

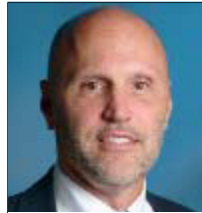
# ADVANCED

December 2020  
Exclusively to Clients and Friends  
of Advanced Practice Management

## BULLETIN

### DENTAL DOW: Through Third Quarter 2020

In the mature practices sampled, production was down 16.5% and collections were down 17% compared to the previous year's averages.



Bill Rossi

Practices had vigorous recovery though the summer and fall, though. Comparing the third quarter this year to the third quarter of 2019, practice production was up 9% (collections were about even).

Practices have been working very hard to keep their teams together, keep healthy, and keep up! I have heard from practices that November is lighter... as an "echo" of the offices being shut down in the spring. Offices are reporting some "COVID cop outs," but for the most part, thankfully, patients have been eager to return to the dental office.

We hear the schedules are thickening up again this month and in the New Year.

### MARKETPLACE TRENDS:

We recently completed our 40<sup>th</sup> (!) annual survey of Upper Midwest dentists.

Some trends:

- **Fee increases** this past year were moderate. Up 1.7% in the Metro Area and 1.4% in Outstate.
- In the **Metro Area**, wages for experienced staff were up less than 1%. However, starting wages for staff were up 7%.

### **What's Inside:**

- Dental Dow: Third Quarter 2020
  - Marketplace Trends
  - Year End Bonuses as Tax Free Disaster Relief Payments
  - Covid, Your Staff and Your Schedules
  - Paying Staff for Covid Related Time Off
  - Staff Challenges
  - Are You Leaving Money on the Table?
- About 35% of **Metro** dentists are giving raises this year, 27% are not and the remaining are undecided.
  - In **Outstate Minnesota**, wages for experienced staff were up 2.7%. 42% of Doctors said they were giving raises, 20% are not and the remaining are undecided.
  - **Hygiene Appointment Times:** In the initial return after the COVID Hiatus, 70% of practices increased their hygiene appointment lengths for adult check-ups. Now, most are back to normal - 82% are at 60 minutes or less, 11.5% are 70 minutes, 6% are at 80+ minutes.
  - **Dentists' Top Issues:** COVID related costs and stress were at the top this year. Then it was followed by the same issues we've seen in recent years (Staff Issues, PPO Write-Offs and Keeping Busy).
  - **Dentists are optimistic** about the future. 73% were either positive or very positive about the possibilities for 2021.
  - **7% of offices have dropped a PPO in the last 12 months.** 13% (the most ever) said they are planning on leaving a PPO. 4% said they joined a PPO network in the last 12 months.



## **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.

If you are considering cutting back on PPO participation, you have the right team on your side. We help dentists all across the country with this and, truthfully, no one knows this like we do.

## **IF GIVING YEAR END BONUSES, MAKE THEM IN THE FORM OF TAX-FREE DISASTER RELIEF PAYMENTS:**



*Brandon Collier*

**By Brandon Collier (Reprinted with permission from Collier Advisors)**

Following 9/11, Section 139(d) was added to the tax code permitting tax-free disaster relief payments from employers to employees following a terrorist attack or other federally declared emergency. The payments are meant to reimburse employees for expenses they incur in coping with the disaster. They are tax-deductible to the employer, tax-free to the employee and are exempt from FICA taxes. When President Trump declared COVID-19 to be a national emergency it qualified for Section 139(d) disaster relief.

This program is lenient. The employer can offer different amounts to different employees (or no amount). Specific reimbursements for this pandemic could include out of pocket medical expenses not covered by health insurance, teleworking costs such as computers, internet, and office supplies, funeral costs for an employee or employee's family member, or childcare costs permitting employees to work while their children are home from school. Employees do not need to provide receipts for their expenses. The amounts the employees report to you only need to be "reasonably expected to be commensurate with the expenses they incurred." (The payments cannot be for income replacement, either as a substitute for W-2 wages or unemployment or furlough pay.)

Despite the lack of stiff regulations, this program should be offered to employees, not merely the owner. S corporation owners are not eligible for reimbursements. Prepare a simple sheet for each employee listing their name, their specific maximum disaster relief payment (which, coincidentally could equal the amount of a year-end bonus you intend to give them), and a list of the permitted expenses described in the preceding paragraph. Employees would complete the forms listing the cost they've incurred up to their maximum reimbursement. You would then write a company check to them in that amount and refer to it as a "qualified disaster relief payment" in your accounting records.

Contact Information for Brandon Collier and Collier Advisors:

216-765-1199

Email: [Newsletter@collieradvisors.com](mailto:Newsletter@collieradvisors.com)

Website: [www.collieradvisors.com](http://www.collieradvisors.com)

## **COVID, YOUR STAFF, AND YOUR SCHEDULES:**

Every week now, we are hearing from one or two of our clients that have some type of COVID disruption. Usually, a staff member gets diagnosed and then everyone else goes to get tested. Most offices have not had to close down, although some have. If team members' family members were exposed or have COVID, they may have to take time off. **All this leads to questions regarding paid sick leave and the FMLA Act.** Most Doctors are erring on the side of being flexible and generous with the staff. Given the market nowadays, it is no time to play chicken with them.

## **WHEN YOU ARE PAYING TEAM MEMBERS DUE TO COVID RELATED TIME OFF:**



*Ron Bartell, CPA*

I've asked Ron Barthell from Baker Tilly about how practices recover money they pay for FMLA.

### **Families First Coronavirus Response Act (FFCRA) Payroll Tax Credits**

With COVID-19 affecting more and more employees of dental practices these days, it's important to explore the benefits available. Among those benefits are two payroll tax credits introduced by the FFCRA and designed to offset the costs employers are required to pay for emergency paid sick leave and/or emergency family and medical leave. Hopefully, your tax advisors are guiding you through what needs to be done to obtain the available payroll tax reductions that were introduced by the FFCRA (keep in mind, the credit is unavailable if you claimed the small employer exemption).

If you are about to pay/have paid FFCRA leave, the employee and the employer will need to document the wages to demonstrate eligibility to claim the credits. Your payroll tax provider needs to be immediately notified about the qualifying event so that the credits can be properly claimed with respect to the wages paid. If you have paid FFCRA qualifying wages in a previous quarter but failed to notify your payroll tax provider, amended payroll tax forms can be prepared to claim a refund of the eligible credits. As a reminder, the FFCRA tax credits can be used to reduce the amount an employer owes in federal employment taxes on a quarterly basis through December 31, 2020.

Contact Information for Ron Barthell:

[Ronald.barthell@bakertilly.com](mailto:Ronald.barthell@bakertilly.com)

(612) 876 4727



## STAFF CHALLENGES:

It is a real pain to find new staff members any time but it is particularly challenging now to find CRDAs and RDHs. And, you actually don't find people, you have to "steal" them, which usually means paying top dollar, which in turn can affect what you need to do with the wages of the staff that you already have.

*Heidi Benson*

So, keep your staff on board and keep them happy!

Some quick pointers:

- Great staff people want recognition as much as pay. Make sure that you are recognizing good performance and praising the staff accordingly.
- Make sure that you are communicating regularly with each staff member. Remember the old "Dr. Ken James" questions,

*"How are you doing?"*  
*"How am I doing?"*  
*"How are we doing?"*

This is a good approach to connecting with a staff person which can help ensure against any unwanted surprises.

- Remember the courtesies:
  - ◊ "Please"
  - ◊ "Thank you"
  - ◊ "Good Morning and Good Night"
- Even though the market for staff is tight, you should never put up with a "stress carrying" staff member who is likely scaring off other staff members. It's better to have no one in a position than someone in a position that just creates trouble or stress.

## ARE YOU LEAVING MONEY ON THE TABLE?

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.



*Heidi Benson*



*Shelly Ryan*

- 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

Many offices were "grandfathered" into plans such as **Dentemax, Maverest, Connection, Zelis** and others. These plans administer for other plans such as **Aetna, Cigna, MetLife, 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.

## GOALSETTING:

It's that time again: It's our annual tradition to send you our "Goalsetting Outline." Many of our clients have found this helpful. Take **5-10 minutes now** to greatly increase your chance of success next year. If you wish, share your goals with us.

Year after year, we see that clients that set goals and keep them in mind, do better. They don't necessarily hit all of the goals all of the time, but they achieve most of them.

It's our job to help you set and reach your goals.



**OUR TEAM IS YOUR TEAM!**

Advanced Practice  
MANAGEMENT and TRANSITIONS



# **YOUR 2021 GOALS AND PROJECTS WORKSHEET**

Dr. \_\_\_\_\_

(Send us a copy too if you wish)

- 1) What did you feel best about accomplishing in 2020?
  
  
  
  
  
  
  
  
  
  
- 2) What issues and concerns are you currently facing in your practice?
  
  
  
  
  
  
  
  
  
  
- 3) What would you like to see happen in 2021 to make your practice even **better for your patients, your staff** and as a **business**? Be as specific as possible.
  
  
  
  
  
  
  
  
  
  
- 4) Statistically, what are your practice goals (Production, Collections, New Patients, Overhead, Net Income, Savings, etc.)?
  
  
  
  
  
  
  
  
  
  
- 5) List other Improvements and Projects (Continuing Ed, Additional Services, Facility Improvements, Staffing, Staff Training, Technology, etc.).

**VISUALIZE! See yourself accomplishing your objectives and enjoying the benefits of your labors! See it and chances are it will come to pass!**

**BELIEFS -> VALUES -> MISSION -> GOALS -> STRATEGY -> TACTICS**