

April 2018

Exclusively to Clients and Friends
of Advanced Practice Management

BULLETIN



Matt Lahn
APM Transitions

INTRODUCING:

APM PRACTICE TRANSITIONS

What time and what transition is best for you?

Remember your first years in practice? The optimism, hard work and courage it took to start, join or buy a practice?

By now, you've built something of considerable value. Your next five or ten years can be as important as your first! How things are handled will affect how your patients are cared for, how your team does, and of course, your retirement.

Sometimes you can be sitting right in the middle of a situation and not see the opportunities available for you. Now may be a good time to work through your options. What transition scenario will work best for you?

1. Have you added or are you considering adding an **associate** with eventual buy in? Can your practice support an associate?
2. Do you want to sell your practice "**Lock, stock and barrel**" or are you considering "Move and Merge?"
3. What are the most effective ways to maintain or **enhance practice value**; e.g., "stage" a practice for sale?
4. How much is your practice worth?

What's Inside:

- APM Practice Transitions
- We'd Be Crazy Not to Take Our Own Advice
- Time Clock Rules
- GP Dentist Earnings Facing Headwind
- 20 Yards and How Many Dollars Lost?
- "Collections Made Comfortable" Seminar Early Bird Registration

5. Do you want to **retire out right** or sell and **work part time** for a number of years?

For over 30 years, we have been helping dentists. That has made us the Upper Midwest's most trusted and highly rated consulting firm. We know this marketplace better than anyone.

We've built our reputation on being reliable, results oriented and true to our word.

So, please think of us when you are planning your Practice Transition. You can call us anytime for an informal 20-30 minute telephone consultation to discuss your situation.



WE'D BE CRAZY IF WE DIDN'T TAKE OUR OWN ADVICE:

Just like you, we depend on the good words of our clients introducing us to other clients. Just like you, we get our best clients that way.

Please tell your friends about us. All they have to do is call for a 20-minute phone consult. They will never



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.

experience sales pressure from us. They will always get straight talk and answers.

Thanks for helping us spread the word!

TIME CLOCK RULES:

It's a common occurrence. Team members will come 20 minutes early in the morning and check in. *Then*, they'll put on their scrubs, chat with their team members, look at the schedule, brush their teeth, etc.

Sometimes team members will stay late to get the instruments done and handle other odds and ends.

It doesn't seem like a big deal, but it can sure add up. Even if you have just a couple of staff members doing this each day, it can cost the practice hundreds of dollars each month. Of course, it *really* adds up in larger practices.

We find that every once in a while, we have to get our clients back on top of this. So, we suggest this:

Time Clock Rules

Unless otherwise specified, employees are not to check in more than 15 minutes in advance of the day's schedule.

In any case, employees are not to check in until they are ready to work. That is, scrubs on, teeth brushed and "on the job."

Likewise, employees are to check out within 15 minutes of quitting time unless, of course, it is specifically authorized by the Doctor, the schedule runs behind, etc.

It's tough to reign in people that you work so closely with every day but sometimes it just has to be done. So, if things have gotten lax, tighten up on these rules but be generous with the employees in other matters. The money you save can help you buy pizza, Starbuck's or maybe take the team on a Continuing Ed event.



Bill Rossi

GP DENTIST EARNINGS FACING HEADWIND:

Between 2006 and 2012, the average GP annual net income (adjusted for inflation) had decreased from about \$220,000 to approximately \$194,000. About 4%.

Over five years (from 2010 to 2015) reimbursement rates from private dental insurance plans (adjusted for inflation) have decreased about 6% in Minnesota, 10% in Iowa, and 4% in Wisconsin. North Dakota insurance reimbursement was up about 4% and South Dakota about even.

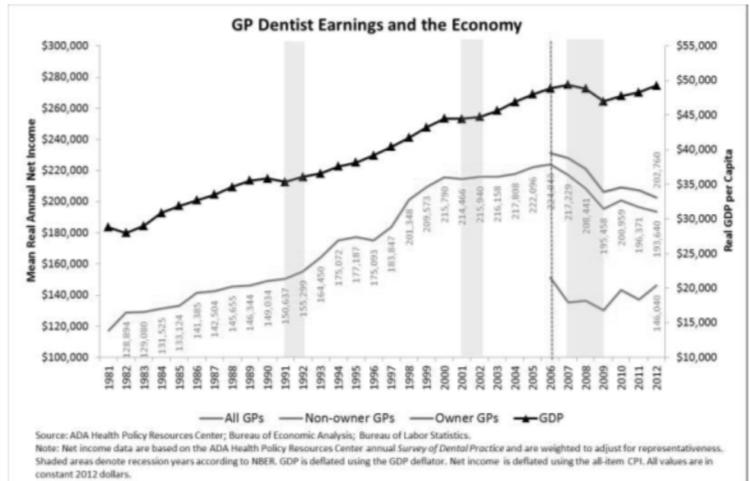
So, this is just another way of looking at what we all know. Insurance write offs are increasing and, in effect, reducing your fees.

I feel the best way to fight off this trend is to balance your PPO participation. Obviously, if you did not participate with any PPOs, the reduction in insurance reimbursement would not affect you. That is not realistic for most Doctors though. On the other hand, I see Doctors who are in far more plans than they need to be out of fear, compulsiveness, or just inattention.

In our area, the average Collection Percentage is about 82% for Metro and 84% for Outstate practices. Most Doctors are bumping their fees about 2% or 3% per year but the insurance companies aren't keeping up with that. So, the gap continues to grow. However, you can in effect increase your fees (and revenues!) by bumping off a PPO plan or two.

So, for example, let's say that XYZ PPO is 12% of your practice and you are discounting 30% off your fees. That's 4 percentage points. If you are able to successfully transition out of that PPO, you'll be adding 4 points to your collection percentage, thus regaining some sovereignty over your fees. Dropping plans so you "keep the patients and lose the discounts" takes some know-how so be sure to talk to us about that.

These general effects can be so subtle as to creep up on the general practitioner. These ADA statistics just bring things a bit more into focus.



Source: ADA Health Policy Resources Center; Bureau of Economic Analysis; Bureau of Labor Statistics.
Note: Net income data are based on the ADA Health Policy Resources Center annual Survey of Dental Practice and are weighted to adjust for representativeness. Shaded areas denote recession years according to NBER. GDP is deflated using the GDP deflator. Net income is deflated using the all-item CPI. All values are in constant 2012 dollars.



Heidi Benson

20 YARDS AND HOW MANY DOLLARS LOST?

“Tis many a slip twixt cup and lip.” Many dental offices lose production dollars because of weak or nonexistent hand offs. That is, the treatment staff (hygienists and assistants) should *always* escort the patient to the front desk (saying):

“Mrs. Smith, everyone has questions about insurance, fees and so on. and Heidi at the front desk is great at helping people with that. So, it’s important that we take a minute for you to stop and talk with her before you go to wrap things up.”

It sounds simple, doesn't it? Yet, the great majority of dental offices still can't pull this off consistently.

The purpose of the hand-off is to:

1. Reinforce or clarify the Doctor or clinical staff treatment recommendations.
2. Update/confirm patient information if this is not already done at check in.
3. Collect balances from the patient that we would normally have to bill. (Some offices will collect the deductible at this appointment. They are using it as a commitment to the scheduled procedure.)
4. Make financial arrangements so that the patient is fully informed and comfortable with their payment options.
- 5. GET THE PATIENT IN THE SCHEDULE!**

In every practice, every week, there are patients who "shrug off" treatment or simply walk past the front desk. It's so much easier to commit the patient while they are in the office. Once they leave, it's a lot harder to track them down, and you've lost the immediacy of the treatment recommendations. If something isn't hurting or bothering the patient, it's put off. And, your schedule is lighter than you want it to be.

In your practice, be sure that **every** patient is accompanied to the administrative area.



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

Presented by: Shelly Ryan
Friday, November 2, 9:00 am to 1:00 pm
Embassy Suites Bloomington, MN
Fee: \$219 First person, \$199 each additional

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 **\$30 off per attendee!**

This seminar is almost always a sellout. As **clients**, you get first dibs and a discount! \$189 first person and \$169 each additional.

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

OUR TEAM IS YOUR TEAM!



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