

Background Information for Practice Valuation

History

When did the practice begin? Who started the practice? Where is the practice? Has the practice ever moved or changed ownership?

Staff

Who are the current employees and what are their job descriptions? What are salaries? Are bonuses in place? Do any employees treat patients without needing a referral? If yes, are non-compete contracts in place for them? If so, provide copies.

Facility

If business rents office space, provide a copy of the lease.

If business owns real estate, provide the most recent tax assessment.

Equipment

What equipment is used in the practice? Is the equipment owned or leased? Provide copies of any leases and if there are any existing loans, a copy of the agreement with payoff date and amount.

Accounting

Provide last two years of tax returns.

For last 12 months, provide monthly bank statements and income statements.

Provide current accounts receivable aging report.

Provide transaction analysis by procedure code for each month for last 12 months.

Provide income received by each insurance company for each month for last 12 months.

Systems

What software is used for accounting, EHR, and practice management?

Does the practice have a system of communication with new and existing patients?

What are the hours for the practice? How many patients does the practice see per day? Is the practice at capacity?

Marketing

For the last 12 months, provide number of new patients and the source of those patients.

What is the company's URL?

Does the company have a brand that is well known? If so, describe it.

Who are allies with the practice (attorneys, medical doctors, massage, gyms, etc.).

If the practice has a yellow pages ad, provide a copy.

Does the practice do any other advertising? If so, provide a schedule and a copy of the

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advertisements.

Does the practice send a newsletter? How many patients receive it? How often? Provide examples.

Is the practice a preferred provider or in-network with any insurance? If so, which ones? Can the new owner take over?

Are any of the providers members of civic organizations or other groups that might be a source of patients (e.g. Rotary, Lions, business clubs, political groups, etc.).

Do any of the providers have advanced accreditation that generates additional income or attracts patients?

What other activities are done to promote the practice?

Patient Care

Is the practice involved with any special techniques? What modalities are commonly used?

Would a new provider have to obtain additional training or expertise?

What Is Missing?

Provide additional information that you believe is important but was not yet covered.