

Date: December 2015

Exclusively to Clients and Friends
of Advanced Practice Management

BULLETIN

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TO US, YOU ARE THE BIG GUYS!

Most successful dentists know that they can't do it all. With the encroachment of corporate dentistry and PPOs, it sure helps to have Professional Management on your side. Our mission is to support Independent Private Practitioners. We know that for many of you, one of the main reasons that you got into Dentistry was so that you could be independent and create the practice you want to have. That is why our management approach is never canned and is always customized to your philosophy, resources and talents.

If you look at all of our clients collectively, by being with Advanced Practice Management, you are already part of a big group. We monitor over \$30,000,000 *per month* of dental activity and seen this way, we are big guys too. However, **you**, the Doctor, are always the one in control, **not** the suits. We think that makes all the difference and it is difference for the good.

However, the growth of the large group practices should shake any smart private practitioner out of complacency.

From the Owner's point of view, DSO's/large group practices have the following advantages:

1. Group purchasing power. Reduced equipment and supply costs.
2. The ability to, in effect, collectively bargain with insurance companies to get better reimbursement (whereas it's illegal for you and your colleagues or study club friends to do so).
3. Professional Marketing Resources.
4. Standardization of systems (an advantage vs. no systems but a disadvantage if you want systems that fit for your practice vs. your practice fitting into a system!).

From a Consumer Point of View, Large Group Practices offer the following advantages:

1. Expanded and more convenient hours.
2. Wider PPO network participation.
3. Access and visibility (most of the common multi-location groups are well-located with street leveling parking in high traffic areas.
4. Perceived up-to-date technology.
5. Wide range of services in one entity (less need to go elsewhere for Endo, Ortho, etc.).

So how do you deal with this? Most of you don't want to work Saturdays, evenings or even Friday afternoons. Most of you don't want to, and shouldn't, join every PPO. I am not a purist; some insurance participation is usually necessary but it's a matter of the right balance for your practice – something I've discussed many times elsewhere.

TO US, YOU ARE THE BIG GUYS!



Your advantages:

1. Continuity in caregivers. Your patients are more likely to see the same providers from visit to visit. What are the implications of this for you in terms of staff happiness and retention?
2. Truly personalized service. You are not working off approaches dictated by the "suits." You know your patients and community.
3. The ability to adapt. You can make decisions regarding personnel, technology, services, etc. quickly. You don't have to wait for a bureaucracy to move!
4. Customized Care: You set your own criteria and standards for treatment. The Doctor decides what's best.

LEVELING THE PLAYING FIELD:

Almost every client I talk to prides themselves on their quality of care, friendliness, individual service and so on. But, if I ask them to really list all of the things that they are doing that make them

truly exceptional, they are often at a loss.

The private pharmacy practice has been all but wiped out; however, there is a big difference between who hands you your pills and who puts their hands in your mouth!

So in order to keep up with the Mega Practices, take a frank look at yours. Better yet, go visit one of those places. Is your practice décor as fresh and shiny as theirs is? Do you have updated exterior signage (where possible)? Does your staff wear the same colored scrubs; in other words, do they look like they are a professional team? Do you personally thank those that have sent you a referral? Does the staff always point out and reinforce the value of the exceptional dentistry you deliver? In other words, always, every patient that gets a crown, filling or whatever is told something to the effect of, *“Dr. Murphy does excellent work. It will look good and last for years if you take good care of it. There are lots of things that go into the quality of a restoration to have it look good, last long and feel right.”*

Do you have finely-tuned Recall, Treatment Presentation, Treatment Follow-Up, and Financial Arrangements systems? Is there good flow (information and patients from front to back and back to front). Is your website personalized and up to date? Are you actively earning and facilitating Google Reviews? (Simply put, Google Reviews are some of the best SEO you can get and no ethical SEO guy can get them for you - you and your team have to get patients to do these). Are you keeping up with your Continuing Ed? How about your team? Are you expanding the services in your office such as implants, ortho, perio and endo?

If one of my three sons became a dentist, for one thing, I would be very proud. If they asked me for advice, the first thing I would tell them wouldn't be “Hire a management consultant.” It would be, “Take 3 times the Continuing Ed you are supposed to.” Substantial Continuing Education Participation is the #1 factor that I've seen that enhances private practitioners' success.

HEY DOCTOR, INSIST ON BEING TREATED LIKE A “BIG GUY”

The next time you buy equipment such as Cone Beam Imaging, a CAD/CAM machine or another unit, before you write that check, say to the rep, *“I am paying the same price you would charge your big corporate clients, right?”* See if they give more than lip service to supporting private independent practices (still the great bulk of their business). They should give you just as good a deal as everyone else. Insist on it!*

And, when you sign up for a PPO, ask, *“Are you paying others more for the same services? And, if a patient goes on your website, do you give preferential treatment to providers in the big groups when patients search for providers?”*

A particularly troubling thing I've heard is that some insurance companies have ownership in some of the larger groups. It's pretty convenient to give their own guys a better deal. It seems unethical and uncompetitive to me that they can collectively bargain and you can't. Ironically, the reason that it is antitrust for dentists to collectively bargain is presumably to have fairness in the marketplace but those regulations are a lot more “fair” to the big conglomerates. Something should be done about it.

** If anyone from Patterson, Schein, etc. can tell me otherwise (that these groups don't get price breaks) I will print a retraction.*

There is a place for the big group practices. For one thing, they are an excellent training ground for associates! And the people who will eventually buy your practice. (And, hopefully continue it as a private independent practice).

HIGHLIGHTS FROM OUR 2015 ECONOMY, TECHNOLOGY & INSURANCE SURVEY:

Metro Area: More Metro practices said Production was up this year (56% vs. 40% last year). Collections were up at 53% of the practices (vs. 48%). However, only 28% of practices saw New Patients increase vs. 34% last year. 43% of Metro Area practices have or are planning to give raises to their team this year.



Outstate Practices: 62% of the practices reported that Production was up this year (vs. 46% last year) and 62% had increased Collections (vs. 48% last year). New Patients were up too (48% of the practices saw an increase in New Patients vs. 41% last year). 68% of Outstate practices have or are planning to give raises.

So all in all, the balance of the Dental Economy is on the plus side.

Trends in Technology:

Well, we are the home of Patterson and it shows with 28% of respondents saying they have a **Cerec** machine (3% E4D).

For the first time this year, we surveyed **“Online Bill Payment”** – 18% of offices now have it. **Patient Registration Online** – 27% and **Digital Impressions Scanner** -11%.

56% of offices now claim to be chartless. 36% offer Invisalign (or like). **11%** of reporting practices said they had a **Cone Beam Imager**.

83% of practices now have Digital Radiography but that still leaves 17% to make the transition. This number had been stuck around 70% for a couple of years so the hold outs are finally upgrading.

Software:

Eaglesoft continues to be the dominant player in our area with 32% of the market (vs. 30% last year). **Dentrix** is still holding its own at 21%. Softdent is holding at 18% with PEB XL Dent closing in at about 17%.

We hear a lot of talk about **Open Dental** but it is still less than 5% of our regional market according to our survey respondents. Dentrix, Open Dental and EZ Dental (an old system surprisingly) have the highest ratings by their users.

PPO Participation:

Delta Premier (the “regular” Delta) participation is holding at 86%. Delta PPO has made a slight increase from 30% to 33% of reporting Doctors. Delta 216 has gone from 33% to 40%. (216 fees are better than they need to be). **Health Partners** is gaining providers from 43% last year to 46% this year. **Premier PPOs** (a collection of over 25 various dental insurances) has 42% participation of the providers reporting.

11% of Dentists said they **dropped** a PPO in the past year and **7%** are **planning** to leave one this year. **9%** have **joined** a PPO.

If you are considering joining or leaving a PPO, please get in touch with us. We have helped many Doctors make smart “PPO Plays” which can add \$1,000s to the bottom line or save a loss of \$1,000s.

There is no blanket statement on this. It *really* is a matter of each practice's situation and too complex a subject to go into much detail here. I almost hate to say it but the average Collection percentage in our area now is about 85%. That low a percentage would have been unthinkable 15 years ago. However, if you are collecting less than 80%, chances are you are deeper into PPOs than you need to be. If you haven't given this a serious look, do!

STILL CRUISING:

The Dental Dow – Third Quarter 2015:

Comparing the first three quarters of 2015 to 2014, we find that production is up 5.7% and collections are up 4.9%. Not quite as brisk as the first two quarters but still definitely in "Up" territory.

Exams are up 2.7% with New Patients being up 12% and Open Time in Doctor and Hygiene schedules down about 5%.

COOL PODCASTS:

If you haven't already done so, check out "Howard Farran's Uncensored Podcasts" which are free on I-Tunes and can also be viewed on YouTube.

Shelly and I both did interviews for these podcasts. Mine was on "The Stats that Matter" and Shelly's interview was "Back to Basics."

These podcasts are an excellent way to keep up with Industry Trends. Ourselves notwithstanding, Howard talks to some very interesting people – basically the "Who's Who" of Dentistry.

A GREAT SOURCE OF INFORMATION - US!

Check out AdvancedPracticeManagement.com if you haven't done so recently. We have excellent surveys posted there on **Overhead**, **PPO Participation** and **Technology** as well as **Fees, Wages** and **Benefits** (call for assistance in accessing Staff Wage statistics).

You will also find some great audio interviews and articles I have done over the years (if I don't say so myself!).

HEIDI BENSON:

Heidi has over 17 years in dentistry and has managed large successful practices. She has also been a Dentrix trainer for many years. Many of you are familiar with her in that role. Heidi's deep experience makes her ideally suited for special situations. For example, dealing with a turnover of the administrative staff, making sure the new staff is in line and the systems are tuned or stay tuned. For some of you, she can be seen as a free-lance office manager. Heidi will also help you and us in technical research as the front desk area, like the clinical side, is increasingly digital and complex. Remember, my team is your team and now we have some great new talent on board.



Heidi Benson
"Mission Specialist"

WORKING THE EDGES/SEASONALITY:

There is definitely a rhythm to the ear for every practice. Being in tune with this rhythm can add nicely to your bottom line. For example, for most practices August is the #1 check-up month of the year. Almost every family practice should add to their hygiene capacity the last part of August. Patients



don't plan ahead so you have to. For most of you, just fitting in an additional 10 or 20 check-up visits in any given month will add \$1,000s to your bottom line and help keep your active patient base active and healthy.

Likewise, December, January and February are the #1 Crown and Bridge months of the year. If you have an intra-oral camera (and most of you do), this is when you must insist that it is lit up. Patients who have used up their benefits this year and don't want to proceed should be scheduled ahead into January. That means your treatment follow-up system must be worked and your staff is on the phones to get those patients cared for. That will help get next year off to a good start. Of course, many of you have already sent (by mail or digital communications) the "Year End Insurance/Flex Plan Letter" as a way to remind patients to get in and get their work done and plan for next year. If you'd like a copy of this letter, just call.

Plan now for the college students who will be returning during the holidays. "Same Day Dentistry" can work well with these patients.

Plan your calendar now for next year. Whenever possible, synch up your **vacations** with that of your staff. When you are working you want all hands on deck and when you're off, you don't want to have to pay people to "paint rocks." Just think how expensive it is to even lose a week of hygiene (and the treatment that comes from those check-up visits to your schedule) when coverage could be prearranged or not needed at all (if you both plan your time off at the same time).

A little planning can go a long way to leveraging your hard work.

GOOD GOLLY, DO YOUR GOALS!

You hear it from me every year because I see it work every year! Doctors with **written practice goals**, team participation in setting the goals and good management support, do better every year. It's almost spooky it works so well.

So, do yourself a favor. Sit down with the Goal Worksheet (on back page) for 30 minutes to an hour. Be realistic and optimistic. Be true to what you really want. Maybe more money may not be as important to you as more time off or a happier, more harmonious workplace. Describe in writing your perfect practice! How good can you stand it?



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YOUR 2016 GOALS AND PROJECTS WORKSHEET

Dr. _____
(Send us a copy too if you wish)

- 1) What did you feel best about accomplishing in 2015?

- 2) What issues and concerns are you currently facing in your practice?

- 3) What would you like to see happen in 2016 to make your practice even **better for your patients, your staff** and as a **business**? Be as specific as possible.

- 4) Statistically, what are your practice goals (Production, Collections, New Patients, Overhead, Net Income, Savings, etc.)?

- 5) List other Improvements and Projects (Continuing Ed, Additional Services, Facility Improvements, Staffing, Staff Training, Technology, etc.)

VISUALIZE! See yourself accomplishing your objectives and enjoying the benefits of your labors! See it and chances are it will come to pass!

BELIEFS -> VALUES -> MISSION -> GOALS -> STRATEGY -> TACTICS