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BULLETIN



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DENTAL DOW FIRST QUARTER

A Good Start:

The mature area practices sampled showed practice production up 6.5% compared to the first quarter of the previous year. Collections were up about 4%.

Total patient flow was up 1.5%, yet new patients were up nearly 6%. The production per exam increased over 5.5% (this is a measurement of fees and case acceptance).

All in all, this shows pretty good momentum going into 2024.

PLAYING IT SMART WITH UMBRELLA PPO'S:

Many of the “smaller” dental insurance companies group together under “Umbrellas” in order to compete with Delta and others.

Example of these groups are: Careington, Connection, Premier PPOs (not to be confused with “Delta Premier”), and DenteMax. These groups line up doctors who will agree to a fee schedule so that insurance companies like MetLife, Cigna, Aetna, and Guardian have a network of providers that they can show their prospects.

Many doctors are not aware that the insurance industry has set things up so if you are with multiple PPO organizations, the one that pays the least reim-

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bursement is the one that you'll get paid. Most of these PPO Umbrella Groups have a lot of the same PPOs within. So if you are with multiple umbrellas, drop the lower paying ones! Also, these umbrella groups are much more likely to negotiate their fees than if you tried directly with the insurance company themselves.

Through negotiating or switching umbrella groups you can often gain increases from 10% to 30%. This can add up to many thousands of dollars per year for the typical general practice.

We can refer you to the help of reliable professional negotiators. They sort out the confusion and save you hours of trying to locate the right people on the phone. They know which companies are willing to bargain and how far they will go. And sometimes they can get you fee increases from individual insurance companies (those outside the umbrellas, if you are directly contracted with them)

It certainly makes sense to consolidate. It's nice to negotiate and get an increase. **However, the real money is by phasing out of PPO participation;** “Lose the discounts and keep the patients.” When you successfully transition out of network, and keep the majority of patients, the increases are more substantial, and you gain more independence. You can “opt out” of some plans within the umbrella networks if you don't want to drop the umbrella altogether.

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.



Many dentists are writing off over 30% of their production and it doesn't always have to be that way. If you have not taken a serious look at this, it's time. This is especially true because many practices are shorthanded and can't keep up with the patients they have. When your hygiene is locked-up for months, why are you working at a discount? You can use some of the extra revenue to help attract and keep top-notch staff.

You have patients to take care of and don't necessarily have a lot of time to deal with this. But don't just keep your head down and work through each day. We can help you or refer you the help. A little bit of know-how can add nicely to your bottom line without a lot of work on your part. Just call Bill at 952-921-3360, or text 952-228-9486.



UPDATE ON NEW NON-COMPETE RULE: A Summary For Employers:

Last week, the Federal Trade Commission (FTC) passed the final version of its non-compete rule. The final rule effectively bans all existing or future non-compete agreements between an employer and non-senior-executive employees or other workers. The FTC modified the final rule for senior executives, only banning prospective non-compete agreements. The final non-compete rule will go into effect 120 days after publication in the *Federal Register*—likely in late August 2024. The Minnesota law that became effective in July of 2023 already struck a blow to restrictive covenants in Minnesota – but this final rule could invalidate non-compete agreements previously entered into – even ones that pre-date July 1, 2023 (which could otherwise be enforceable under Minnesota law).

The FTC's final non-compete rule prohibits employers from entering into or trying to enter into any non-compete agreement with *any* worker after the rule goes into effect. The definition of “non-compete clause” includes any condition of employment that prohibits a worker from, penalizes a worker for, or functions to prevent a worker from (a) seeking or accepting work with someone else after concluding employment or (b) operating a business after concluding employment. The FTC was clear that “appropriately tailored [non-disclosure agreements] or [training repayment agreements]” are permissible under the final rule, but warned that overly broad

agreements of these types are prohibited if they functionally prevent workers from obtaining other employment in the industry or starting a competing business. The final rule is inapplicable to any non-compete entered as a part of a “bona fide sale of a business entity,” a person's ownership interest in a business entity - or all or substantially all of the operating assets of a business entity. In other words, non-competes entered into as part of a Dental Practice sale will still be enforceable.

There will be legal challenges to the final rule, but Dental Practices need to consider the impacts the final rule will have on their current agreements, and take steps to comply with the rule should it become effective. Preparation for complying with the final rule includes identifying all current and former non-compete agreements or broad confidentiality, non-solicitation, or repayment agreements or similar agreements. From there, Dental Practices should work with their attorneys to analyze which workers are required to receive notice under the final rule and prepare a process for ensuring that notice is provided. Dental Practices may also want to consider whether less restrictive alternatives—such as confidentiality and potentially lighter non-solicitation agreements—should be implemented to address the potential loss of a non-compete agreement.

For more information on the FTC ban of non-competes and Minnesota's non-compete law, feel free to contact Patrick J. Cole at pcole@lhdl.com or 952-896-3263.

HAVE A GREAT SUMMER!



OUR TEAM IS YOUR TEAM!

Advanced Practice

MANAGEMENT and TRANSITIONS