

# ADVANCED

**Date: August 2017**

*Exclusively to Clients and Friends  
of Advanced Practice Management*

## BULLETIN

### Dental Dow: The First Half of 2017

Practice production was up 5.8% and collections were up 4.7% for the mature area practices sampled.

The increase was driven by 2% growth in total patient flow (recall, emergency and new patient exams). However, new patients were up less than 1% from the previous year.

Crown and bridge was up 9% and production per exam was up 4%.

The average practice collections was 84%--down 1 point from last year's 85%.

### Mind the Gap!

Actually, mind the 2 gaps!

First, the gap between what you produce and what you collect.

As you can see from the above, the average gap between production and collections is almost 2 months-worth of work! This isn't due to patients not paying their bills, it is due to PPO write-offs. If you are collecting less than 80% there's a very good chance you can shorten that gap. Talk to us about it.

The other gap is more insidious, and could be even more significant. That is the **gap between what you diagnose and what actually gets scheduled**. Of course you know if you produce more you'll collect more. But ironically, offices that have better collection systems produce more. How does that happen?

Because a good collection system is a communication system. One of the biggest gaps we see is the handoff between the clinical staff



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to the front desk. There's lots of fumbles when it comes to that handoff! Patients come up front without the treatment plan, aren't stopped at the front at all, or the administrative staff doesn't really know how to finesse the treatment plan into the schedule.

That's why the "Collections Made Comfortable" seminar is a perennial favorite with our clients. Your entire team plays a part. Starting with you, doctor. Everyone needs to know how to tactfully deal with money, insurance and all the confusion and discomfort those issues can cause (or worse, non-discussions of the issues can cause!). See back page.



*Bill Rossi*

### The Pacific Dental Tsunami

Three years ago there was one Pacific Dental office in the Twin Cities metro area. Now there are 12! More to come I'm sure.

Pacific Dental has over 275 practices in the Southwest U.S. and plans to add 50 practices per year across the country. Minnesota is one of their target states. Their practices are usually "Scratch Starts."

It is interesting to note that they do lots of paid advertising through Google. And, as far as I know, most or all of the practices are located in a retail setting with good signage.

In fact, when you look at all the larger DSOs you see they are active with paid online advertising. We think there is a reason for that.

## 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.



Google has basically replaced the Yellow Pages except it is a lot more hassle than writing a check to the Yellow Pages! Still, you have to have a presence there. You do not have to spend \$2,000 or \$3,000 per month for a “SEO” firm. It is a matter of having decent personalized content on your website and then paying Google! However, getting an AdWords campaign up and running can be complex—sort of like trying to assemble your own bicycle.

For our clients who want to experiment with online advertising, we can help you do it affordably. For \$100s, not \$1,000s, you can get up and running. We have seen that this can add to a practice’s online presence and new patient flow. Not double or triple it, but add to it.

A year ago we did a study in which we isolated the top 10% of practices with the highest numbers of new patients and the 10% with the lowest number. We found that those practices in the top 10% offices had facilities with high visibility in growth locations. Practices with good online presences—meaning having a decent website and positive Google reviews—were also in that top 10%.

Furthermore, the research showed that practices with expanded hours did well too. And, it helped to participate with some PPOs ...but not too many!

You can see that with all of these factors, it helps to have experience on your side as you sort out what to do to keep your practice vital in the face of competition. That’s why we’re here.



## Blue Cross Blue Shield Plans and United Concordia

There is much confusion regarding the Blue Cross Blue Shield plans that are now administered through United Concordia. If you are an out-of-network provider, here are a few things we think will help you:

The “**Standard Plan**” – This can be identified through a group number **beginning with 10**. You must click on the box of the claim form that authorizes the check but the check will go to the patient. Patient reimbursement is minimal (approximately \$12 for a Prophy) have the same benefits out-of-network with this plan and the check will go to them. The patient pays your full fee.

The “**Basic Plan**” – Group numbers **begin with 11** and there are no out-of-network benefits. However, we have heard from clients that Blue Cross Blue Shield will pay the first claim if a patient calls and complains. This is because Blue Cross did not notify patients of their relationship with United Concordia.

## Credit Card Payments

Insurance companies are also sending payment via credit card such as “Quick Remit.” It is important to know that you are paying credit card fees every time you accept a payment with cards such as these. **You are not required to accept credit cards and you can opt out.** It seems it takes a number of phone calls to opt out, however, I recommend that you look at your credit card statements and identify how much it is costing you to accept these payments.



## Statistical Snapshot: Production Per Treatment Room—A Way to a Better Bottom Line

Almost every doctor is interested in “Overhead Control.” When you look into it though, this is not so much a matter of “suppressing costs” as getting a good return on your resources (time, energy and money). A good net income – and overhead under control, implies good output for your inputs!

So, we thought it would be interesting to look at what the “output” is of a treatment room in a General Practice.

Doctor, divide your average gross monthly production by the number of treatment rooms you have (all your treatment rooms doctor, hygiene, “overflow,” etc.). What’s your number?

Here are the findings from our research:

- Average Production Per Treatment Room Per Month - **\$24,000**
- 75th Percentile - **\$29,000**
- 95th Percentile - **\$36,000**
- Low - **\$15,000**
- High - **\$50,000**

This information can be useful if you plan to build a new office or expand your facility. There is a natural tendency for your architects and suppliers to overbuild. However, I often think doctors are too slow to upgrade. It is very easy to cost-justify an additional room. But when planning new practice facilities, I sometimes see over-building.

Helpful rules of thumb: It costs about \$250 per square foot to build a new facility. It costs about \$130 to “build out” an office in an existing building. These are the cost for the facility—not the equipment, chairs, computers, etc. A rough estimate is \$40,000 to \$50,000 per room for that stuff.

Another helpful rule of thumb is to plan on about 450 square feet per treatment room when sizing the total square feet of the facility.

### How to Improve Your Return Per Room!

The usefulness of these kinds of statistics is that they are a window you can look through to see possibilities for your own practice. Some thoughts for getting the biggest bang for the buck for your facility:

Expanded Hours – Keep the rooms working. More days and/or

more hours per day. Almost all the \$50,000 per room/month Dentists do this.

Horizontal Thinking – Make your schedule a daily plan to get the most out of all of the rooms, not just a list of patients to be seen. A good rule of procedure every day, more overlapping, more use of CRDAs doing kiddy prophies, etc.

Upgrade – Almost every practice has a treatment room that's not quite up to snuff. It is very easy to cost-benefit getting a new x-ray unit, dental unit or chair. Make every room a good room! Just Call us and we'll run the numbers for you.

#### More "Same Day" Dentistry.

*"We may be able to save you a trip and get this done now."*

*"Would you like to get this done today?"*

Not only does this help case acceptance, it is a lot less work for you and your team (no need to reschedule, confirm, etc.)

Fully Delegating to Your CDRAs & RDAs – That next patient always seated and ready to go. Doctor leaving the room and the post treatment instructions to the assistant. Hygienists helping with anesthesia. The more you delegate, the more you are going to do per room!

If you can increase the number of patients treated per room by just one per day, you'll add handsomely to your bottom line. There are about 15 work days in the average month for most practices. The average production per doctor visit is about \$500 and the average production per hygiene visit is about \$150. So even just one more doctor or hygiene visit per day can add \$2,250 to \$7,500 per month production, mostly bottom line!

## **Don't Let Your Employee Dental Perk Become a Headache**

We recently visited with a doctor who had a long-term staff member leave due to a move. The doctor discovered, though, that through the years she had created a balance of over \$5,400 for her family's dentistry.

As with most doctors, he gave the employees and their family members a dental perk. Commonly it is 50% off and the patient pays lab. But the doctor didn't collect the 50%! And, now it is very awkward to try to collect it. He probably won't even try.

#### **Lesson to Be Learned:**

Go ahead and give your employees and their family members your dental perk but insist that whatever payments they have due are paid at the time of service. Otherwise, it could be very uncomfortable to try to collect that later.



## **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.

This seminar is almost always a sellout. \$219 first person and \$199 each additional. \$20 discount per attendee if registered by September 15th.

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

Yours truly,

President



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