COVERAGE AGREEMENT

THIS AGREENENT entered into this _____ day of _____ 2018 is freely made by and between:

INSERT NAMES AND ADDRESSES OF ALL PARTIES.
NOTE: IF ANY PARTY IS A CORPORATE OR LEGAL ENTITY i.e.: P.A., P.C., L.L.C., etc., INSERT THE CORPORATE NAME AS WELL AS THE INDIVIDUAL NAME.

I - PURPOSE

WHEREAS, each of the parties signing below is an orthodontist; and

WHEREAS, each of the parties hereto may become unable to continue to practice orthodontics by reason of death; disability, or displacement, as defined herein; and

WHEREAS, should any party hereto become unable (herein referred to as UNABLE DOCTOR) to practice orthodontics for one of the reasons stated above, it is acknowledged that the patients of that party would suffer great inconvenience; and

WHEREAS, should any party hereto become unable to practice orthodontics for one of the reasons stated above, it is acknowledged that said party would suffer significant financial loss; and

WHEREAS, should any party hereto become unable to practice orthodontics for one of the reasons stated above, it is acknowledged that the orthodontic practice of said party would suffer significant asset valuation loss;

THEREFORE, for the mutual benefits derived as described in this agreement, the non-disabled parties hereto, (herein referred to as COVERING DOCTORS) whether signing in their individual or corporate capacities, agree to be legally bound to undertake the provision of continued professional care for the patients of an UNABLE DOCTOR in order to protect and maintain asset valuation of the practice.

2 – PARTIES: ELIGIBILITY AND TERMINATION.

A – ELIGIBILITY

i - All parties hereto agree to be:

STATE ALL ELIGIBILITY FACTORS HERE

ii - All parties hereto agree to provide evidence of good health prior to becoming a party herein.

iii - Once the parties hereto have bound themselves to this agreement, additional parties may be added upon acceptance by _____ of the parties herein.

iv - This agreement does not cover an associate or employee doctor of a party hereto unless that person is a party hereto in his own right. If this be the case, where a party hereto has his own practice but is also an associate or employee of a party hereto, coverage will only be afforded for said individual at the location of his solo practice and not for the time he is unable to work as an associate or employee of a member.

B - TERMINATION

All parties agree to honor the terms of this agreement unless or until one of the following occurs:

- a party hereto retires from the practice of orthodontics;
- a party hereto relocates his practice outside of the geographical boundaries necessary for inclusion;
- a party is no longer eligible according to Sec. 2 A-i;
- a party hereto is no longer licensed to practice dentistry/orthodontics;
- a party hereto declares bankruptcy;
- written notice to all parties hereto (3, 6 months) in advance of one's intention to withdraw as a party to the agreement herein however in no event shall a party be allowed to withdraw during a period of disability of another party hereto;
- a party's need for coverage due to an elective medical procedures (define ?)
- a party's self-inflicted death or disability
- a party's death / disability due to engaging in hazardous activities (define ?)
- a party suffering a foreseeable disabilities that allowed him/her adequate time to procure substitute coverage
- a party's expulsion if so voted by _____ of the parties hereto.

3 - OBLIGATIONS OF THE PARTIES:

A - COVERING DOCTORS

i – Upon notice of a triggering event, the COVERING DOCTORS shall devote immediate assistance and support at UNABLE DOCTOR'S office according to the terms described herein. Said support shall include clinical and administrative duties as necessary to preserve the integrity of the practice until UNABLE DOCTOR is able to either return to clinical practice, the practice can be transitioned to another doctor, or until the term of this agreement expires, whichever comes first.

ii - Clinical and administrative duties shall include:

- new patient consultations,
- treatment plan development,
- case presentations,
- communications with patients, parents, and referring dentists,
- all aspects and phases of clinical treatment,
- maintenance of supplies and inventory,
- the supervision of clerical and clinical staff,
- any other administrative duties as required to preserve the fiscal integrity of the practice.

iii - COVERING DOCTORS shall also participate in:

- formulating or obtaining a valuation of UNABLE DOCTOR'S practice for purposes of transition,
- preparing and placing appropriate notices regarding the sale of UNABLE DOCTOR'S practice, and
- evaluating and negotiating with potential buyers.

iv - Each party hereto shall designate, with that party's consent, another party hereto to be the PRIMARY COVERING DOCTOR who shall take responsibility for effecting the terms of this agreement. Said person shall also be primarily responsible for representing the wishes of the UNABLE DOCTOR, and/or his spouse, significant other, or family to the remaining parties hereto. The PRIMARY COVERING DOCTOR shall also be the principle advisor to the UNABLE DOCTOR'S spouse, executor, legal representative, heirs, etc.

B - TERM OF COVERAGE

COVERING DOCTORS shall meet within (48 hours, 3 days, 1 week, etc.) of notification that a signatory hereto has become in need of coverage as per the terms of this agreement. Said support shall commence within (insert a period of time) from said meeting. The coverage needs of UNABLE DOCTOR'S office shall be calculated by taking the average number of days worked per week for the three months preceding the disability or death of a party hereto. This time requirement shall be equally distributed among the remaining parties hereto for a period of time not to exceed (3 months, six months, 1 year, etc). The manner of scheduling the parties hereto shall be determined by the parties themselves. If a party hereto cannot discharge his duty to provide coverage he shall first try to exchange scheduled obligations with another party hereto. If a COVERING DOCTOR is still unable to provide coverage it shall be his obligation, upon consent of the remaining parties hereto, to compensate another qualified practitioner to fulfill the coverage needs with any expenses arising therefrom to be borne by the non-covering party hereto. Under no circumstances shall a COVERING DOCTOR be required to devote more than (one day, two days, etc.) per week covering UNABLE DOCTOR'S office.

In the event of displacement as defined herein, COVERING DOCTORS agree to allow UNABLE DOCTOR to utilize their offices to treat patients until the damage can be repaired or the office rebuilt. UNABLE DOCTOR shall be responsible for providing his own staff and to the fullest extent possible all necessary materials, supplies, etc. during the time he is treating his patients. Scheduling shall be by mutual consent of the parties hereto and under no circumstances shall UNABLE DOCTOR be entitled to use the facilities of any one party hereto more than one day per week, unless consented to otherwise, nor shall any party hereto be obligated under this clause to provide office space for more than (six months, one year, etc.).

C - UNABLE DOCTOR

i - The UNABLE DOCTOR shall have a written emergency plan for use by his staff and by COVERING DOCTORS. Said plan shall contain:

a - A letter to be sent to all patients of record apprising them of the UNABLE DOCTOR'S disability, or displacement, the arrangements for their continued treatment by the COVERING DOCTORS, and the expected time frame of said period of disability; or

b - A letter to be sent to all patients of record informing them of the UNABLE DOCTOR'S death, the arrangements for their continued treatment by the COVERING DOCTORS, and the provision for and intention to transition the practice to a subsequent treating practitioner; and

c- A letter to UNABLE DOCTOR'S referring dentists describing the appropriate situation, disability or death, and the provisions established for the continuation of the practice and the desire to accept new patients by the COVERING DOCTORS until UNABLE DOCTOR can return to work or until the practice can be transitioned; and

d - A writing informing UNABLE DOCTOR'S office staff of the existence of this agreement and a written policy outlining the staffs obligations and duties to the office in the hope of maintaining the assets of the practice during the period of transition.

ii- The UNABLE DOCTOR shall specifically designate a member of his office staff to be responsible for coordinating the efforts of the COVERING DOCTORS with the everyday business operations of the office. Said staff member shall be responsible for:

a - Continuing with all internal management of the office as per existing policy or protocol and to seek help from COVERING DOCTOR if necessary; and

b - Facilitating the scheduling of all COVERING DOCTORS and patients; and

c - Coordinating and disseminating all communication and information, as necessary, to UNABLE DOCTOR'S executor or legal representative and/or to PRIMARY COVERING DOCTOR; and

d - Receiving, depositing, and disbursing funds as required to facilitate the continuation of UNABLE DOCTOR'S practice until transition via limited power of attorney.

4- DISABILITY AND DEATH:

A- DISABILITY:

Disability shall be defined as the inability to engage in the clinical practice of orthodontics by reason of sickness or accident.

i- Should UNABLE DOCTOR be considered temporarily disabled, his practice shall be covered for up to a six month period according to the terms specified herein. If UNABLE DOCTOR'S return is imminent, with the approval of the COVERING DOCTORS, this period of time may be extended for another two months. In no event shall COVERING DOCTORS be liable to cover UNABLE DOCTOR'S practice in excess of an eight month period of time.

ii- In the event of a permanent disability whereby UNABLE DOCTOR is unable to return to clinical practice within a six month period of time or misses more than "x" days during a 365 day period of time, COVERING DOCTORS shall maintain UNABLE DOCTOR'S practice for a period of time not to exceed six months in order for the practice to be effectively transitioned. If transition is imminent, with the approval of the COVERING DOCTORS, this period of time may be extended for another ___months. In no event shall COVERING DOCTORS be liable to cover UNABLE DOCTOR'S practice in excess of an eight month period of time.

iii- In the event of partial disability wherein UNABLE DOCTOR is able to return to work on a limited basis the coverage needs will be reassessed by COVERING DOCTORS and said need will be equally borne by the parties hereto.

B- DEATH.

In the event of the death of a party herein, COVERING DOCTORS shall maintain UNABLE DOCTOR'S practice for a period of time sufficient to enable the practice to be transitioned to another practitioner without significant disruption to the practice. In no event shall COVERING DOCTORS be required to maintain UNABLE DOCTOR'S practice for a period of time greater than six months unless the transition is imminent and then, with the approval of the COVERING DOCTORS, this period of time may be extended for another two months. In no event shall COVERING DOCTORS be liable to cover UNABLE DOCTOR'S practice in excess of an eight-month period of time.

C- DISPLACEMENT

Displacement shall be defined as the inability to utilize ones office due to fire, flood whether from natural disaster or from internal mechanical breakdown, property destruction due to wind, hail, lightening, other natural disaster, vermin or infestation that renders the premises uninhabitable, loss of use due to adverse possession, eminent domain or inability to access the property for any reason outside the control of UNABLE DOCTOR

5- COMPENSATION:

During the period of time that COVERING DOCTORS are providing practice Coverage for UNABLE DOCTOR, the net income derived from UNABLE DOCTOR'S practice shall be divided as follows:

A- In the case of disability, during the first ___ month(s), all net income shall be paid to UNABLE DOCTOR. During the remaining period of time the parties hereto providing coverage shall divide the net income (EQUALLY, 60/40, per diem ETC.) between UNABLE DOCTOR and COVERING DOCTORS as a group.

B- In the case of death, during the first ____ month(s), all net income shall be paid To UNABLE DOCTOR'S estate, personal representative or his assigns. During the remaining period of time the parties hereto providing coverage shall divide the net income (EQUALLY, 60/40, per diem, ETC.) between UNABLE DOCTOR'S estate, personal representative or his assigns and COVERING DOCTORS as a group.

C- Net income shall be defined as monies collected and retained after payment of the usual and customary operating expenses which comprise the overhead of an average orthodontic practice including but not limited to: rent/mortgage, employee salaries and benefits (excluding doctor's compensation) utilities and phone, lab expenses, professional supplies and equipment, office supplies, insurance premiums, etc.

6- AMENDMENTS

This agreement is fully integrated and constitutes the entire understanding of the parties hereto. Amendments to this agreement may be made at any time but must be:

A- agreed to by (A MAJORITY, 2/3, 3/4, ETC.) of the parties hereto,
B- in writing and annexed hereto, and
C- signed by all parties hereto

7- ASSETS:

A- PATIENT RECORDS AND EQUIPMENT:

i- All patient files, charts, records, etc, lists of referral sources, computer programs, patient data, third party provider information, etc. encountered at the office of UNABLE DOCTOR is the sole property of said party and shall remain so regardless of whether UNABLE DOCTOR is able to return to his practice or not.

ii- UNABLE DOCTOR warrants that he or his assigns will maintain the patient records for the required statutory period of time relative to both the Rules and Regulations of the Statues governing the maintenance of health records and the applicable Statute of Limitations for malpractice claims for the benefit of COVERING DOCTOR.

iii- UNABLE DOCTOR warrants that he or his assigns will provide COVERING DOCTOR with access to any of his / her patients treated for any valid business purpose

iv- All equipment, office fixtures, furniture, supplies, etc., encountered at the office of UNABLE DOCTOR is the sole property of said party and shall remain so regardless of whether UNABLE DOCTOR is able to return to his practice or not.

B- ACCEPTANCE OF PATIENTS AND STAFF.

COVERING DOCTORS will not accept as patients anyone that they have treated in UNABLE DOCTOR'S office except as noted below in Paragraphs C of this Section. In addition, COVERING DOCTORS agree not to hire any of UNABLE DOCTOR'S staff without his express written consent in the case of disability; or in the event of death, until after the coverage period terminates.

C- UNFULFILLED EXPECTATIONS:

In the event of permanent disability or death, should the UNABLE DOCTOR'S practice not be able to be transitioned to another practitioner during the period of time that coverage is in effect, once said coverage period has expired, nothing shall preclude the parties hereto from accepting UNABLE DOCTOR'S patients into their practice. Said patients shall be accepted as transfer patients and treated as COVERING DOCTOR would treat any transfer case with the following exceptions:

i- **ALL** of UNABLE DOCTOR'S patients who wish to transfer to a COVERING DOCTOR will be accepted for transfer by COVERING DOCTORS,

ii- The manner in which UNABLE DOCTOR'S patients are distributed among the parties hereto will be decided by them,

iii- ALL existing contracts with UNABLE DOCTOR'S patients will be honored by COVERING DOCTORS and those patients who have already paid in full for services to be rendered will be completed in accordance with UNABLE DOCTOR'S existing office policy.

8 - RECORD KEEPING:

The parties hereto agree to keep or cause to be kept accurate and truthful records of all income and disbursements related to the operation of UNABLE DOCTOR'S practice. In addition, records of the patient's treatment will be kept in accordance with the office policies of UNABLE DOCTOR'S practice.

9 - ASSIGNMENT:

This agreement shall be binding and inure to the benefit of the parties hereto. This agreement cannot be assigned by a party hereto to another orthodontist who is not a signatory to this agreement without the written consent of all parties hereto.

10- NOTICES:

Any notices required to be sent under the terms of this agreement shall be by certified mail, return receipt requested to the address for each party hereto as listed herein.

11- STATUS OF THE PARTIES:

All parties acknowledge that nothing contained in this agreement shall be construed so as to infer that a partnership or privity of any type exists between any of the parties signing herein. This agreement is between individual practitioners whether practicing solo or in corporate form. This agreement is predicated on each party receiving significant mutual benefits should a triggering event occur.

12- SEVERABILITY:
Should any Court of competent jurisdiction find any part of this agreement to be in contravention with State Law and hence seek to invalidate the agreement herein, it is the intention of the parties hereto that only the offending clause be struck from this agreement thus leaving the remainder of the agreement in full force and effect.

13- GENDER:
Any reference to gender was strictly for purposes of readability and is to be disregarded for its exclusionary or inclusive effect.

14- MEETINGS.
All parties hereto shall meet at least once a year at a time and place mutually agreeable. Missing two out of four annual meetings or missing three consecutive meetings will be grounds for expulsion as a party hereto. Attendees shall include all parties hereto, their spouses or significant others, and the office managers of the offices to be covered. The purpose shall be to develop rapport between the offices, develop camaraderie, communication, concern and commitment among the parties hereto and to facilitate the updating of the following information which shall be placed in a sealed envelope, all envelopes to be entrusted to one party chosen by the remaining parties hereto. The following should be updated annually:

A- The names and addresses, phone and email contact information of each party's attorney, executor, legal representative, etc., as well as his accountant, insurance agent, landlord, and office manager.

B- A running practice analysis (P & L preferably for the last 3 years) enumerating the annual gross income, overhead percentage, contracts outstanding, accounts receivable, paid up accounts, fee structure, recall system, number and types of cases in progress (active, phase l, etc.), and all other relevant information required to facilitate a transition in a timely manner.

C- The Federal Tax forms (Schedule C, K-1, Corporate returns, etc.) relating to UNABLE DOCTOR'S practice for the last three years.

D- Specific instructions to the parties herein, and to UNABLE DOCTOR'S attorneys, heirs, executors, legal representatives, etc. relative to disposing of the practice.

15- PROFESSIONAL LIABILITY INSURANCE AND INDEMNIFICATION:

A- Each party hereto will maintain a minimum of 1 million/3 million dollars of professional liability insurance

B- Each party agrees to indemnify the other and hold them harmless for any independent acts, errors, omissions, etc. committed during the course of covering UNABLE DOCTOR’s patients

16- GOVERNING JURISDICTION:

A- This agreement and the rights and remedies of the parties hereto shall be governed, interpreted, construed and enforced in accordance with the laws and public policies of the State of _____

B- Should any dispute or claim arise under this agreement which cannot be resolved by the parties themselves, said dispute or claim shall be settled by arbitration in accordance with the then current rules of the American Arbitration Association and any judgment upon said determination may be entered in any Court having jurisdiction.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first written above.

THE NAME, ADDRESS, PHONE AND E-MAIL OF EACH MEMBER OF THE GROUP SHOULD BE TYPED UNDER EACH SIGNATURE LINE.

_____

Ima Toothstraightener
1825 Edgewise Arch Plaza
Smiletown, USA 02228
Phone: (123) 456-7890
e-mail: 2thstr8nr@ortho.net