



## AN OUNCE OF PREVENTION

### Preparing your practice for a worst-case scenario

By Wes Baldwin

The role of dental office administrator focuses on keeping order – making sure appointments are properly scheduled, patients are reminded, records are maintained, supplies are ordered, and insurance is coded and billed correctly. A good administrator can adjust to many changes, with the ability to multitask and learn new skills daily, while remaining friendly and helpful under all circumstances.

Few practice administrators, however, are prepared to pick up the pieces with a smiling face when the office is destroyed by a disaster.

Early in the morning hours of January 5, 2005, the Charlotte, North Carolina, dental office of Dr. Creighton W. Baldwin experienced such a catastrophe. The office had been set ablaze, resulting in a total loss of the building and all equipment.

"There was so much on my mind," said Dr. Baldwin (no relation to the author, Wes Baldwin). "I had immediate concerns about maintaining service to my patients, and of course, rebuilding my practice. But I knew

that I had to face the loss I had suffered and figure out what I needed to do to get a fair insurance settlement."

Disasters like fire, flood, or high winds can be devastating to a dental practice. While dentists are highly trained in procedures like fillings, bridgework and crowns, most are not experts when it comes to assessing the value

of their property, equipment, or professional expertise. And most dentists and their practice administrators have not taken proactive steps to anticipate and prepare for the worst.

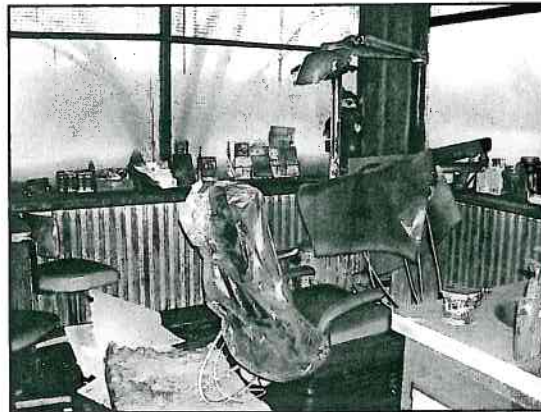
The dental office administrator who thinks "it won't happen to us" is too frequently the one left trying to salvage a career

literally from the shreds of a former office following a disaster. It's never too early to get your practice in shape to face an unanticipated tragedy. An ounce of prevention is worth a pound of cure.

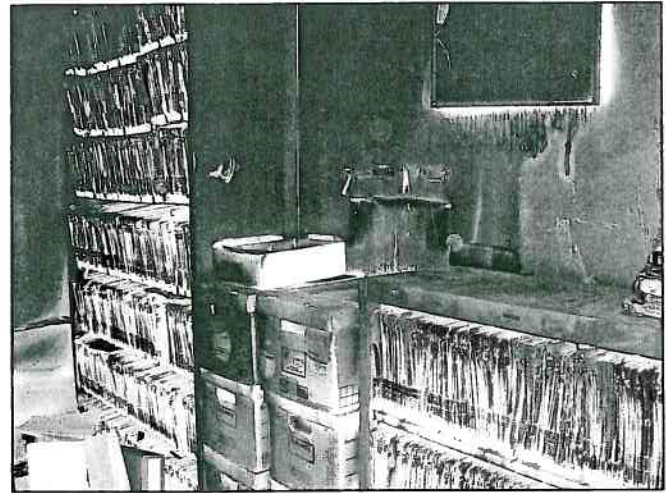
#### Prepare now

The time to prepare for a disaster is long before it occurs. You can't file a claim for what you can't prove you owned. Dental practice administrators take time every day to keep careful records, so compiling a complete inventory and documentation of your building and its contents should be a logical extension of this process.

If your practice is extremely busy and you



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and your staff don't have enough time to prepare this documentation, consider hiring a temporary employee for this project. The cost is a very small investment in the future of your practice.

**Be sure to include the following information:**

- Take photos – lots of them. If the building is practice-owned, photograph the exterior from all sides. Also, photograph the interior of each room, showing all equipment, furniture, and supplies. Don't forget closets, storage areas, break rooms and consultation areas.
- Record replacement values, along with serial and model numbers, of all equipment.
- Make copies of contracts, financial records and receipts that can be used to estimate business-interruption losses.
- Maintain backup copies of patient records, charts, X-rays, and computer files.
- Store these materials, along with insurance policies, equipment manuals, warranties and deeds in a secure off-site location, where they can be accessed quickly in case of a disaster. Companies that specialize in off-site data storage can help make

this process seamless.

- Once you've created these records, be sure to update them on a regular basis to ensure that information remains current. It might be helpful to set a schedule, e.g., weekly or monthly, to make sure this task remains a priority and is completed.

**Proceed cautiously after the disaster**

When disaster strikes, the first instinct is to move quickly. You want to get back to "business as usual" as soon as possible. But it's important that you proceed with a calm approach and a level head.

The key to getting the practice up and running again is getting an accurate settlement from the insurance company. Without these funds, it is unlikely you will be able to rebuild.

Insurance companies generally will require you to complete a Sworn Statement in Proof of Loss as the basis of your claim. When you file this statement, you are submitting a documented proof of value of everything you believe lost. Once the statement is filed, it's too late to go back and make adjustments for items overlooked or undervalued. So take the time – and consult with a professional – to ensure that you've done this correctly.

Unfortunately, an insurance

adjuster – who represents the insurance company – may differ dramatically from you in his interpretation of your loss. It's not the job of the company adjuster to help you, the policyholder, discover items you may have missed or to tell you that you might be undervaluing your claim.

Even if you and the insurance company agree on the items lost, there may still be dispute regarding the degree of damage, the value of items, or the amount of depreciation.

**Seek professional assistance**

It's an emotional time for everyone when your practice has suffered a loss. As the practice administrator, you've worked diligently to support your dentists and help them build a successful practice. You've spent countless hours hiring and training an excellent staff, who now may be worried about losing their jobs or their colleagues. And you've built a great relationship with your patients, gaining their trust and their loyalty. They've overcome their fears and apprehensions because of the excellent care they receive at your practice, and they don't want to seek treatment anywhere else. When all that is taken away or threatened, it's easy to become overwhelmed.



Many small businesses, including dental practices like Dr. Creighton Baldwin's, are turning to public insurance adjusters to help them navigate the complicated insurance negotiation process. Public adjusters work on behalf of the policyholder, receiving a small percentage of the final settlement from the insurance company. They inspect the loss site immediately, analyze the damage, assemble the claim support data, review the insured's coverage, and determine current replacement costs. In addition to helping reconstruct your inventory, put together a repair or replacement estimate, and project losses of income, public adjusters will also negotiate, on your behalf, with the insurance company's representative.

In choosing a public adjuster, be sure to do your homework and select a firm suited for your practice:

1. Contact the National Association of Public Insurance Adjusters ([www.napia.com](http://www.napia.com)), a trade organization representing more than 100 firms.
2. Interview several firms. Ask them about rates and credentials. Ask for references, and question former clients about their experiences.
3. Call your state insurance office

and the Better Business Bureau to make sure the company you have selected has no unresolved complaints.

Right now – before you are faced with disaster – would be a good time to research and possibly even interview several public adjusters in your area. If you narrow the field to two or three firms, you and your practitioners will then have a short list to work with, should the need arise.

#### **Be smart**

Make sure you are making good choices in the midst of the chaos. For example, be cautious about whom you hire to perform repairs to your building. Don't be rushed into signing contracts with builders, roofers or other service providers. Take time to consult with more than one company, and compare written estimates. A public adjuster can also help you with this process.

Be aware that temporary repairs might get you back in the building, but their cost will reduce insurance settlement resources for permanent repairs. While it's important to get back to business quickly, weigh the benefits of doing it fast against doing it right. The cost of a short-term solution to "get the doors open" may actually offset the amount of busi-

ness income generated.

No one wants to think about a worst-case scenario. But a professional practice administrator takes extra steps to make sure that all bases are covered. It's that "eye for detail" and team-player attitude that makes a practice successful. And it might just make the difference between confidently looking towards the future of your practice and desperately trying to identify its charred remains.

Dr. Baldwin chose to hire a public insurance adjuster to work on his claim, so that he and his staff could begin work almost immediately from a temporary location, seeing patients several days each week. The public adjuster helped reconstruct a complete inventory, put together replacement estimates, and negotiate a fair settlement based on calculations of lost business income.

By summer, Dr. Baldwin and his staff were back serving patients from a new dental office just a few miles from his former facility. Thanks to some skillful planning by his practice administrator, and some good professional expertise, the phones are ringing, records are in order, insurance is being billed, and the office is again running smoothly.