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Succession Planning for DPC Physicians

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- Navigate to https://aafp1.cnf.io/ and tap the session titled "Succession Planning for Direct Primary Care Physicians"
- OR just point your phone's camera at the QR code to join directly

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- Succession, incapacity, and estate planning laws vary by state and individual circumstances. Examples discussed may not apply to your practice.
- Attendees should consult their own legal and financial advisors before implementing any strategies discussed.

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Learning Objectives

1. Identify essential legal documents and corporate provisions required to protect personal and practice assets under applicable state laws.
2. Apply transition planning strategies for events such as incapacity, retirement, or death to support continuity of patient care and staff operations in a Direct Primary Care (DPC) practice.
3. Evaluate succession and continuity planning options—including buy-sell agreements, powers of attorney, and medical record transfer processes—to support regulatory compliance and long-term operational sustainability.

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CS1

Session Agenda and Audience Promise

For:
- Solo and small-group DPC physicians
- Spouses/Operational leads
- Practice managers

What you'll leave with:
- State variances & considerations
- 5 actionable checklists
- 30/60/90-day plan

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WHY SUCCESSION PLANNING IS CRITICAL

- Risk Management and Organizational Sustainability
- Managing Unexpected Departures and Burnout
- Financial Considerations and Value Maximization

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Slide 7

CS1 Changed the title to agenda so it complies with EDU rules. Add the official LO slides as a new page. This happened on one of my FMX sessions last year. This is how Wes “fixed ” it. [@Ashley Poole]

Christine Schimpf, 2026-05-08T20:25:17.872

WHY SUCCESSION PLANNING IS CRITICAL

- Ensuring Continuity of Patient Care
- Maintaining Referral Relationships
- Quality Patient Care Protection

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WHY SUCCESSION PLANNING IS CRITICAL

- Extended Recruitment Timelines
- Staff Development and Retention
- Preventing Practice Failure

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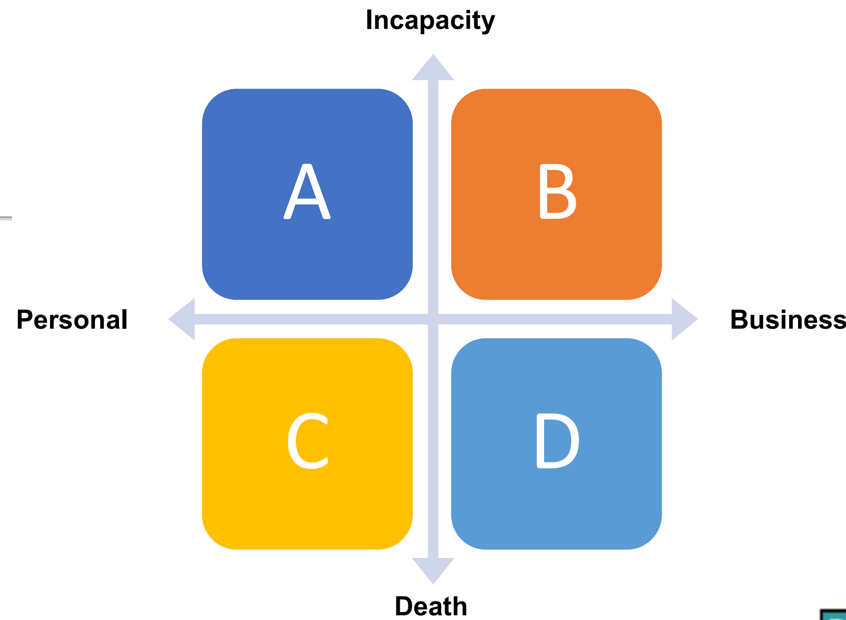
What areas need planning?



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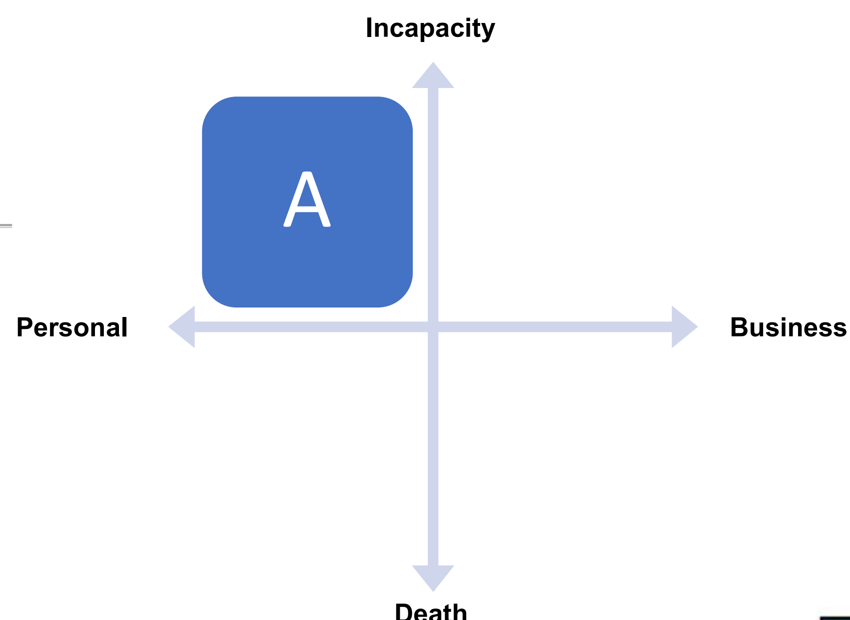
What areas need planning?



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Quadrant A: Personal - Planning for Incapacity

Key Legal Documents

- Durable Financial Power of Attorney: appoints an agent to handle finances and business decisions if you are incapacitated
- Healthcare Power of Attorney: appoints a health-care decision-maker if you cannot communicate
- Living Will: outlines care preferences if you cannot communicate
- HIPAA Authorization: ensures family or designated agents can access medical information even if privacy laws would otherwise restrict them

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Quadrant A: Personal - Planning for Incapacity

Family and Care Considerations

- Who should step in for personal bill-paying, childcare, home care management, etc. during incapacity?
- What are your preferences for care setting?
- How will you finance the care you need in that setting?
- What are your financial safety nets?

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Quadrant A: Personal - Planning for Incapacity

Spouse/Family Involvement

- If spouse is named as Durable Power of Attorney or Healthcare Power of Attorney, discuss the scope of what they can do.
- Communicate the plan to your family.
- Provide a one-page "In case of incapacity" contact list to your spouse/family.

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•Quadrant A: Personal - Planning for Incapacity

Checklist

✓ Name decision-makers and documents
✓ Execute/update: Durable POA, Healthcare POA, HIPAA Authorization, Living Will/Advance Directive
✓ Define incapacity determination in documents to avoid delays
✓ Long-term care planning
✓ Identify preferred care settings (home/RCFE/nursing facility) with clinician input
✓ Review long-term care insurance and disability income coverage

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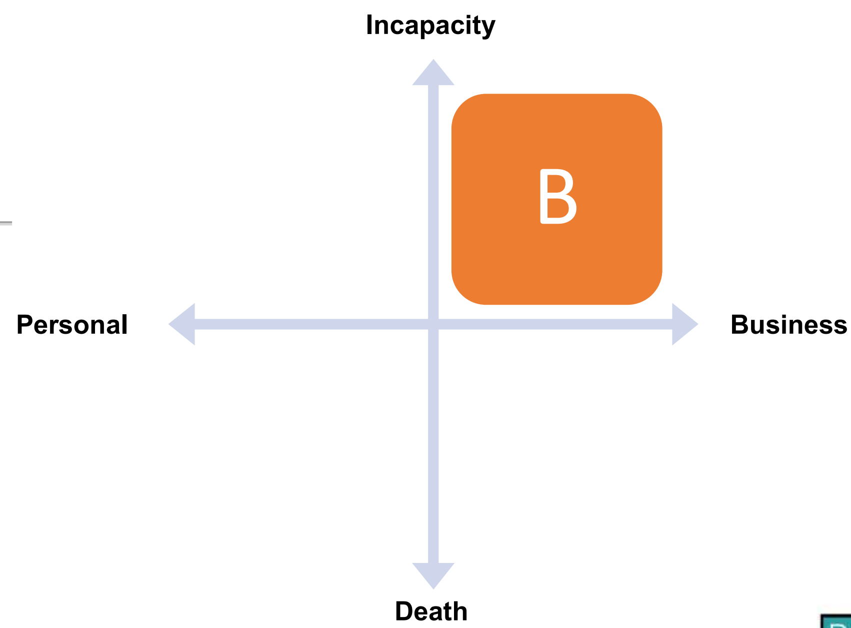
What areas need planning?



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Quadrant B: Business - Planning for Incapacity

Interim Medical Coverage

- Designate a covering physician.
- Execute a specialized power of attorney.
- Create a disability clause in your buy-sell agreement.

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Quadrant B: Business - Planning for Incapacity

Patient Communication & Continuity

- Have pre-drafted patient notifications ready.
- Address membership fee handling.
- Set up a system for forwarding to the covering physician.

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Quadrant B: Business - Planning for Incapacity

Staff & Office Management

- Keep your Power of Attorney agent informed of practice basics.
- Cross-train staff members.
- Create an SOP for "physician out unexpectedly."

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Quadrant B: Business - Planning for Incapacity

Regulatory & Compliance

- When (if ever) do you notify your state's Medical Board?
- What are your regulatory duties regarding dispensing?

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•Quadrant B: Business - Planning for Incapacity

Checklist

✓ Naming a covering physician
✓ Creating an emergency patient communication plan
✓ Listing critical passwords in a secure place
✓ Ensuring staff know roles during your absence
✓ Confirming your DPOA covers business needs

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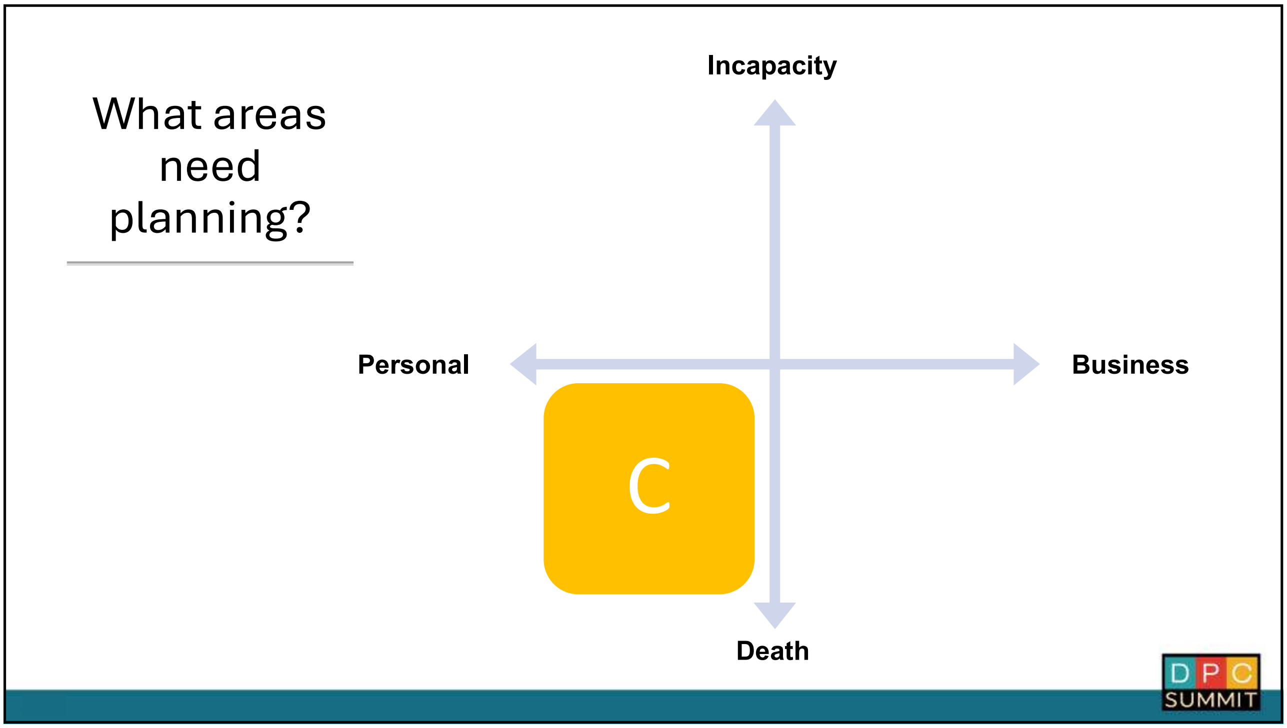
What areas need planning?
Incapacity
Personal
Business
C
Death
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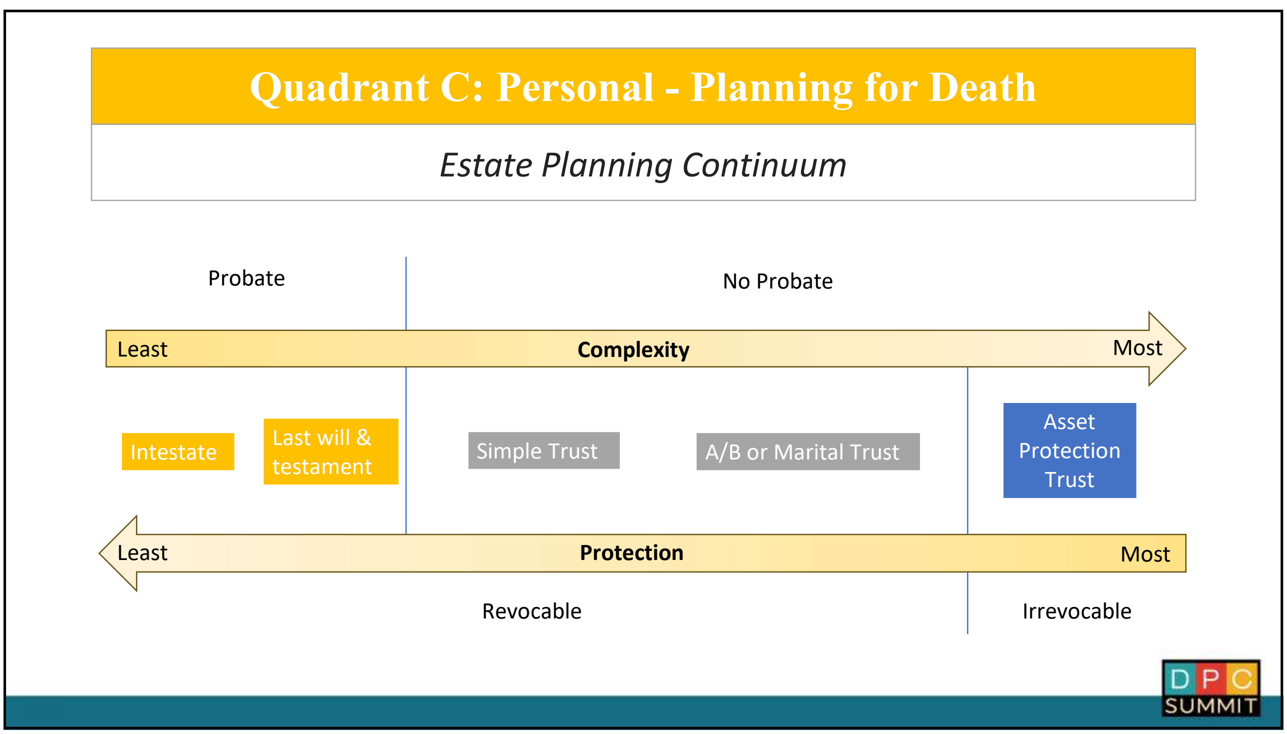
Quadrant C: Personal - Planning for Death
Estate Planning Continuum
Probate
No Probate
Least
Complexity
Most
Intestate
Last will & testament
Simple Trust
A/B or Marital Trust
Asset Protection Trust
Least
Protection
Most
Revocable
Irrevocable
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Quadrant C: Personal - Planning for Death

Life Insurance & Financial Security

- Review life insurance policies
  - Term life
  - Key-person
- Review beneficiary designations
  - Retirement accounts
  - Insurance

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Quadrant C: Personal - Planning for Death

Family Communications & Roles

- Discuss your plans with spouse/key family members
- Identify successor decision-makers
  - Executors
  - Trustees
  - Guardians
- Document your specific wishes/instructions

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Quadrant C: Personal - Planning for Death

Interaction with Practice Succession

- Personal estate plans & practice succession plans must work together.

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•Quadrant C: Personal - Planning for Death

Checklist

✓ Update your Will and/or
✓ Set up a Trust
✓ Review beneficiary designations
✓ Designate an executor/trustee
✓ Consider estate taxes
✓ Communicate your plans to your family

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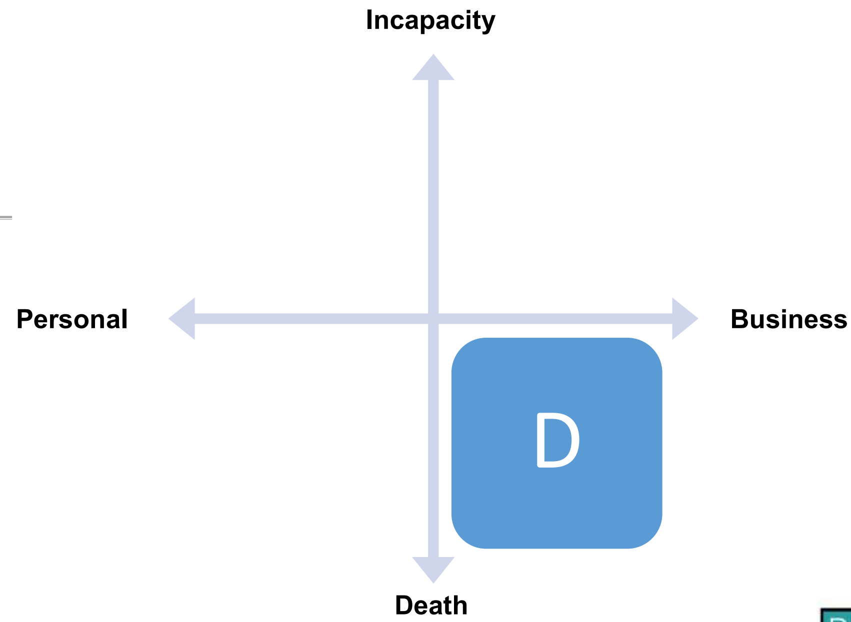
What areas need planning?



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Quadrant D: Business - Planning for Death

Professional Entity Succession

- Jurisdiction-specific rules
- In a partnership: buy-sell agreement dictates
- In a solo practice:
  - Colleague or competitor purchases
  - Practice dissolved
- Legal deadlines

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Quadrant D: Business - Planning for Death

Buy-Sell Agreements & Insurance

- Group practice: buy-sell agreement covers death
- In a solo practice:
  - Agreement to purchase practice or patient panel
  - Practice Will
- Key-person life insurance

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Quadrant D: Business - Planning for Death

Patient Care Transition & Records

- Notification letter
- Referral plan
- Records retention
- Refunds/prorated returns

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Quadrant D: Business - Planning for Death

Staff, Contracts, & Business Wind-Down

- Timely staff communication
- Leases (office, equipment)
- Cancelation of
  - Licenses
  - Provider numbers
  - Insurance contracts, maybe

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Quadrant D: Business - Planning for Death

Staff, Contracts, & Business Wind-Down

- Timely staff communication
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Quadrant D: Business - Planning for Death

To Be Or Not To Be

- Options for practice continuation
- Spouse/Family and the Practice
- Management Services Organization, maybe

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Quadrant D: Business - Planning for Death

Regulatory Notifications

- Contact the PA Board of Medicine
- Notify other entities
- Terminate ongoing obligations

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•Quadrant D: Business - Planning for Death

Checklist

- ✓ Review or create a buy-sell agreement
- ✓ Updated list of potential successors
- ✓ Template patient/staff notices
- ✓ List of accounts/contracts to cancel
- ✓ Ensure compliant record retention/transfer
- ✓ Key insurance/hospital/other notifications

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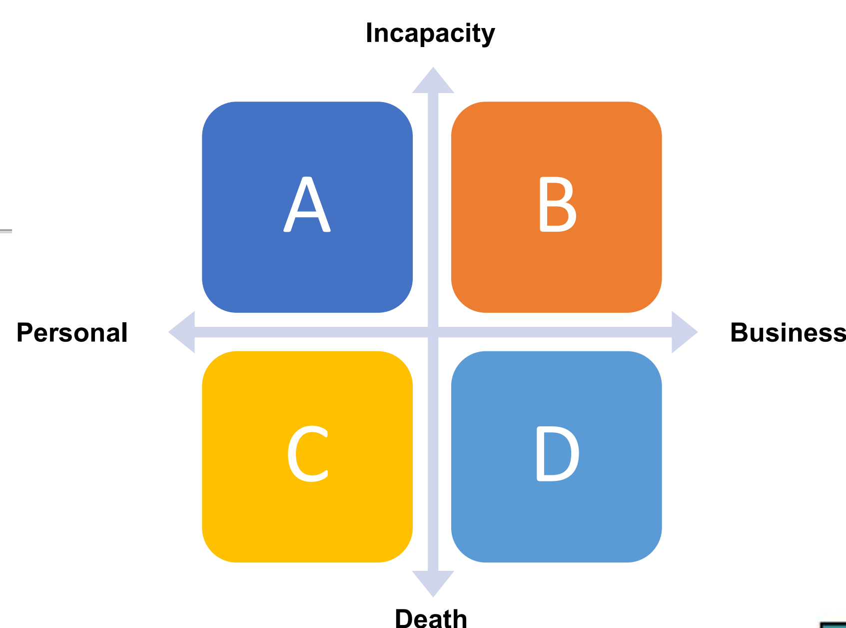
What areas need planning?



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30/60/90-DAY ACTION PLAN

- w/in 30 days: complete personal documents & make a rough draft of practice coverage plan
- w/in 60 days: formalize arrangements & organize critical information
- w/in 90 days: walk through your plan with your family & schedule a review with counsel

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Best Case Scenario: Business Exit Strategy

Market Value Evaluation Methods

- Income Approach
  - Discounted Cash Flor
  - Single-Period Capitalization of Earnings
  - Excess Earnings (Hybrid)
- Market Approach
  - Guideline Transaction Method
  - Guideline Public Company Method (rare)
- Asset-based Approach
  - Adjusted Net Asset Value
  - Cost Approach for Specific Intangibles

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Best Case Scenario: Business Exit Strategy

Workflow for Obtaining FMV

1. Define the interest and standard of value
2. Gather and clean data
3. Normalize financials
4. Choose methods
5. Build projections and discount rates
6. Perform a sanity check

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Best Case Scenario: Business Exit Strategy

Common Pitfalls to Avoid

1. Capitalizing owner windfalls
2. Counting referrals or acquirer-specific synergies as value
3. Overreliance on generic revenue multiples
4. Ignoring personal goodwill
5. Skipping working-capital and debt-like adjustments

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Best Case Scenario: Business Exit Strategy

Price and Payment Structuring Tools

- Seller Financing
- Earnouts
- Installment (Deferred) Payments
- Roll-over Equity
- Purchase Price Adjustments
- Holdbacks and Escrows
- Contingent Value Rights (Milestone Payments)

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Live Content Slide

When playing as a slideshow, this slide will display live content

Social Q&A for Succession Planning for Direct Primary Care Physicians

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Questions

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