

ADVANCED

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BULLETIN



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DENTAL DOW 2024 WRAP-UP:

For the mature area practices sampled in 2024, Practice **Production** was up **6%** and **Collections** were up **5.5%**.

There was a small increase in Exams (1%). New Patients were up about 2%. Most of the gains came from the Production per Exam which is a function of fees and case acceptance. Crown & Bridge was up about 5%.

There was slightly less open time in the Doctors and Hygiene schedules. Hygiene schedules remain tight. Staffing is limiting the full potential of some practices.

DOCTOR, IF YOU ARE WITH ONE OR MORE OF THESE PPO'S, CHANCES ARE YOU CAN ADD THOUSANDS OR TENS OF THOUSANDS TO YOUR BOTTOMLINE NEXT YEAR:

- Aetna
- MetLife
- Cigna
- Delta PPO
- Umbrella Groups such as Connection, Premier PPOs, Dentemax, etc.

For example, many of you are with umbrella groups such as Premier PPOs, Connection, Careington, Dentemax, etc. Many dentists are not aware that these umbrella groups have a lot of overlap in the plans they carry (e.g., MetLife, Aetna, etc.). And if you are with multiple umbrellas, whatever group pays you the **least** is what you'll get. So, it certainly doesn't make sense to be with multiple umbrella groups – you want to be with the best paying one! Sometimes they can be pushed. A

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lot of doctors are *unnecessarily* losing tens of thousands of dollars off their bottom line by just not paying attention to this.

We have successfully helped doctors evaluate and transition every plan mentioned above and more. These PPO plays can help do more for your bottom line than practically anything else you can do. The additional revenues will sure help in keeping up with staff wages and other expenses. No smart owner can afford to let another year go by without at least checking this out. We can show you the risks and rewards of pushing back or cutting back on PPOs.

Call (952-921-3360), Text (952-228-9486) or Email (Bill@AdvancedPracticeManagement.com) Bill Rossi to discuss.

THE HIGHER PURPOSE OF PRACTICE MANAGEMENT & COACHING:

Whether or not a patient returns for their continuing care visit, keeps their appointment, goes ahead with the recommended treatment, is diligent with home care, understands, values and goes ahead with treatment, all have to do more with your team's behavioral and communication skills than it does clinical techniques, medicine, or technology. Yet most offices do not systematically work to improve these skills as much as they keep up with technological advancements.

The latest in dental technology or procedures are not the biggest factors in how much care you deliver and how comfortable that can be for you and your patients. The management of your team's time and talents as well as your facility, technology, and schedule really matter. Quality dental practices are much en-

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.



hanced with quality coaching for systems, semantics and accountability. In fact, everything that helps the patients become healthier and have a better experience, helps the practice become more prosperous.

DOCTOR, DROP ONE PPO IN 2025 AND GAIN A MONTH'S WORTH OF INCOME:

Assume a practice does \$100,000/month of which \$10,000 (10%) is a PPO. They write off 40% on this PPO production so they are collecting \$6,000. They go through a transition and keep at least 60% of their PPO patients (a good bet if they do it right), and they break even. Then they have opened up capacity, which even if they refill it at 75% collections, that adds three points more per month to the collection percentage – about 36 points for the year. **Or, about the equivalent of one month's income.**

SHORT STAFFED? YOUR WEBSITE IS A RECRUITMENT TOOL!

Many practices we work with are earnestly searching for hygiene or assistant help. The pickin's are slim! It's important to note that however you advertise, one of the first things a candidate will do will be to pop onto your website. Post pandemic, we've seen that most offices' websites have been neglected. They don't have current pictures, and the graphics may be dated. We are starting to see, and we do foresee many websites will have a "Recruitment" page or "Join Us" page. Maybe including testimonials from the staff about what a great place it is to work there.

Even if you are busy and it's hard to get new patients in, you need to keep your website up to date. It's an important part of your presence and credibility with existing patients as well as new ones.



COMMON SENSE MEANS NOT USING COMMON RULES OF THUMB WHEN IT COMES TO PRACTICE VALUATION:

Matt Lahn Most of you have heard of common rules of thumb regarding practice valuation. Practices are worth 60%-70% of collections, 1.5 X Net, 4 X "CAP Rate," etc. While each of these, along with other factors, are important in reaching a valuation, relying on just any one or two of them could cost you a lot!

Be careful not to rely on "rules of thumb" for Practice Valuation. Many businesses accept rules of thumb, which are used to gain a quick understanding of what the business might be worth. Rules of thumb are generally broad guidelines. Relying on these rules alone, you could be leaving thousands of dollars on the table.

The closer you are to actually selling the practice, the more the "rules of thumb" can hurt.

We've seen occasions where a doctor shares with a potential

partner associate what they think their practice is worth simply based on rules of thumb methods. That value then gets locked into the associate's head as the true practice value. When the doctor has the formal appraisal done, and the value comes out higher, it can be hard to get the associate to embrace the true value of what the practice is worth.

For a practice in Wisconsin where an advisor's "rules of thumb" said the practice was worth \$750,000, the Doctor was happy to receive a \$750,000 offer from a buyer. However, when the appraisal I recommended was done, it came out to \$1,000,000 and the buyer came up. So, if this Doctor had just relied on the "rules of thumb," it could have cost him \$250,000. He's not the only situation like that we've seen.

So, when it is time to start your transition plan it should begin with a formal Practice Appraisal.

APM Transitions is unique because of our "Renewable Appraisal." For 1 fee, you get 2 appraisals: One now, to help in planning, and one later when you are ready to transition the practice. These are complete formal appraisals that you can literally take to the bank (not just "rule of thumb" estimates).

If you have questions and are curious about the value of your practice, call (952-921-3360), Text (952-228-9486) or Email (Matt@AdvancedPracticeManagement.com) Matt Lahn to discuss.

ANNUAL GOAL SETTING:

You'll do better with written goals. It's that time of year again! Please take time to review the past year and outline your goals for the coming year. It doesn't have to be just about numbers. It can be projects you want accomplished, purchases made, staffing, etc. Please see the enclosed outline.

If you'd like, share your goals with us, we will put the statistical targets in your "Manager Report" for monthly reference. We define our work with clients as, "Helping practices set and reach their goals." And, our basic premise is that good management helps great practices be better!



OUR TEAM IS YOUR TEAM!

Advanced Practice

MANAGEMENT and TRANSITIONS

YOUR 2025 GOALS AND PROJECTS WORKSHEET

Dr. _____
(Send us a copy too if you wish)

- 1) What did you feel best about accomplishing in 2024?

- 2) What issues and concerns are you currently facing in your practice?

- 3) What would you like to see happen in 2025 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