**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

