

ADVANCED

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Exclusively to Clients and Friends
of Advanced Practice Management

BULLETIN

THE DENTAL DOW – THROUGH 3RD QUARTER 2019:

Production is up **3.6%** and collections are up **2.1%**. After a slow start the first quarter of this year, the numbers have freshened a bit.

Patient flow is up **3.4%** although new patients were down slightly (-1%).

In 2018, practice production was up **4.4%** so it will take a really strong fourth quarter to catch us up to that.



Bill Rossi

MARKETPLACE TRENDS:

We recently completed our **39th (!)** annual survey of Upper Midwest Dentists. In addition to the Fee & Wage Survey data, the items in the survey can provide valuable context in which to make decisions about your own practice.

Some trends:

- **Metro area Fees** were up **2.1%** and **Outstate Fees** were up 3.8%.
- **Wages** for *experienced* staff (8+ years) were up **3%** in the **Metro** area and **2%** in the **Outstate** area. **Wages** for *new* staff were up **3.3%** in the **Metro** area and **6.5% (!)** in **Outstate** Minnesota.
- **Insurance PPO/Third Party Write Offs** are still the major concern. However, for the first time ever, more Doctors said they dropped a PPO in the last 12 months (13%) than have joined a PPO network in the last 12 months (9%). About time!
- Doctors' second biggest concern: **Staff Issues, Finding Staff, Teamwork and Staff Costs**. For the many Doctors in our surveys, finding and keeping good staff came ahead of attracting new patients.
- **57%** of respondents use or have used **Management Consulting**. Once again, Advanced Practice Management

What's Inside:

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- Marketplace Trends
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- Are You Leaving Money on the Table When it Comes to Insurance?
- Associate Expectations at Buy-in

earned the highest satisfaction rating (8.8 out of 10) and has a market share more than *double* all cited firms *combined*.
☺ ☺ Thanks!

- **73%** of offices now use “**Digital Communications Software**” such as Lighthouse, RevenueWell, etc. This is almost double what it was 5 years ago.

Our Job: Is to give you an informed third-party perspective of what is going on in the marketplace and in your practice. Working in the relative isolation of independent practice, it is very hard to know if you are expecting too little or too much from your team. If you're making the best use of digital communications, your dental software, your team's talents and other resources. A little planning and coaching can go a long way to adding to your bottom line and peace of mind. It is our privilege to help.

RED CROSS CERTIFIED CPR CLASSES: HEIDI MAKES IT EASY FOR YOU:

Heidi can make it easy for you to handle this training with your staff. We feel she can provide a better, more comprehensive service than doing this elsewhere.



Heidi Benson

- Half day at your office
- BLS with AED
- Help with Emergency Protocols

For most of our regular clients who are already on retainer, this can be arranged as part of your services or can be handled “ala carte.”

Just call Heidi Benson at (952) 921-3360 today to make arrangements for your 2020 training sessions. Heidi is a certified Red Cross Instructor and a former EMT.

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.



STATISTICAL SNAPSHOT – DOCTORS PER PRACTICE:

We currently work for about 420 Doctors in over 200 practices.

- 22% of Doctors are in solo practices
- 32% are in 2-Doctor practices
- 21% are in 3-Doctor practices
- 11% are in 4-Doctor practices
- 14% have 5+ Doctors

Although 22% of Doctors are in solo practices, 44% of practices are solo!

Years ago, 80% of dental practices were solo providers.

Of course, at APM we focus on helping **Independent General Practitioners**. If we were to account for all the DSO/ large group practices like Metro, Park, Midwest, etc., the balance really tips away from solo to group. The best guess is that about 15% of Dentists now practice in corporate/ DSO practices.

We still find that solo or small group practices can thrive in this environment. You can provide more personalized care and be quicker to adapt your services, systems and technology. You must actively manage to thrive. That is why we are here!

ARE YOU LEAVING MONEY ON THE TABLE?

It's Time for Your Insurance Systems Check-Up:

Heidi or Shelly will:

- Do a detailed review of the EOBs to make sure that your reimbursements are fair compared to other offices in the area
- Assure adjustments are written off appropriately
- Review the processing of claims and follow up on past-due claims
- Review insurance participation. There are many plans you may be participating with and don't even know it. More importantly, you don't have to!
- Review procedures for dual coverage



Shelly Ryan



Heidi Benson

Many offices were “grandfathered” into plans such as Dentemax, Maverest, Connection, Zelis and others. These plans administer for other plans such as Aetna, Cigna, Met-Life, Principal, and hundreds of others. If this happened to you (and we find offices like this almost every week), you may be adjusting 30% or more unnecessarily.

The benefits: We often find extra money! Call us to schedule your review today.

ASSOCIATE EXPECTATIONS OF BUY-IN TIMING:



Matt Lahn

Some advisors feel that when an associate starts, the practice value should be set, and a strict timeline laid out. There are times when this makes sense, but we prefer another approach.

An associate should be a partner **in reality** before they are a partner **legally**. You want to ensure the associate's success, their involvement in the practice, and that their production is ramped up. To do this, it's likely you'll invest in the practice's facility, advertising, management of staff, and other resources. Most importantly, you are investing your **reputation** in steering patients to “the new Doctor.” Also, between the time an associate starts and buys in, there may be significant equipment purchases or other important improvements in the practice.

Next to your marriage, your associate relationship will probably be the most important one you have! We feel it's very important to have a long enough courtship phase to ensure mutual compatibility. You can't really force an associate to buy in within a set period of time, so you shouldn't really be committed to sell during that time.

We also feel the practice value at the time of buy in should be the value of the practice at the time of the buy in! Some advisors recommend setting the value of the practice when the associate starts, and then at the time of buy in, and splitting the difference. There are other variations on these themes, too. It is negotiable.

Bottom line: Assure your associate that you will do all you can to help him or her have a good future in your practice. Do everything you can to support his or her success. From the very beginning, set expectations that the buy-in timeline will be 3-5 years and that the associate won't be put off indefinitely. Recognize that predicting the course and pace of practice development in advance can be a very expensive gamble for either one of you.



OUR TEAM IS YOUR TEAM!

Advanced Practice
MANAGEMENT and TRANSITIONS