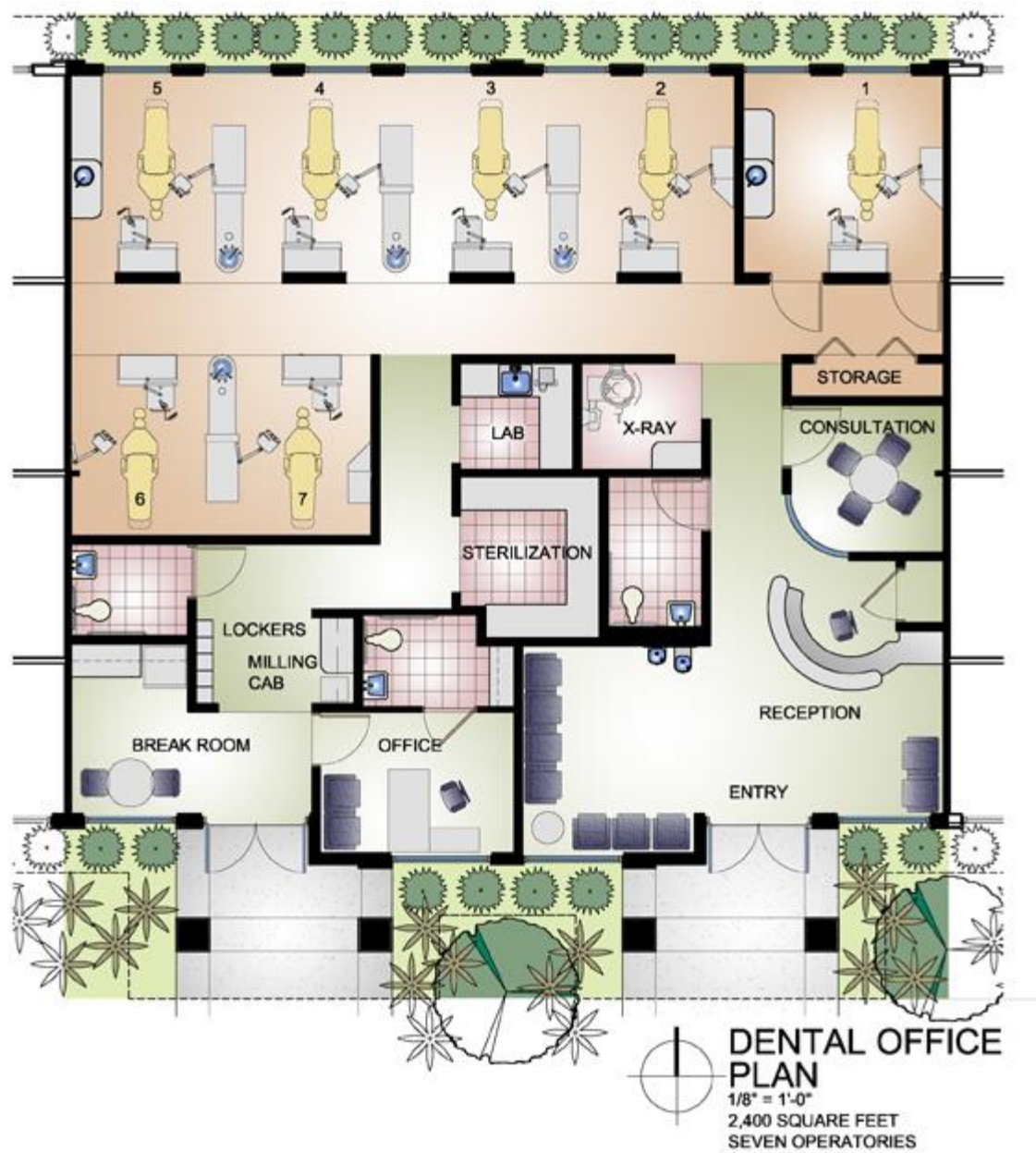
Example 2: The Office



Example 3: The Front Desk



Example 4: The Office



- ☐ Apply for a Building Permit if you plan to build.

Equipment

- ☐ Decide equipment for the operatories.
- ☐ Decide equipment for the lab and sterilization area.
- ☐ List supplies and inventory for direct patient care.
- ☐ Decide furniture and fixtures for the Patient Waiting Area and your office.

Considerations:

Sharp corners
Light

- ☐ Decide the equipment for the Front desk.
 - Fax, Copier, Scanner, Printer
 - Credit Card machine
 - Computers
 - Software

Recommendation: If computers are involved, choose a computer tech, even if you plan to do most of the computer work.
- ☐ Choose a Phone System.
 - Phone company vs VOIP
 - Hold Music
 - Answering Service

Staff

☐ Write Job Descriptions

- Job descriptions include experience, pay and benefits.
Recommendation: Choose staff who have worked in an Endodontic, or at least Dental, practice. In addition, the office manager must be able to multi-task and have good oral communication skills.

There are more aspects of the practice related to staff. However, at this point, you only need to define the position, its responsibilities, and the on-going expense to the practice to fill that position.

☐ Decide who you will use for third-party services.

- Cleaning services
Ensure that the firm is bonded.
- Answering service
- Internet service
- Hazardous Waste Management
- Paper Shredding Services
- Security System
- Property Maintenance
- Accounting

The Purpose of accounting:

- How are we doing?
- Cash Flow
- Long term investment plans
- Taxes
- File Quarterly forms
- FICA paid every two weeks through the internet

Understand the taxes that a business pays. Employees pay taxes that are deducted from their paychecks by their employer. By law, the employer withholds and pays these taxes. In addition, employers are also responsible for paying taxes related to employees.

Employers also file reports to various agencies.

- **Federal Taxes:** The amount withheld from an employee's paycheck is based on information the employee provides on Form W-4, the Employee's Withholding Allowance Certificate. This form is filled out at the time of initial employment. If an employee makes changes to this form, it may affect the withholding amount.
- **Social Security and Medicare Taxes (FICA).** FICA (Federal Insurance Contributions Act) is a combination of amounts from the employee and the employer.
- **State and Local Income Tax.** Employers are required by local and state government to withhold taxes payable to the state.
- **Unemployment Insurance.** Employers are required by the state to deduct a certain amount of an employee's wages to cover its unemployment compensation program. The Federal Unemployment Tax (FUTA) is only employer.
- **State Disability.** Some states may require an employer to deduct wages to cover its disability compensation program.

Sources: IRS, State Government, State Dental Association

Taxes and Payroll are easily outsourced to an accountant.

Recommendation: Decide who will maintain the General Ledger, Accounts Payable, and Payroll aspects of your practice. In many cases, the front desk person does not have the time or skills to maintain this aspect of the books. Some accounting firms provide these services at a reasonable rate. And, the accounting firm then has all your numbers to provide quarterly and annual tax reports.

- **Equipment Maintenance**
Equipment will break. In some cases you may not have the time or expertise to resolve a problem.
Plan on some computer hardware maintenance costs.
Software support contracts are also a factor for budgets.

Insurance

Decide the level of insurance you need. Some insurance may be required; for example, an office lease requires business insurance that includes coverage for other tenants if damage is determined to be your fault.

- ☐ **Business or General Insurance**
Business insurance protects the contents of your business against fire, theft and other losses.
- ☐ **Liability Insurance**
Professional Liability insurance or Malpractice insurance protects in cases of claims against the policyholder for mistakes with patient care.
- ☐ **Business Interruption**
Business Interruption (or "business income") insurance can provide sufficient funds to pay your fixed expenses such as taxes and rent during a period of time when your business is not operational.
- ☐ **Disability**
- ☐ **Health**
- ☐ **Worker Compensation**

Write a Business Plan

- A Business Plan describes goals, strategies, and cash flow for 3-5 years. The initial purpose of a Business Plan is to secure a loan. The Business Plan needs to address the location, start-up costs, marketing, and on-going costs. Examples of on-going costs are rent, salaries, utilities, taxes, insurance, supplies, and third-party services.

However, a Business Plan also provides a roadmap for you to follow.

Business Plan Outline

Cover Sheet

The Name, address, and phone number of the practice.

Your Name, and an address and phone number where you can be reached.

Introduction/Executive Summary

It is easier to write this section after all other sections have been filled out.

- Give a detailed description of the practice, and its ownership.
- Discuss the advantages you and your business have over your competitors.

Marketing

- Discuss endodontics and the challenges faced today for a specialist.
- Identify the need for your service.
- Identify your market, its size and location.
- Explain how you will market, in detail.

Financial Management

- Explain the amount of initial equity capital needed.
Explain where and when those funds would be dispersed.
- Develop a monthly operating budget for the first year.
- Develop an expected monthly cash flow for the first year.
- Provide projected income statements and balance sheets for a two year period. Part of this projection should include raises for staff and expectations for typical increases in insurance rates.
- Discuss your breakeven point.
- Explain your personal balance sheet and method of compensation.
- Discuss who will maintain your accounting records and how they will be kept.

Operations

- Explain how the business will be managed daily.
- Discuss hiring and personnel procedures.
- Discuss insurance, lease or rent agreements and supplies.
- Account for the equipment necessary.
- Include supporting documents.

Concluding Statement

- Summarize your business goals and objectives and express your commitment to the success of your business.

Secure the Loan

Choose a lending institution or finance company. Members of some state dental associations are given a better rate by some finance companies.

After the loan has been approved, open a bank account for the practice.

Step III - Infrastructure and Implementation

Purchase and implement Equipment

- ☐ Purchase Operatory Equipment
- ☐ Purchase Front Desk Equipment
- ☐ Register x-ray equipment

Interview and Hire Staff

At this point, you'll interview and hire your staff. Some local dental associations maintain classified advertisements.

- Ask applicants to fax or e-mail their resume so that you can prescreen.
- Telephone the applicants with the best skills. Since each staff member will be expected to answer the phone, an initial phone interview allows you to hear how well they communicate over the phone. You can "hear" if they are smiling, and if they frequently use noise words such as 'you know'. Discuss salary requirements and hours before proceeding. Ensure that you understand their expectations and needs.
- Check references. Hopefully, the applicant has worked in a dental office. Speak to the dentist, not just friends or co-workers. An effective interview question is "Would you rehire this person?" Always ask permission to call references. Do not call an applicant's current employer because it is illegal and may cost them their job.
- Ask each applicant for a personal interview. The interview allows you to see how well the applicant presents themselves. Your staff make the first impression on many occasions, and that impression directly affects how patients and referrals respond.

Provide a Job Description. Allow the applicant to read the Job Description without interruption. In this interview, allow the applicant to do most of the talking.

Ask questions that require more than a yes/no answer.

Do you have any questions for me about the job?

What do you do now? What do you like? What do you dislike?

Describe a typical day.

What do you think you do best? What do you think you need to improve?

How do you feel about collection calls?

What is the best way to provide feedback for improvement?

What are your long term career goals?

For front desk, you can also ask:

How do you feel about collection calls?

How do you feel about helping out in the back?

For chairside, you can also ask:

Have you ever worked with patients on home-care instructions?

How do you feel about helping out at the front desk?

- In an established practice, you can ask an applicant in the office for a working interview. The applicant's endodontic experience, people skills, and ability to work with others will be demonstrated. Schedule a lunch for the applicant and staff away from you. The staff will be able to observe manners and attitudes that may be different in the office near you. However, when you are starting a practice, the interview needs to be long enough to allow the prospective employee to become comfortable to reveal their personality

Establish a Policy and Procedure Manual

Policy and Procedure Manuals are available from the internet and the ADA.

Set up the office work flow

☐ Supplies Purchasing Routine

Efficient inventory control requires a minimum and maximum range. Order too much and you've wasted space and money. Order too little and you'll pay more for overnight shipping,

- Create a List of inventory and preferred suppliers.
This list can be used by the staff to check all inventories and log orders.
- Establish when the inventory is checked.
Example: Every third Thursday.
- Assign the task to a specific person and their alternate.

Inventory Control

Date: _____

Item	Vendor	Minimum in Stock	In Stock	Usual Order	Ordered

- Check deliveries against the order.

☐ Calendar of Maintenance Events

- Inventory Review
- Annual equipment maintenance such as x-ray performance tests
- Quarterly taxes, if you are doing the books

Paper (yes paper)

- ☐ Choose the Stationary, and have it printed.
If you choose not to have stationary printed, load your logo file on the server computer to allow all computers access to the JPG file.
- ☐ Print Business Cards and Referral Pads with location instructions for Referrals to give to patients.
- ☐ RX Tablets
You can print each RX instruction from the computer for a patient as the patient leaves. You can also have the most common RXs pre-printed on pads.
- ☐ Patient Forms
Design the patient Health History, HIPAA, and Informed Consent forms. Decide whether to pre-print the forms or print from Word as patients arrive.
- ☐ Write patient Home Care Instructions.
Decide the work flow in the practice. You can print each Home Care instruction from Word for a patient as the patient leaves, and you can also have the most common instructions pre-printed. Regardless of how the paper is produced, you'll need to write these instructions.

Marketing

- ☐ Decide the Business Name and Logo
A Business Name and Logo are an essential part of your marketing efforts.
 1. A logo and materials that are professionally printed reflect that you are established and committed to your referrals and the practice.
 2. A logo adds to the professional image. You look experienced and credible.
 3. A logo makes you memorable. People remember what they see.
- ☐ Set up a website
- ☐ Begin to promote your practice to referrals
- ☐ Interior Design

Set Up Third Party Services

Start all services such as the Answering Service, Waste Disposal, Cleaning, Internet, Water, Electricity, Phone, Accounting, and Insurance.

Set Up a Maintenance Call List

Create an alphabetic list of each item in inventory that may need outside repair. This list allows you to quickly know who to call if a problem arises. Include building support if the office space is leased.

Examples:

		Contact
Air Conditioner	Building management company	Trina @ 333-4455
Answering Service		
Compressor	Purchased 05-14 from Patterson	Jeff @ 800-555-0000 x41
Health History Form	Printed at Kinkos	
Internet Service	Road Runner – Account # 12345	800-444-3333
Phone System	Purchased 05-14 from ABC Phones	Mickey Cell 512-555-9933

Step IV – Practice Management

After you begin to see patients, the business of running a practice is now the focus. Check into various practice management books and seminars.

ATTACHMENT A

Signing a Lease

Considerations before signing a lease:

1. Does the lease specifically state the square footage of the premises? The total rentable square footage of the building?
2. Is the tenant's share of expenses based on total square footage of the building or the square footage leased by the landlord? Your share may be lower if it's based on the total square footage.
3. Do the base year expenses reflect full occupancy or are they adjusted to full occupancy (i.e., base year real estate taxes on an unfinished building are lower than in subsequent years)?
4. Must the landlord provide a detailed list of expenses, prepared by a CPA, to support increases?
5. Does the lease clearly give the tenant the right to audit the landlord's books or records?
6. If use of the building is interrupted, does the lease define the remedies available to the tenant, such as rent abatement or lease cancellation?
7. If the landlord does not meet repair responsibilities, can the tenant make the repairs, after notice to the landlord, and deduct the cost from the rent?
8. Is the landlord required to obtain nondisturbance agreements from current and future lenders?
9. Does the lease clearly define how disputes will be decided?

(Source SBA and 327 Questions to Ask Before You Sign a Lease, by B. Alan Whitson (B. Alan Whitson Co., (800) 4524480.)

Lease terms:

Lessor - Landlord

Lessee - Tenant

Right of First Refusal - Before vacant space is rented to someone else, landlord must offer it to the current tenant with the same terms that will be offered to the public.

Gross Lease - Tenant pays flat monthly amount; landlord pays all operating costs, including property taxes, insurance and utilities.

Triple Net Lease - Tenant pays base rent, taxes, insurance, repairs and maintenance.

Percentage Lease - Base rent, operating expenses, common area maintenance, plus percentage of tenant's gross income (most common for retailers in shopping malls).

Sublet - Tenant rents all or part of space to another business; tenant is still responsible for paying all costs to landlord.

Exclusivity Provision - Shopping center can't lease to another who provides the same product or service that existing tenant does.

CAM - Common area maintenance charges including property taxes, security, parking lot lighting and maintenance; may not apply to anchor tenants in retail leases.

Source – SBA

Provisions in Lease Agreements Boyd W. Shepherd, D.D.S., J.D.

Most dental professionals, at some point in their career, seek out commercial lease space in which to place their dental practice. The space may be in a "strip center," a stand-alone building, or an office building. Once you have decided on an office location and the type of building or commercial space from which to operate your dental practice, there are many further issues to overcome in entering into the actual written agreement to lease space from the management company or other type of landlord which manages the property in question.

...Although one may feel that the lease is a "take it or leave it" deal, especially when the lease is pre-printed and delivered by the landlord as a standard form, most times the opposite is true, and dentists as potential tenants of commercial space should take advantage of the opportunity to negotiate favorable lease terms.

The following summarizes some of my observations and recommendations as to what dentists should negotiate for in addition to the common provisions in a standard commercial lease.

Parties: Make sure the lease agreement accurately states and correctly spells your name and the name of your dental practice. If you are a professional corporation, the landlord will probably require a personal guarantee, which is a separate document containing additional terms to be reviewed and possibly negotiated.

Rent: This provision needs to accurately state the financial terms for consideration by each party, particularly the amount of rent and the frequency it is to be paid needs. Also, this provision should specifically state to whom and the place or address at which the rent is payable.

Common Areas: This provision typically sets out the boundaries which are common to all of the tenants of the landlord, and is commonly found in a strip center lease. This would be a good place to insert a provision to reserve a fixed number of parking spaces for the exclusive use of dental office patients. For example: "Tenant shall be permitted upon written consent of Landlord to erect or place signs for the purpose of reserving for the exclusive use of his dental practice clientele, patients, and/or visitors _____ parking places on the east end of the leased premises, with each sign to read "This parking space is reserved for the exclusive use of visitors and patients of the dental office of Dr. Super Dentist. All others will be towed at the violators expense." Landlord's consent to such parking space reservations shall not be unreasonably withheld."

Use and Care of Premises: This provision sets forth specifically for what purpose the tenant may use the leased premises. As most if not all commercial leases are forms used for all types of business tenants, the practice of dentistry is rarely an itemized use. Make sure that you have entered the phrase "the Practice of Dentistry, a dental laboratory, and other directly related activities" into this provision.

Maintenance: Whatever you want done as far as repair and maintenance of the leased premises by the Landlord before moving in, make sure you get it in writing on the lease agreement. Ideally, negotiate to have the lease state that the repair or maintenance work is to be completed by the landlord before or by the move in date, otherwise the Landlord is considered to be in default of the lease, and the lease then becomes void with no obligation on your part, and that the deposit, if any has been made, is refundable to Tenant immediately. Include a laundry list of all of the items Landlord is responsible for repairing, including light bulb replacement, plumbing, electricity, ceiling panels, carpet, pre-existing fixtures, air conditioning and heating systems (except the replacement of filters) etc., in addition to the foundation, exterior walls, and foundation.

Alterations and Fixtures: Dental equipment is only useful to a dentist, and most dentists take their equipment with them when they move from space to space. All types of dental equipment, be it for operatory or laboratory, are unattached removable trade fixtures. Therefore, there needs to be some definition of "unattached, removable trade fixtures" in the lease agreement, as opposed to structural alterations, additions, or improvements which may remain under the lease terms as property of the landlord. Make sure an exhibit is attached to the lease agreement which lists all of the equipment to be installed or affixed to the leased premises, and a provision that states that Tenant may add any other dental equipment as Tenant sees fit to add for the purposes of the practice of dentistry.

Signage: Signage is marketing, and marketing is business, therefore signage is very important. Issues will include who will pay for the signage erection and maintenance. at a minimum, the following additional language or consent form should be included in the lease allowing the following: "Landlord hereby consents that Tenant shall be permitted to erect, install, and/or place appropriate business signage, which conforms to the Landlord's architectural plan, upon the roof directly above the leased premises and on the pylon sign structure in the common area, which indicates the business purpose, name(s), and/or entity of the Tenant (i.e., "Dr. Super Dentist, Family and Cosmetic Dentistry").

Assignment/Subletting: Sometimes, dentists like to sublet to other dentists or other dental specialists. An additional provision, if necessary, would read as follows: "Landlord hereby gives consent to Tenant's subletting of said premises, provided that Tenant and any guarantor of Tenant's obligations under this lease shall at all times remain fully responsible and liable for the payment of the rent herein specified and for compliance with all other obligations under this lease. All rent received by Tenant from an assignee or sublessee shall be in trust for the Landlord, and may be made directly to Landlord upon Landlord's election and reasonable notice."

Exclusivity: Dentist sometimes prefer to be the only dentist around. An exclusivity clause would then be a negotiable item, and may read as follows: "Landlord hereby guarantees that Tenant shall be the sole dental practitioner and operator/owner of the sole dental office/practice within the entire site located at (address), the location within which Tenant's leased premises are located, for the duration of this lease term and the optional extended term should Tenant elect such option. Should any other dental practice or practitioner become a Tenant of Landlord within said premises, then Landlord shall be in default of this lease and liable to the Tenant under this lease for any and all damages caused Tenant as a result thereof, and Tenant shall then have the option to terminate this lease without further obligation to Landlord, rent payments or otherwise."

Dentist Disability: Termination of the lease agreement will be set forth in specific detail, and will focus primarily on events of default, which of course includes non-payment of rent. A key issue for dentists is that disability, should it occur, will limit the dentist's ability to pay rent. Therefore, it is recommended that the following clause be added to the agreement as follows: "Should Tenant become physically disabled in any way such that he is unable to carry on in his business and livelihood as a dental practitioner, and notwithstanding Tenant's option to sell his business/dental practice and assign or sublease the leased premises upon Landlord's consent, this lease shall terminate without requirement of notice, and Tenant shall not be obligated for any additional rents beyond the month of termination and time necessary to vacate the premises. Should Tenant choose to assign or sublease, such assignment and sublease shall be according to the relevant provisions herein under." This is only a summarization of a few of the common lease terms for commercial space, and some recommendations which will help in the negotiation of lease terms which will be favorable to your dental practice. You are encouraged to discuss your commercial leases, or any other legal matter, with an attorney of your choice.

Boyd W. Shepherd is licensed to practice law and dentistry in the state of Texas, and is a member of the GHDS, TDA, and ADA.