

September 2020

Exclusively to Clients and Friends  
of Advanced Practice Management

## BULLETIN

### COVID RECOVERY/PRACTICE STATISTICS:

For the mature practices sampled through July, production was down 24% and collections were down 22%. Patient flow was down 27% with new patients being down 40%. June and July were very strong months for most general offices in our area. As I mentioned before, about 20% of the practices sampled had all-time record months in June as practices tackled the back log.



Bill Rossi

We are at a point now where we are beginning to see the edges of the back log. With October coming, the hygiene schedule looks lighter in some practices because there were little, or no patients seen in April.

So, for most practices, it is time to:

- Systematically contact past due recall patients who have not yet been contacted – most offices still have a back log of one or two months' worth of check-up visits.
- Fire up and refresh your marketing.

Your website should reflect something to the effect of, *"Up to date, safe, clean and ready to accept new patients."*

- Other systems may have atrophied too. For example, Treatment Follow-Up. So, it's time to wake everything up so you continue to catch up and set up for a good 2021 (we hope).

### A COVID CAUTIONARY TALE:

Most dental offices have been open now for over three months. I think we were all holding our breath that there would not be outbreaks of COVID due to working in or

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- A COVID Cautionary Tale
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- Watch for Upcoming Fee, Wage, Practices & Economic Survey

visiting a dental office or any serious adverse publicity. It's pretty clear that if dental offices were vectors for COVID, we'd know that by now.

There was a flurry of cancellations after the W.H.O. article from a few weeks back. Prior to that, our clients surveyed showed few "COVID copouts." The biggest challenge has been to catch up with the back log.

However, almost every week now, we hear from one of our 250+ client offices that a staff member tested positive. In the cases I have heard of so far, it's very likely that the infection happened outside the dental office but, of course, I am not an expert on this and I haven't seen any data on this either way.

However, I do know this. The offices that had a staff member come down with COVID and that consistently used PPE in their contact with patients and each other, suffered minimal disruption. They were not directed by the Department of Human Services to contact patients and did not have to shut down (although some did briefly so that the entire team could go get tested).

I would like to relate one incident that you may find relevant.

In a client office in Minnesota, one of the staff members tested positive. The Doctor checked with DHS and they found that they were okay. They didn't need to contact patients (thus, have an expensive hassle and worrying people and causing disruption that way). However, some of the staff members did have lunch together without protection. Most dental offices don't have huge lunchrooms where you can maintain a distance of 6 feet and, of course, you can't wear a mask while you eat. This was their Achilles heel. Because of

## 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.



that, they did have to shut down for more than a week.

So, you can be doing everything right, but if there is one lapse like mentioned above, it can be very expensive to the office.

I think we can safely assume that for every dental practice out there, it's not a matter of *if* but *when* something like this may happen. Be ready.

### **THE EXTENDED PRACTICE APPRAISAL:**

Many Doctors 2-5 years out from their practice like to have an idea of what their practice is worth. This helps financial planning and planning the timing of retirement.



**Matt Lahn**

Yet, if you get an appraisal now, it's likely not going to be accurate when you eventually put the practice up for sale. Recognizing this, we offer APM clients the **"Extended Appraisal."**

That is, we do a formal appraisal now. That's not a back of the envelope type thing. It's a formal appraisal, just like when you are putting the practice to market. Then, when you put your practice up for sale, we will do another completely updated appraisal based on your practice and the market conditions then.

These are formal appraisals based on industry standards and are respected by any credible broker or banker. It beats the heck out of over-simplified rules of thumb like, "Your practice is worth 65% of your collections." That's only one of many other important factors in the reality of the marketplace.

There is another useful reason too for getting an appraisal done well before retirement. When you look at your appraisal, you understand how practices are valued and that will help you in making decisions to increase the value of the practice between now and when you sell. It's sort of like planning for the eventual sale of your house. Adding a swimming pool doesn't help the value but new siding or a driveway does!

The fee for an "Extended Appraisal" is \$3,500. Basically, a two for one. We are proud to offer this extra level of service to our clients.

To get started on your appraisal, call Wendy Nelson or me at 952-921-3360.

### **TANGLED UP IN NETWORKS:**

At first, Doctors decided to sign up with individual PPOs. Then we started to see "PPO Networks." This would be an umbrella that would consist of lots of PPOs. Familiar examples are Dentemax, Connection, Premier PPOs, Zelis, Careington, DHA, etc.

Now, taking things a step further, the networks often have networks within the network! For example, locally, the Premier Network includes Zelis which is another network!

What all of this means is a great deal of confusion. You will get "PPO Creep" where patients that you saw out of network previously will all of a sudden be in network as the umbrella includes more and more plans. So more and more write offs! Moreover, direct contracting with the insurance company (example; MetLife or Guardian) used to trump participation through the networks. Now, if you are signed up with a PPO and the networks, *whichever entity pays you less* is what you'll likely get.

That's why companies that are "PPO Negotiators" have changed their approach to that of "Optimization" (vs. negotiation). It's not so much a matter of twisting a bureaucrat's arm. It's a matter of shopping and consolidating the different networks to get the best fee schedule(s).

We think in most cases it's best to dump all or most of the networks because the real gains in "PPO Plays" are when you cut back on participation so you "lose the discounts and keep the patients." However, if you are not inclined to do that, it makes sense to contact a pro to help you optimize your participation. This is most relevant for practices with more than four PPOs and participation with one or more networks.

There is no way you or I can keep up with the constantly shifting landscape. If you wish, we can refer you to help on this. Just call.

### **WATCH FOR OUR UPCOMING FEE, WAGE, PRACTICES & ECONOMIC SURVEY:**

There is lots for everyone to catch up on. Surveys will be arriving in your office in the coming weeks in our traditional pink envelope. Please fill out and return immediately so that we can get the results out by the end of October. This is your window on the Dental Marketplace.



**OUR TEAM IS YOUR TEAM!**

**Advanced Practice**  
MANAGEMENT and TRANSITIONS