

## ADVANCED

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Exclusively to Clients and Friends  
of Advanced Practice Management

## BULLETIN



### Delta Games

Toward the end of 2016 Delta of Massachusetts announced that there was going to be a new, for profit Delta. The new

Delta will basically offer the Delta PPO schedule only. The better paying (although still discounted) Delta Premier will fade away.

Doctors are told that if they don't opt-in they will be out of the Delta networks and as the plans turn over, the checks will go to the patients.

For the typical Delta Premier Provider Dentist in Massachusetts this means that Delta write-offs will nearly double. I talked to doctors who will see their write-offs from Delta go from \$250,000 per year to nearly half a million. Ouch! Apparently the new "For Profit" Delta will make its profits from squeezing dentists. That is why probably that at the Yankee Meeting, **Delta actually had an armed guard at their booth.** True!

As you probably know I have written and spoken a lot regarding PPOs. (FYI Dentaltown just released my "PPO Plays" CE: <http://www.dentaltown.com/onlinece/category/2/practice-management>. I also recently did a podcast with Ben Tuinei at <http://advancedpracticemanagement.com/guest-audio-series/>.) We are increasingly fielding calls about PPO concerns from dentists all over the country. Minnesota

### What's Inside:

- ◆ Delta Games
- ◆ Save the Date! Collections Made Comfortable Seminar
- ◆ Making Collection Calls a Good Experience
- ◆ How Good is Your Hygiene Department?

was one of the first to feel the sting of PPO write-offs, audits, etc. Insurance companies basically are creating a race to the bottom with their fees.

Now there are about a half dozen states that no longer offer Delta Premier. For example, if you buy a practice in California it will be considered a new "entity." Even if you were/are a Premier dentist the practice has to now be on the PPO fee schedule. This affects practice values dramatically since the buyer will not have the same profit profile as the seller.

### So the big question on everyone's mind is . . . Will Delta PPO be the only Delta in the future?

One comfort, of sorts, is that apparently Delta is losing market share. Other insurance companies are taking a bigger cut of the market, so that is why Delta is putting pressure on their provider network. It would be good to see Delta's "monopoly" diluted.

For many U.S. dentists, Delta is not as big a deal as it is in the Minneapolis/St. Paul area. Delta might be 20-40% of the national market instead of 60-80%.

### What Can You Do About This?

Smart management always puts the time and money where it can get the biggest return. We can do *nothing* about



## We Believe In You!

We believe that Independent Private Practice is the best way to deliver dentistry. It is best for the patients, the doctors and the staff. Private practices can be more selective with their continuing education and technology. They can also be more adaptable and efficient. **Most importantly, the people who make decisions about patients' dental care are the ones in direct contact with them.** We also believe that professional management support helps **good practices be better** and thrive in a competitive environment.

controlling the insurance market, but we will do all the things we can to make your practice strong so there is less compulsion to sign up for PPOs. Delta is not the only one nicking your bottom line.

As I said in an earlier Bulletin, it's a matter of the **right balance**. Most practices will participate in *some* PPOs, but in my opinion very few practices should participate in *all* of them! Our research shows that at a certain point, additional PPOs just mean additional discounts, not additional new patient flow.

**You have more power than you think.** We've helped many dental practices successfully balance their PPO participation. If you are writing off over 25% of your production you are working the first 3 months of each year for free! It probably doesn't have to be that way. Learn more! Contact Bill Rossi at 952-921-3360 or bill@advancedpracticemanagement.com.

## Shelly Asks: How Many Collection Calls Has Your Admin Staff Made in the Last Month?

If your administrative staff doesn't know the answer to this question, it's likely they have made very few collection calls.

In small towns it can be especially tough. The front desk person knows everyone and it's hard to "dun" neighbors and friends.

That is why we have Sheila Kadrlik on board. She's the most gentle collection caller you could ever find, and yet she gets the money. At the very least, the patients get their "due process" and if you reach the conclusion that they are not going to pay you, you can turn them over to a professional collector with a clear conscience. Sheila does everything she can to help work things out amicably with the patient. She is a credit manager, not a professional collector/collection agency.

Call us if you would like to clean up those Receivables. 952-921-3360.

## How to Make Collection Calls a Good Experience

(Please pass this on to your office administrator.)

For most office administrators, collection calls would be way down on the list of things they'd like to do! Your whole purpose in practice is to take good care of patients but



Shelly Ryan



Sheila Kadrlik

sometimes unfortunately money becomes an issue.

I make hundreds of collection calls every month and there are a few things I've learned. Most patients intend to pay their bills and are actually relieved if you help them find a way to take care of things.

Approach collections positively:

***"I am going to call and help the patient"*** versus ***"I'm going to call and pressure the patient."***

Of course there is *some pressure* but it's best to come right out and ask:

***"We have a balance of \$250, how would you like to take care of that...?"*** pause and wait for the patient's response.

Patients will want to make excuses, so let them vent. You are not asking for excuses—you don't want to get bogged down into everything going on in their life but if they want to share some of their challenges with you, it's okay to be a good listener. If you listen to them and show compassion, chances are they will work with you.

Always confirm what you talked about:

***"So, if I heard you correctly, we've agreed that you will pay \$100 now and then \$100 by the 5<sup>th</sup> and another \$100 by the 20<sup>th</sup>. Is that correct? We can count on you for that then, right?"***

Sometimes patients won't follow up on promises or they will be abusive on the phone. Cut them some slack, but if they do not work with you this is a very helpful phrase:

***"Mr. Smith, I work in a dental office and our job is to care for people. As long as they are working with us we'll work with them to take care of an account. However, if we don't have cooperation and respect we have no choice but to give this to a professional collector. I'm not a professional collector, I am here to help get your balance taken care of in whatever way we can get this done..."***

Have questions? Contact Sheila at 952-921-3360 or APM@advancedpracticemanagement.com.

## How Good is Your Hygiene Department? By Shelly Ryan

We all know that the hygiene department's performance has a direct bearing on the health of your patients and your practice's bottom line.

I've grown weary of rules of thumb for hygiene like "Hygiene should be 30% of practice production" or "Perio should be 30% of hygienist production." I don't like that kind of measurement because it's often misleading. For example, if a doctor does a lot of high end re-

storative dentistry it will make the hygiene department percentage look low.

Of course, we measure hygienists' production per hour. That number can be a little spongy sometimes depending on how well the hygienists track their hours worked, downtime, etc.

So, we increasingly use: "Production Per Hygiene Visit."

This number is a direct measurement of the range and depth of your hygienists' services.

You'll see this number in your Manager Report each month. Here is the range of performance we see in our area on the hygiene production per patient visit:

	<u>Average</u>	<u>75th %tile</u>	<u>95th %tile</u>
<b>Metro</b>	<b>\$156</b>	<b>\$167</b>	<b>\$188</b>
<b>Outstate</b>	<b>\$142</b>	<b>\$155</b>	<b>\$174</b>

What, theoretically, should the average production per visit be? The next example shows average Metro fees based on average x-ray protocols and average perio per exam.

1110 – Prophy	<b>\$99.00</b>
0274 – BWX	<b>\$32.50</b> (\$65 divided by 2 - once per year)
0210 - FMX	<b>\$17.75</b> (\$142 divided by 8 - once per 4 years, assuming 2 visits per year)
1206 – FL2	<b>\$21.50</b> (\$43 divided by 2 - once per year)

**TOTAL = \$170.75 per visit for basic standard care**  
(If you add in average perio per exam, \$20, **TOTAL = \$190.75 per visit**)

As you can see, there is quite a difference between what should/could be and what is (\$170 versus \$156). Getting this nailed down will add over \$2,000 per month to the typical hygienists' production.

Look at the numbers for your office. As you all know, we abhor *quotas*. When discussing hygiene production per patient visit, focus on *criteria*. When are fluorides indicated? What are your criteria for perio treatment? Sealants? Whitening? Talk it over with your team. If they are moving, the numbers will move!



A FRESH APPROACH TO COLLECTIONS.  
**COLLECTIONS MADE COMFORTABLE**  
THE TEAM APPROACH

Presented by: Shelly Ryan  
Friday, November 3, 9:00 am to 1:00 pm  
Embassy Suites Bloomington, MN  
Fee: \$219 First person, \$199 each additional

## Everyone on Your Team Has to Deal With Patients, Money and Insurance. Make Sure They Know How!

This perennial favorite is a must-attend for you and your team. Dealing with patients, money and insurance is something you have to do every day so why not do it well? And, it takes the whole team!

Take the confusion out of dental fees and insurance so your patients follow through on treatment and your schedule stays full.

Register by **May 15th** and receive **\$40 off per attendee!**

This seminar is almost always a sellout. As **clients**, you get first dibs and a discount! \$179 first person and \$159 each additional.

**CALL TODAY (952-921-3360) to reserve your space before we do our general mailing.**



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Advanced Practice Management

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