

Yes, A Written Associate Agreement Is Worth It For All Parties

If you walk into a dentist's office on Main Street, USA, you'll speak with front desk coordinators, hygienists, and the owners of the practice: the dentists themselves. But unlike the employees of nearly every other business in America, those dentists may not have made use of the most basic legal protection available: an employment agreement between the senior and junior dentists. These contracts provide clear benefits to both the owners of the practice and the new dentists fresh out of dental school, but many remain unwilling to spend the time to protect themselves through a written agreement. Some are unwilling to pay a lawyer to draft or review a written contract, while others think it impossible that their business relationship could ever sour. To the contrary, it is well worth it to ensure that expectations are clear and that you are protected in the event the unexpected occurs.

Established dentists who have built their practices gain crucial certainty by providing written agreements to their new associates. This certainty helps both as a practice is growing, and also when planning to sell a practice before retiring. These benefits include:

- Preventing associates from opening competing practices next door and stealing patients, employees, or records.
- Enhancing the expectation of annual production by agreeing on specific annual targets and hourly commitments.
- Requiring a notice period before associates depart, allowing you time to find a replacement to maintain their patient schedules.
- Reducing bad publicity in the event of a contract dispute by requiring mandatory confidential arbitration as opposed to a public jury trial.
- If desirable, gaining a clear exit strategy and timeline through a buy-in agreement. This allows selling a portion or all of your practice in the years before retiring, without being left closing your doors without selling the practice.

Dental associates joining a practice also have much to gain from a written agreement, most importantly the flexibility to develop your practice as you desire. Signing an agreement without reviewing it with an attorney risks locking you into terms that restrict your options for the rest of your career. Never sign a contract without knowing exactly what it says. Terms to watch out for include:

- Long notice periods required before leaving a practice. These can inhibit your ability to join a different practice if a better opportunity comes along.
- Financial penalties for violating contractual terms.
- Restrictions on where you can open your own practice in the future.
- Details regarding hours, compensation, vacation, insurance, benefits, continuing education, and professional memberships.
- Mandatory arbitration in the event of a contract dispute, which may not be drafted in a fair manner.

No matter your seniority, certainty can be gained and unforeseen restrictions can be avoided by investing in a written associateship agreement. Without the protections of a written contract, substantial costs and risks may arise in the future. Take the time today to protect yourself tomorrow.

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