**AAOE Practice Purchase Checklist**

**Mergers and Acquisitions**

¨ **Organization and Governance**

* Contract signed
* Articles of incorporation/LLC operating agreement
* Bylaws and amendments
* Obtain prior Board of Directors minutes
* Ownership of all group entities and type of interest
* If multiple entities, identify all tax identification numbers (e.g., optical, ASC, practice)
* Business trade names, DBA names or registrations
* Copy of business license
* Shareholder agreements for buy-sell, stock options, voting
* List of shareholders, member and shares
* Consider any Stark, anti-kickback or self-referral statutes
* Consult with practice attorney and accountant
* **Employees and Benefits**
  + List of all employees, titles, full-time status, salary and hire date
    - Medical leaves, FMLA, military etc.
  + Copies of written employment agreements (staff and physicians), restrictive covenants
    - Memo of any oral agreements related to employees
    - Prior history of physician employment and partnership track
    - Covenant not to complete (e.g., physicians and staff)
  + Copies of contracts with independent contractors
  + Copies of all benefit plans (e.g., 401K, pension, cafeteria 125, H.S.A)
  + Employee insurance coverage and any COBRA continuations
    - Agent name and contact information if applicable
  + Documentation of active worker’s compensations claims, department of labor or OSHA investigations and current internal HR investigations
  + Review and update employee manual, provide to new staff
    - Consider transitional policies for paid time off, seniority, etc.
  + New employee training
  + Recruit and hire new staff as appropriate
  + Update worker’s compensation policy
  + Human resource posters for new location(s)
* **Risk Management**
  + Conduct a practice assessment (either prior to or after the acquisition) to:
    - Identify potential professional liability and patient safety risk exposures
    - Review policies and procedures and forms (e.g., consent)
    - Develop action plan(s) for improvement
    - Conduct follow-up review to check action plan progress

**Risk Management** *(continued)*

* + Professional liability claims history, last 5 years
    - Any claims > $5,000 which led to settlement > $1,000 in last 3 years
  + Pending claims for all providers
  + Reports of investigation by any government agency
  + Pending claims alleging regulatory violations, fraud and abuse
  + Practice actions related to bankruptcy, criminal, civil or administrative proceedings
  + Correspondence from accountants or lawyers related to audits, prior 2 years
  + List of all insurance policies (e.g., business, bond, risk, employment)
    - Agent contact information for all policies

¨ **Financial**

* All documentation pertaining to receipt of CARES act funds, PPP loans and expense allocation and reporting
* Name of collection agency with current outstanding balances and reports
  + For the past 2 years, corporate tax returns, balance sheet and profit and loss statements, cash flow statement
  + Account of all loans, notes, credit or mortgages for debts
  + Documents related to installment purchases or equipment leases
  + Review all debt for refinancing as appropriate
  + Banks statements for all accounts, last 6 months
  + Prior accounts receivable
    - Process for collection efforts
    - Allocation of payments (e.g., original owners, or distributed amongst partners)
  + Open new operating account
    - Identify all authorized signers
* **Assets**
  + Current depreciation and amortization schedules
  + Account of all real property owned or leased
  + Copies of appraisals, environmental studies or reports related to property
  + Title insurance on owned property
* **Government Regulations**
  + Copies of all government issued licenses (e.g., CLIA, DHS)
* **Compliance**
  + Search all staff and physicians on the OIG exclusion list, [https://exclusions.oig.hhs.gov](https://exclusions.oig.hhs.gov/)
  + Provide Medicare fraud, waste and abuse (FWA), OSHA, and HIPAA prior training documentation training
  + Agreement regarding provider responsibility of any failed audit recoupments
  + Copies of Business Associates Agreements (BAA) for HIPAA compliance
  + Update HIPAA, OIG and safety manuals, forms and training materials
* **Payer Contracts and Provider Credentialing**
  + Credentialing files and any support documentation for all providers, including any passwords for payer portals as appropriate
  + Physician credential information (e.g., licenses, expiration dates, school history, references)
  + List of all physician NPI and provider identification numbers
  + Copies all contracts for all payers
  + Complete all credentialing for new practice per physician
    - Update new location information with all payers
  + Update PECOS and NPPES
  + Review and execute new contracts
* **Facilities**
  + Certificate of occupancy
  + Building inspections
  + Facility security vulnerability and risk assessments
  + Property tax and insurance assessments
  + Property boundary survey for real estate purchases
  + Compliance with applicable ADA and local, state regulations
  + Lease agreement
    - Building agreements (e.g., common space, parking, security, after hours)
  + Update services (e.g., internet, electricity, utilities, security)
  + Computer networking
  + Phone systems
  + Building access (e.g., keys, badges)
  + Location of fire extinguishers, maps and drill schedules
* **Information Technology (IT) and Software Systems**
  + Electronic health record (EHR) and practice management system (PM)
    - Develop agreement regarding medical record management and custodianship
    - Purchase provider licenses
    - Add providers, locations
    - Schedule templates
    - Update libraries
    - Network equipment
    - Update patient portal
    - Conversion or merge of prior EHR or paper chart records
    - Storage of paper chart records
  + MIPS reporting, IRIS Registry
    - Add new providers
    - Dashboard access
    - Monitor EHR reports and dashboards
  + Order new hardware or software
    - PCs, printers, servers, scanners
* **Marketing**
  + Merge and update websites
  + Communicate with referring physicians
  + Open house
  + Staff scripts for new and existing patient communication

¨  **Operations**

* + Establish project management for practice purchase and project leaders
    - Develop timeline and accountability
    - Create any necessary subcommittees and involve all stakeholders
  + Update organizational chart
    - Establish management team
    - Any change to current employee roles or department
  + Update business liability insurance
  + Identify any IPA, ACO, hospital affiliations or agreements
  + Impact on call coverage or hospital, ASC staffing privileges
  + Obtain all contracts with vendors, written guarantees or cosigned notes
    - Any material contracts or group purchasing agreements
  + Master doctor schedule
  + Schedule frequent staff meetings and provide transparent communication.
  + Develop processes for merging cultures.
  + Schedule physicians meet and greets
  + Patient announcements
  + Review protocols and workflow, update as necessary
  + Letterhead, appointment cards, other forms
  + Signage
  + Inventory, order and organize all office and clinic supplies
  + Medication inventory systems
  + Credit card machine

