



What's Next in Your Practice Life?

Here are the ABCs of practice transitioning.

BY BRUCE B. LEVIN, DPM

Our business model has always been to work hard and create a successful practice that continues to thrive. At some point the physician will need to transfer this achievement to his or her successor to carry on the responsibility of patient care. How is this done?

The quality of literature and published articles in building and maintaining successful practices has greatly improved over the years, including from excellent consultants such as Dr. Jon Hultman and Mr. Rem Jackson, frequent contributors to this publication. However, not much guidance has been published to help accomplished podiatrists handle the passage of their practices to the next generation of qualified physicians.

So what options do podiatrists have to achieve the next level of their lives, whether it is decreasing the pressures of today's complicated medical environment, expanded

properly for the next step in their life.

There are four main ways to transition your practice.

- Sell the practice to a qualified buyer.

Approximately 50 percent of podiatrists polled at a pre-COVID-19 lecture had a transition plan.

hours in the office or even at home, or simply selling the practice? Do they have a plan? All of us deserve a successful transition to enjoy the next part of our lives.

Approximately 50 percent of podiatrists polled at a pre-COVID-19 lecture had a transition plan. This should certainly be available to all, but sadly some physicians are not prepared

- Bring in an associate to assimilate into the practice who will eventually purchase the practice.

- Have an existing associate already employed in the office acquire the practice.

- Hire a new associate merely at first to decrease the burden on the senior doctor with the future plan for

Continued on page 68

PRACTICE TRANSITIONING

What's Next? (from page 67)

the new employee to purchase the practice a few years later.

Selling Office Outright

Let's deal first with selling the practice outright to the qualified buyer and a few recurring myths that exist. What are the real facts in 2021? Let's bust these myths.

1. *You can no longer successfully sell your practice.*

Podiatry practices are being successfully sold in the U.S. constantly and, in fact, this is an excellent time and opportunity to sell established successful podiatric practices. This has been accentuated by a significant number of factors: older doctors deciding to terminate due to the stress of EMR, increasing insurance constraints, audits and poor payments, and now the COVID-19 outbreak.

2. *Your goodwill is of little value to the practice sale.*

Goodwill is more valuable than ever with the large number of residents graduating every year and the

education on podiatry office bookshelves was Bob Levoy's, *The \$100,000 practice and how to build it.*¹

4. *The practice must be given away to your associate.*

Finding the right associate to assume your practice and care for your patients is not difficult with the growing number of qualified young doctors and graduating residents. There is no need to give the practice

with three to seven years of valuable experience in practice with a willingness to expand. Residents are also available but if the practice is large enough, it is difficult for them to afford or manage such a busy situation.

With the average time frame to sell a practice being about a year or two, what are the best steps to take to start this process? This can be done by you for the most part, but

Obtain a proper unbiased valuation of your practice, which should include professional analysis of the practice and the potential for growth.

away to an associate who has no ability to administer the practice to deal with employees, insurance companies, and other business needs and medical practice encounters.

5. *Selling doctors cannot ensure their patients are well cared-for post-practice sale.*

Finally, sale agreements and assumption of medical practices can

it is recommended to utilize a skilled transaction coordinator to help the busy practitioner through this entire complicated process.

To start, obtain a proper unbiased valuation of your practice, which should include professional analysis of the practice and the potential for growth.

Next, notify prospective buyers of the practice availability. Make sure that your office is updated with certified EMR, digital x-rays, proper equipment, and instrumentation. Decide the game plan and the course of action you wish to follow in the practice sale, such as how long you want to stay to transition. **PM**

It is now acceptable to consider podiatric practices as businesses to be operated, bought, and sold without compromising our primary objective of patient care.

young associates who can't begin to open a practice cold. Your goodwill helps young doctors learn how to practice in an office setting, how to bill, obtain acceptance from established—often closed—insurance plans, and help obtain hospital privileges allowing them to become successful established physicians.

3. *The topic of discussing selling your practice is taboo.*

It is now acceptable to consider podiatric practices as businesses to be operated, bought, and sold without compromising our primary objective of patient care. Books on podiatry have certainly increased since the mid-1980s when often the only publi-

be legally negotiated to protect your patients and, just as importantly, their medical records for six to seven years, depending on state law.

There are many ways and avenues to transition a podiatry practice into the next aspect of your life. The first option is selling the practice. Let's discuss the game plan for this process to be effective and the time frame needed.

To determine which course of action works for the individual, we need to discuss who the practice buyers are in 2020. The trends are expanding super groups, local (in-state) doctors looking to enlarge and purchase more practices, and physicians relocating to your area

Reference

¹ Levoy, Robert, *The \$100,000 practice and how to build it.* (New York: Prentice Hall, 1966).



Dr. Levoy has been practicing podiatric medicine for over 35 years in both the Philadelphia/South Jersey and Arizona areas. He is board certified by the American Board of Podiatric Surgery and is a fellow of the American

College of Foot and Ankle Surgeons. He has been partnering with Mike Crosby and Provider Resources, LLC in the last year to match talented associates with experienced practices needing to expand, and buyers and sellers of podiatric practices throughout the country.