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Spring 2014

Dental Practice Success Vol. 1 No. 1

American Dental Association, Publishing Division

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American Dental Association, Publishing Division, "Dental Practice Success Vol. 1 No. 1" (2014). *Dental Practice Success*. 2.

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PRACTICE facts

184,340

DENTISTS IN CLINICAL CARE, U.S.

193,300

TOTAL DENTISTS WORKING IN DENTISTRY, U.S.

28.7 years

AVERAGE AGE OF U.S. DENTAL GRADS IN 2013

45,682

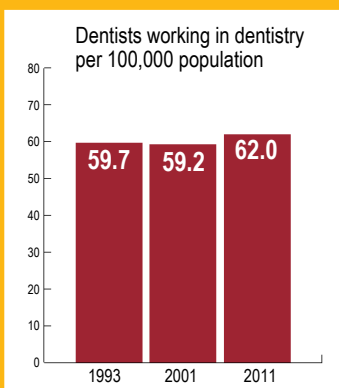
23.6 percent of dentists WOMEN IN DENTISTRY

147,618

76.4 percent of dentists MEN IN DENTISTRY

68.3 years

AVERAGE RETIREMENT AGE IN 2010



Source: ADA Health Policy Resources Center

DentalPracticeSuccess

VOL. 1, NO. 1 YOUR GUIDE TO A HEALTHY PRACTICE

The Center is here for you!

ADA Center for Professional Success
A ready resource for Association members



ADA
Center for Professional Success™

The ADA's Center for Professional Success Success.ADA.org offers dentists a wide range of resources and information to help them succeed as dental practitioners and small business owners.

Among other features, the Center offers:

- ▶ financial calculators to factor loan payments and overhead expenditures;
- ▶ in-person and online practice management education;
- ▶ ergonomic tips;
- ▶ patient communication strategies;
- ▶ dental benefit resources;
- ▶ information on buying, selling a practice;
- ▶ marketing materials to recruit, retain patients;
- ▶ staffing tips.

Members can take a virtual tour of the Center website and use the Ask the ADA feature to pose practice management and wellness questions to ADA staff.

For full story, see ADA News www.ada.org/news/9442.aspx



“We have an opportunity to really make a difference with the practice lives of our members and to provide a platform for assistance with education, lifestyle and practice management. I'm excited about this new benefit for members.”

—**Dr. Charles Norman**,
ADA president, on the Center for Professional Success

Boosting production in the ‘new dental economy’

Three steps toward improved practice performance

By Roger P. Levin, DDS

Dentistry was once believed to be recession-proof. That assumption was put to rest by the recent recession, as the majority of dental practices have suffered production declines during the last five years. Many practices are still struggling with little or no growth. A decade ago, such a scenario would have been almost unthinkable.

Since 2008, our profession has undergone dramatic changes, which have resulted in a new dental economy—one distinct from the U.S. economy or global economy. To succeed in this new economic environment, new business skills and knowledge must be learned



so that dentists can manage their practices more effectively than in the past.

Over the last few years, I have lectured extensively on the topic of the “Eight Permanent Game Changers.” I will touch on only

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Shifting dental care utilization

Selected findings from ADA research

By Marko Vujcic, PhD
 Managing Vice President
 ADA Health Policy Resources
 Center

It is a critical moment for dentistry, a time for the profession to define its destiny. This is the main conclusion from a comprehensive, forward-looking environmental scan done by the American Dental Association and titled “A Profession in Transition: Key Forces Reshaping the Dental Landscape.”

One big factor that’s important for practicing dentists to consider is that dental care utilization patterns are changing dramatically in the United States. In a series of publications from the ADA’s Health Policy Resources Center, the HPRC recently looked at national and state utilization patterns over the past decade and uncovered some important trends.

First, we found that the pattern of dental care utilization over the past decade was very different for adults compared to children. The percent of adults with a dental visit in the last 12 months decreased from a peak of 41 percent in 2003 to 37 percent in 2010. For children, those with a dental visit in

the last 12 months increased from 42 percent in 2000 to 46 percent in 2003 and roughly held steady through 2010. A key finding was that the decline in dental care utilization among adults began in 2003, well before the start of the recent economic downturn. This is about much more than the Great Recession.

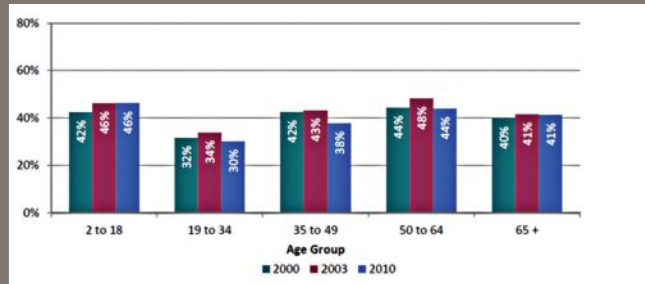
Second, the HPRC found that while adult dental care use is declining most among the poor, it is actually falling for all income groups. Utilization declined for middle-income adults from 38 percent in 2003 to 34

percent in 2010, and for higher income adults from 54 percent in 2003 to 51 percent in 2010. This is clearly not just a low- or middle-income adult issue.

Third, in separate analysis, we show that these national patterns are very consistent across the states. In fact, dental

One big factor that’s important for practicing dentists to consider is that dental care utilization patterns are changing dramatically in the United States.

Figure 2: Percent of the population with a dental visit in the past 12 months for select age groups, 2000-10



Source: Medical Expenditure Panel Survey, AHRQ. Note: Decreases from 2003 to 2010 are statistically significant at the 10% level for age groups 19 to 34, 35 to 49 and 50 to 64.

care utilization among low-income children increased during the past decade in 47 of the 50 states. Research we are now completing shows that the main driver of the decline in utilization among adults and the increase in utilization among kids is shifting dental benefits. Basically, more and more children are covered by some form of dental benefits (mainly Medicaid), while more and more adults are finding themselves uninsured for dental care.

What about the future?

This is where things get tricky. There are a couple of important developments to consider. First, the Patient Protection and Affordable Care Act will expand dental benefits for children. Pediatric dental benefits are one of 10 essential health benefits mandated by the law.

Our analysis shows that up to 8.7 million kids will gain extensive dental benefits because of health reform. About one-third of these children will gain Medicaid coverage, and two-thirds will receive private dental coverage.

For adults, there is very little change expected in dental benefits patterns because of the Act. Only about 5.3 million adults are expected to gain extensive dental benefits, almost all of this through Medicaid expansion in states that provide extensive

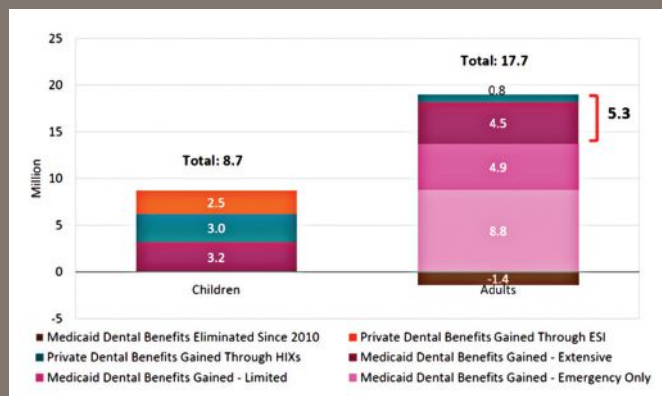
adult dental benefits in Medicaid (examples: New York, North Carolina). In a nutshell, the trend toward increased access to and utilization of dental care among children is very likely to continue. For adults, however, nothing in the Act will reverse the current decline in dental benefits coverage and utilization.

The second thing to consider is the aging of the population. Our research shows that dental care use among those 65 and older is holding steady. On a per-patient basis, this age group also spends the most on dental care—\$796 in 2010, a large portion of it out of pocket. Per-patient spending levels for seniors also are on the rise. Given that there will be a lot more people in this age group as the U.S. population ages, seniors are going to become an important driver of the dental care economy.

The good news is that the increase in dental care use and spending among the young and the old is likely to continue. The troubling news is that among working-age adults, particularly young adults, there is a downward trend that is unrelated to the economy. This is something the HPRC is currently studying in much more detail.

To access more information and read the full reports, visit the Health Policy Resource Center at <http://www.ada.org/1442.aspx>.

Figure 1: Number of children and adults gaining benefits through the ACA, by Source of Dental Benefits (millions)



Source: Milliman, Inc. Analysis commissioned by the ADA; Analysis by the ADA Health Policy Center.

Inside-out marketing

Four steps toward a stronger practice

By Linda Miles

In his book, "In Search of Excellence," Tom Peters, a world-renowned author for Fortune 500 companies, says, "Businesses in this country are failing miserably as they are spending millions of dollars to market and advertise ... yet they haven't spent a nickel training their employees how to treat the customer who calls or walks through the front door."

Thankfully, dentists have done a better job of this through continuing education for their entire team than perhaps other businesses we all do business with. Yet there are still dental practices that are wasting marketing dollars left, right and center.

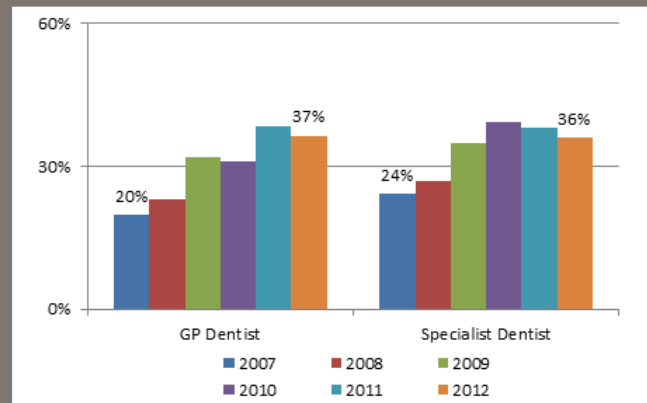
Marketing is a system just like all other management areas of the practice. For years, I have taught clients and audiences these four easy steps toward having the greatest results.

You can be the greatest clinician in dentistry. But if you don't have the customer service that exceeds every patient's expectation, you are throwing a lot of time and money to the wind.

1 A practice must decide on what would be a healthy number of new patients by examining several factors.

- ▶ How many active patients do you have now, and how many do you need? (A healthy number of active patients that a solo dentist can care for = 1,500 to 2,500).
- ▶ How many operatories and dental team members do you have to care for the patient base?
- ▶ Do you practice in a highly mobile/transient area such as one with military bases that move people in and out frequently? If so, that will require a higher new patient need.

Percentage of dentists in private practice "not busy enough," 2011



Source: American Dental Association, Health Policy Resources Center, 2012 Survey of Dental Practice.

▶ Where are you in your practice life cycle? What constitutes a healthy number of new patients depends on the age of the dentist. The majority of patients in the central file are likely to be the same age as the senior dentist. If he or she is 65 to 70 years old, many patients also are about that age and may be in declining health. This practice needs an infusion of younger patients, which typically happens by bringing in a younger dentist or dentists.

2 **The practice needs a marketing budget.** How much are you willing to invest monthly in making the telephone ring (external marketing)? And how much are you willing to invest in keeping patients in the practice for three or more generations (internal marketing)? Again, that figure will be determined by the number of new patients needed. The more you need, the more you must invest. A healthy number of new patients could be 12-15 for an established solid practice; you may need 25-40 new patients (per dentist) if you

are a start up with only 500-700 patients in the active files. Another factor is how many patients do you retain? If your recall number of patients remains the same or declines, this means new patients are coming in the front door but more active patients are going out the back door. Unless you are actively contacting patients to discover why they're leaving the practice, you will continue losing patients.

3 **Establish a marketing committee.** Your practice administrator is typically the chair of this committee of four. Ask for volunteers to work on the committee, targeting the most creative and goal-oriented staff—one person from the hygiene department, one from clinical assistants and one from administrative. The dentist/owner always approves the marketing budget, typically 2-4 percent in a stable or solid practice; 4-6 percent of monthly collections in a practice that needs 25-40 new patients; and 6-8 percent in a specialty practice that depends on GP referrals. The doctor/owner also approves the marketing projects.

MARKET Buzz

Notes on recent economic developments

4 The marketing budget should be divided into 25 percent external and 75 percent internal, which means most of those marketing dollars are spent on projects to make patients you already have become raving fans.

Create a pleasing environment of total comfort. Have a monthly "Patient Appreciation Day" where each patient that day leaves with a \$5 to \$10 gift that says: "We appreciate you for being a patient and for referring your friends and relatives to us."

Some practices have giveaways such as gift cards for keeping patients waiting more than 10 minutes sent the day after in a "Whoops!" card. Some send bereavement or congratulatory floral arrangements to patients, and some have gift cards that go to patients who refer other patients. NOTE: All practices must know their state dental practice rules on marketing and gifts for patients. In some states, it is considered unethical or against the dental practice act to gift anyone for anything! And with Social Media Marketing, you must also know the legalities of using Facebook or other means of SMM to gift those who respond to different marketing schemes.

Dentists also must be aware of federal anti-kickback statutes, particularly critical if the dentist sees patients under federally funded programs such as Medicare and Medicaid.

All in all, marketing is an inside job. You can be the greatest clinician in dentistry. But if you don't have the customer service that exceeds every patient's expectations, you are throwing a lot of time and money to the wind. ♦

Linda Miles is CEO of AskLindaMiles.com; founder and advisor to Miles Global and Speaking Consulting Network; speaker, author and dental business coach; Virginia Beach, Va.; 757-721-3125; lindamiles@cox.net; www.AskLindaMiles.com

Hopeful signs for U.S., global economies

Financial analysts are signaling cautious optimism for the U.S. and world economies in 2014.

"Few forecasters, if any, foresee a boom. Instead, they predict an economy that performs better in 2014 than it has for the past several years," David Wessel of the Wall Street Journal reported Jan. 1.

He quoted a WSJ survey that predicted unemployment, long stalled at about 7 percent, would fall to 6.5 percent by year-end—not a major bounce back, but the best it has been in nearly five years.

Mr. Wessel also quoted Charles Evans, president of the Federal Reserve Bank of Chicago, who predicted the U.S. economy would grow about 3 percent this year, which Mr. Evans said would make 2014 "the best year since 2005."

Among factors spurring this limited optimism were government revelations in December 2013 that third-quarter consumer spending and business investment had been better than expected, pushing growth to an encouraging 4.1 percent annual rate.

Blu Putnam of U.S. News & World Reports reported Jan. 15 that the U.S. economy appeared "poised for its best performance since the depths of the recession in 2008 and 2009."

He added, "After four years of modest recovery, the economy has mended from the injuries received during the financial panic."

Not all market analysts are quite so optimistic.

"My advice is to keep the champagne on ice," economist Stephen Roach said in a WSJ Capitol Report Jan. 28.

A former chair of Morgan Stanley Asia, now at Yale University, Mr. Roach said high

consumer debt and low personal savings rates continue to hamper the nation's economic recovery.

"Notwithstanding the Fed's claims that its unconventional policies have been the elixir of economic renewal in the U.S., the healing process still has years to go," said Mr. Roach.

Globally, a United Nations economic report released in mid-January predicted that world economic growth would proceed modestly in 2014 and 2015. The U.N. forecasted global economic growth of 3 percent this year and 3.3 percent next year.

In an article on the U.N. report Jan. 20,



the International Business Times said factors driving world economic improvement included the end of a recession in the euro zone, a U.S. economic recovery and "exaggerated fears of an economic slowdown in China."

U.N. economists cautioned, however, that U.S. monetary policy could affect growth and bears watching.

Judging by a Jan. 21 Associated Press report, the International Monetary Fund appears as cautiously optimistic about the world and U.S. economies as do U.N. economists.

The global lending organization predicted the world economy will grow 3.7 percent in 2014, while the U.S. economy will grow 2.8

See BUZZ, page 13



Five essentials for results-oriented meetings

By Virginia Moore

Is there any reason to take time from patient contact to have a meeting that doesn't forward the success of your practice? Of course not! However, it happens too frequently that dental practices set aside time for meetings that are non-productive, boring gripe sessions that don't solve practice problems and don't add to the productivity and profitability that is essential to the health of the practice.

Here are five essential elements to "jump start" your meetings so that not only will everyone want to attend, you'll also see results.

1 Use an agenda Post an agenda form in an area that each team member frequents daily. Encourage each and every person to post items for discussion. For example,

- ▶ Unfilled hours in hygiene schedule are increasing
- ▶ Should we consider a new insurance contract?

▶ The coffee grounds aren't being cleaned out of the coffee pot!

That's right, even something that seems as mundane as coffee grounds must be put on the agenda for discussion and resolution. It's often those mundane issues that can be the "straw that breaks the camel's back." As the leader, encourage discussion of issues that are important to the team.

2 Designate a rotating schedule for Facilitator and Recorder (and it's not you!) Each team member will have the opportunity to serve as Facilitator and Recorder for your meetings. This will raise the engagement level as each person shares responsibility for making the meetings a productive and results-oriented investment of time.

3 Focus on solutions, NOT a "gripe" session This is where many a meeting has gone off course and created ill-

will that can seriously damage the ability of a group to work together as a team.

Involve your team in the solution. Once people are engaged in the solution, they tend to "own" it and see it through.

One of the biggest complaints team members have about meetings is the negativity and blame that can occur. Establish a firm expectation that meetings are to seek solutions, not assign blame or create drama.

Let's take an agenda item such as "the coffee grounds aren't being cleaned out of the coffee pot." This item has the potential for turning into a gripe or blame session; however, it is an issue that needs resolution for all to work well and respectfully together.

Instead of focusing on who left the grounds, or why they

left the grounds, turn the focus to solutions: "We all enjoy having a cup of coffee as we start our day here, so would everyone agree that we want to keep the coffee pot available?"

Positively state that it's something most or all want to see continued: "So that we can all enjoy coffee and skip any frustrations around the coffee grounds, what are your ideas on how to get the grounds taken care of?"

Involve your team in the solution. Once people are engaged in the solution, they tend to "own" it and see it through.

If the discussion starts to wander into blame, firmly bring it back to solution: "Kim, I know this is frustrating and that's exactly why we are investing time to resolve it. What ideas do you have to make this run smoothly?"

Don't let a "pot stirrer" take off with the agenda and create ill will.

See *MEETINGS*, page 8



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MEETINGS

Continued from page 6

4 All team members attend Yes, everyone! Even the “part-time sterilization person.” The more involved each team member is, the better opportunity each has to contribute to the practice success. Consider alternating the meeting date to include hygienists who may not all work in your practice on the same days. Flexibility is key in creating a meeting schedule that maximizes the number of team members who can be in attendance.

5 Create an Action Plan Conclude your meetings with an Action Plan that takes all that discussion and decision making and puts it into a format for completion and accountability.

Three simple steps: What will be done (make this as specific as possible); by whom (have team members volunteer to take responsibility to take specific actions) and by when (the person or persons volunteering establish a due date for completion).

Begin your next meeting by reviewing the Action Plan from the previous meeting. Your team will support this process as they have the chance to see their accomplishments and the progress that has been made from one meeting to the next.

You, Doctor, are the most important factor in successful meetings. When you follow and encourage these five elements, draw out ideas from your team and celebrate their accomplishments, you set the example for your team to emulate. Here’s to enhancements in your meetings that lead to greater practice success. ♦

A member and past president of the Academy of Dental Management Consultants, Virginia Moore is a coauthor of eight books in practice management and a long-time contributor to many dental publications. She can be reached at vmoore@thepracticesource.com; 530-527-9457.

Using digital photography for patient education

By Gary Takacs

We are all familiar with the saying, “A picture is worth 1,000 words.” This concept is especially true when it comes to helping patients understand the condition of their mouth. This article will provide specific recommendations on how to develop a simple system to use digital photography for patient education.

In order to incorporate digital photography in a busy practice, the system must be simple. These six photos (left) will provide you and the patient with valuable visual information:

I recommend that you ask your assistant or treatment coordinator to take these photos for two reasons:

▶ Having a team member take these photos, frees the dentist to leverage his or her time with another patient while the photos are being taken.

▶ Patients often will be more likely to open up and talk with your team member about any concerns they have with their smiles.

A great way to train your team members to take these photos is to do an in-service exercise during a lunchtime team meeting by practicing taking the photos of other team members. After taking a few of the photo series of existing team members, they should be ready to start taking patient photos.

Once your team members have taken these patient photos, load them onto an ipad to display them for the patient. You will need a photo card reader to load the photos onto the ipad. While most dental offices have a computer monitor in the treatment room that could be used to display the photos, the reason I like to use the ipad is that it turns the experience from a “passive” to an “active” experience. By looking at the photos on the ipad, the patient can zoom in to view any area of interest. We’ve found that patients are often keenly interested in seeing the condition of their teeth.

Before reviewing the photos with the patient, try a little theatrics to set the stage. Consider the following statement from your assistant or treatment coordinator:

Dental Assistant: “Bob, you might remember that I took a series of photos earlier in your appointment. I have loaded the photos here on this ipad. I need to get some things ready for the next patient, but while I am doing so I’d like you to look at these photos. While you are looking at the photos, please make a mental note of anything you’d like to review with the doctor and I will make sure the doctor covers any questions or concerns you have.”

Then leave the patient alone in the treatment room to review the photos. We’ve found that the opportunity to look at the photos in private, without anyone looking over their shoulder, often creates profound patient interest in the condition of their teeth. For many patients, this is the first time they’re seeing their teeth in the way that we see them. Once the dental assistant and dentist come back into the treatment room, the patient often points to concerns or asks questions they have about their teeth.

Consider incorporating this simple system to use digital photography for patient education in your practice. By doing so you’ll be guiding your patients to take greater interest in their teeth and oral health. The end result will be more patient interest in comprehensive care and improved case acceptance. You’ll likely find that a picture is worth much more than 1,000 words! ♦

Gary Takacs produces “The Thriving Dentist Show,” the No. 1 dental podcast on iTunes and is an often-requested speaker at dental meetings and conferences throughout the United States. He may be reached at www.takacslearningcenter.com



1 Head and shoulders with a natural smile



2 Close up of the smile with the patient holding cheek retractors (Ask patient to say the ‘E’ sound and open so you can see the incisal edges of upper and lower arch)



3 Upper occlusal view (using hourglass-shaped mouth mirror)



4 Lower occlusal view (using hourglass-shaped mouth mirror)



5 Right buccal corridor (using cheek retractor)



6 Left buccal corridor (using cheek retractor)

7

steps toward successful hiring

Never experience 'hirer's remorse' again

By Sally McKenzie

Staff: you can't live with 'em, and you can't live without 'em. Dentists shake their heads in frustration day after day as employees come and go. Some work out, but many don't.

Yet those you surround yourself with in your practice can and do make or break your success. Investing time and effort to build what is truly a "team" is indeed well worth it. Follow one key rule and a few essential steps to establish a well-structured system for hiring a lineup of strong performers, and never experience "hirer's remorse" again.

Remember one rule: Do not hire in a panic just to fill a position. Virtually, without exception these are the worst hiring mistakes that doctors make. Rather, create a clear hiring plan to ensure that when a vacancy occurs you will hire the best candidate for the position.

Take a moment to think about the type of person that you want working in your practice. We've found that the best employees have a few characteristics that make them more likely to succeed. They take responsibility for their performance. They enjoy finding ways to help the patients, the practice and their co-workers. They are self-motivated. They enjoy sharing their knowledge and experience with



others. They get the greatest satisfaction from performing to the best of their abilities, and they have a good quality of life outside of work.

You may get lucky and think you've found someone that you believe has these characteristics, but remember: people typically are at their best in the interview process. They want you to want them. You need to confirm that they will measure up. Follow these steps:

Step 1 Create a job description for each position, so you know precisely what you will need this person to do, and so applicants will be clear on what is expected on the job.

Step 2 Advertise effectively. Pay attention to which online job boards are the most effective and which

key points should be included in an effective employment ad.

Step 3 Establish a multi-level interview process, starting with the telephone screening. In the screening conversation, you want to find out: What is it about the position that appeals to the applicant. What are their salary and benefit expectations, and what is it that is prompting the individual to explore a new job. From the phone interview, you will have a list of applicants that you will invite for the face-to-face interview.

Step 4 Test those who are invited to interview in person. You want to determine who is the best fit for the position and your practice. Talent management testing is available online for dentistry. The computerized test measures

applicants against a profile of the "ideal" candidate for specific dental practice positions. It is a thoroughly researched hiring tool that is fully compliant with legal requirements associated with employee testing.

Step 5 The applicant should also be asked to complete a skills test that is designed specifically for the position. This might be part of a working interview in which a business applicant would be expected to perform basic math problems or an assistant may be asked to perform routine assisting duties.

Step 6 To help ensure success after the hire, assign a "practice liaison" to contact the employee to welcome her/him on behalf of the staff, to be available if the new hire has questions, and, if possible, to invite the new

See *HIRING*, page 10

HIRING

Continued from page 9

employee to lunch the first day. When the new employee arrives, ensure that the workspace is ready and she/he has necessary supplies to do the job, such as a computer, email account, passwords, etc. Order business cards and discuss the employee's upcoming training schedule.

Make the first day a positive experience. If possible, schedule a brief staff meeting to give the team the opportunity to welcome the new employee. Post a welcome sign in the break room along with bagels and fruit to celebrate the occasion. Take time to reiterate the vision and mission, and the importance of the new employee's job in fulfilling that practice mission.

Step 7 Provide ongoing feedback. Do not wait until a problem arises. Give praise often and clear direction daily. Do not assume that the employee knows how your office handles specific tasks even if she/he has past dental office experience. Continue to assess and provide training opportunities to fill skill gaps and enable the employee to reach her/his full potential.

Establish a clear and specific hiring strategy in your practice and enjoy the success that a team of top performers can create. ♦

Sally McKenzie is CEO of McKenzie Management, which provides management and marketing services to dentistry since 1980. McKenzie Management offers a full line of educational and management products, which are available on its website, www.mckenziemgmt.com. Ms. McKenzie welcomes specific practice questions and can be reached toll free at 877-777-6151 or at sallymck@mckenziemgmt.com.

Dental office discounts

We all pay the price when free isn't really free

By Tom Limoli

For years, the dangerously unknowing have said, "But physicians do for-insurance-only, so it must be OK." Nothing could be further from the truth. Fee forgiveness is fee forgiveness, and the undisclosed waiver of co-payment is a crime of fraud.

Don't get me wrong or try to read something between the lines, there is nothing wrong with giving a patient a discount. It is the prerogative of any health professional. There are, however, two things that must be considered when doing so:

▶ In cases of third-party involvement, where someone other than the patient is involved with reimbursement, that third party must be informed as to the patient's true out-of-pocket expense.

▶ In many doctor-provider contractual arrangements, discounts may not be allowed, regardless of special considerations, without written consent of the contract holder.

Dentists must learn to identify certain practices that could constitute fraud and abuse. Such practices can result in harsh punishments and/or penalties for dentists who commit them. The following will focus on some of these questionable or altogether fraudulent acts, and advise dentists on ways to avoid them.

The term "abuse" refers to certain activities of dental providers that are not usually considered fraudulent but are inconsistent with accepted dental principles. Under some circumstances, abuses may develop into fraud.

Fee Forgiveness

Fee forgiveness is a type of fraud committed when a dentist fails to report a discount on a claim submitted to a third party. Most traditional benefit plans have deductibles, copayments and coinsurance provisions. These cost-sharing features are designed to increase employee and patient awareness of health-care costs by requiring them to share in those costs.

Some providers reduce the fees charged a patient, either on a percentage basis or by a flat amount. For example, the provider may give a discount when the patient pays the entire bill in cash at the time of treatment. The doctor "rewards" the patient for immediate payment, and the patient is then free to seek reimbursement from the insurance company. The dental office may even assist the patient by filing the claim electronically. However, the patient and dentist *must* inform the third party that the total bill was discounted.

It is fraudulent to discount what is assumed to be the patient's portion and not notify the indemnifier as the third party's liability is based on the patient's financial participation. The doctor has no right to increase that exposure to liability by accepting a discounted rate from the patient while misleading the third party to pay out at its normal rate.

Some providers offer reduced-cost dental care by accepting the carrier's payment as payment in full—that is, they waive the patient's copayment and/or deductible—thereby permit-

See DISCOUNTS, page 11

Attending Dentist
Check one:
 Dentist's pre-treatment estimate
 Dentist's statement of work

PATIENT SECTION
1. Patient name and last
4. Employee/contractor and mailing address
11. Is patient covered by:
Dental _____
Medical _____
14-a. Employee/supervisor (if different from patient)

I have reviewed the fee to this claim. I understand.

Signed _____

DENTIST SECTION
16. _____
17. Mail _____
City, State _____
18. Dentist _____
21. First visit current _____
Identify missing _____



DISCOUNTS

Continued from page 10

ting the patient to avoid participating in the cost of dental care. A dentist commits fraud by failing to inform the third-party payer—via the patient's insurance claim form—that the patient's copayment or deductible is being waived. This particular type of fraud is commonly referred to as "fee forgiveness" or "overbilling."

It is common practice for dentists to provide treatment to team members at a discount or at no charge. If, however, a dental office employee has dental insurance (for example, through a spouse's employment), the dentist commits fraud if he or she submits a claim for reimbursement at the practice's usual fees without informing the third party that treatment was rendered at a discount or at no charge.

Dental offices that participate in non-traditional contracted programs must understand that fee-discounting may be prohibited. In any case, all discounts must appear against the *total fee* (line #32) charged for a procedure.

Some dentists distribute coupons that, when presented by a new patient, will result in discounted or free services. When the dentist accepts the coupon, provides the discounted or free services, and then bills the insurance company the full fee from the office fee schedule, fraud has been committed.

To properly and ethically record a discounted fee, the usual fee from the office fee schedule should not be reported without notice of the discount in no way be reported. The claim form must accurately state what will be the patient's share in the cost of care. As a result the services listed on the claim are to be identified and billed as \$0.00

In all instances when the provider wishes to extend

a discount to a patient, the discount must be applied both to the individual line items on the claim form as well as at the bottom line total on the claim form. When the discounted charge is not reflected to the bottom-line total, we have an incomplete as well as inaccurate claim that is not reflective of the actual events and in most all jurisdictions will be considered the fruits of a crime.

Without specific contract knowledge, one cannot predict how much, if any, a carrier will pay. If the usual fee is \$100, and the patient copayment is being waived, a carrier may take the view that the patient has actually been charged \$80; they will thus reimburse the provider at 80 percent of \$80, or \$64. If the patient is not participating in the cost of treatment, some carriers may view this as a no-charge service to the patient. They will therefore pay 80 percent of \$0 (the cost to the patient). In the words of one carrier, "If (when) our insured is *not* asked to participate in the cost of treatment, we will likewise decline."

The amount the insurance company will pay should never be a consideration when a provider files a discounted claim. The dentist should always state the usual fee from the office fee schedule. By informing the carrier that the patient's level of participation is being reduced, the fee-for-service provider is delivering reduced-fee dentistry in an ethical, professional manner. ♦

Tom and Penny Limoli of Limoli & Associates specialize in providing U.S. dentists with dental insurance reimbursement information. They can be reached at P.O. Box 899, Arlington, Tenn. 38002-0899; 1-800-344-2633; www.limoli.com

BOOSTING

Continued from page one
three here, including consumer reluctance to spend money, decreases in insurance reimbursements, and a significant increase in competition among dentists. Some of the reasons for the new competitive dental marketplace include a larger number of dental graduates, the expansion of dental service organizations and older dentists postponing retirement.

Today, dental practices can no longer operate as they did in the past, when there was greater patient demand for dental services from a limited number of dentists. The days of automatic growth are over. Dentists now must use real-world business techniques to improve the performance of their practices.

Fortune 500 companies invest billions in creating and duplicating “best models.” Dental practices obviously lack those types of resources, and most offices struggle to create

effective methods for operating the practice as a business. To be successful in this new dental economy, dentists must understand the importance of best models and how they enable practices to increase production and profit despite the

challenges posed by the Eight Permanent Game Changers.

As the business of dentistry continues to evolve, it becomes imperative for dentists to increase their understanding of how to run their practice as a business. In this new competitive environment, dentists who improve their business skills will have a clear advantage at owning and operating a successful dental business.

Levin Group has identified three proven business techniques that can help dental practices accelerate production in the new dental economy:

To succeed in the new dental economy, dentists need to develop real-world business skills that will improve practice performance.

Set clear targets

Targets are metrics that measure performance. An example would be having 98 percent of all patients scheduled at all times. This motivates team members to build value for hygiene care and encourage patients to schedule their next appointment while still in the office. This target will lead to more patients remaining active and increased levels of diagnosis and treatment. A dental practice should have approximately 20–25 targets including:

- ▶ production
- ▶ overhead
- ▶ case acceptance
- ▶ no-shows/last-minute cancellations
- ▶ collections

Establish documented systems

All highly successful businesses have documented, step-by-step systems. Dental practices often have operated with less than efficient systems but were able to create sufficient production and profit to satisfy the dentist. Today, this is becoming increasingly challenging. By building systems to achieve specific targets, dentists can improve operational performance and begin creating the kind of practice they have always wanted. Some of the major systems that should be addressed include:

- ▶ production
- ▶ scheduling
- ▶ internal marketing
- ▶ patient financial management
- ▶ practice financial management
- ▶ staffing
- ▶ customer service
- ▶ case presentation
- ▶ hygiene production

Each system needs to be delineated step-by-step to ensure effective team training. If targets are not being achieved, then the systems need to be adjusted.

Implement ‘Value Creation Scripting’

In the past, scripting was designed to improve the team’s ability to communicate to patients. “Value Creation Scripting” is a concept that focuses on the team’s ability to educate and motivate patients. Teams that can motivate potential patients to schedule appointments, show up on time, keep appointments, refer others, etc., will perform better than other offices. These are the practices that will continually increase production and profitability, which are crucial elements to creating an outstanding career and excellent quality of life.

To succeed in the new dental economy, dentists need to develop real-world business skills that will improve practice performance. No longer can dentists simply open a practice and expect to be successful. Today, dentists need to run their practices like efficient businesses, and these three business techniques—setting targets, creating systems and implementing value creation scripting—will help dentists do just that. ♦

Dr. Levin is founder and chief executive officer of the Levin Group, 10 New Plant Court, Owings Mills, Md. 21117; email: rlevin@levingroup.com. Readers also can connect with the Levin Group via Facebook and Twitter (Levin_Group).

BUZZ

Continued from page 5

percent this year. Despite signs of improvement, however, IMF chief economist Olivier Blanchard insists that “much work remains to be done” as the slow recovery proceeds.

Cost as a barrier to dental care declines

After a decade of rising financial barriers to dental care, the percentage of the population reporting cost as a barrier to care declined from 2010 to 2012, the ADA Health Policy Resources Center reported in a research brief.

Citing results from the National Health Interview Survey (National Center for Health Statistics), the research brief explored barriers to care in four health care categories: prescription drugs, dental care, mental health services and eyeglasses.

Specific to dentistry, “the percentage [of the population] indicating cost as a barrier for dental care increased from 8.1 percent in 2000 to 13.5 percent in 2010, followed by a decline to 11.5 percent in 2012,” the HPRC brief noted.

As possible explanations for falling financial barriers to dental care, the research brief cited the economic recovery, a flattening of prices for dental services and recent increases in public health insurance coverage.

To analyze the dental marketplace and generate its reports, HPRC draws on an interdisciplinary team of health economists, statisticians and analysts with expertise in dental policy research. These experts also collaborate regularly with researchers in academia, the dental industry and consulting firms.

For more information on the center, go to hprc@ada.org.

Banks loosen up on lending

As a sign of economic improvement, big banks have started to loosen their grip on lending, opening the door to increased consumer and business borrowing.

Reports released out of the U.S. and Europe showed that banks are “slowly starting to increase their appetite for risk,” the Wall Street Journal said Jan. 31.

Quoting the U.S. Office of the Comptroller of the Currency, the newspaper said banks had relaxed the criteria for businesses and consumers to secure credit during the 18 months leading to the end of June 2013.

In addition, the European Central Bank said fewer banks in the euro zone were reporting tightened lending standards to non-financial

businesses in the fourth quarter of 2013.

“Fueling the loosening is a rosier economic picture, competition for a limited pool of loans and a sustained low-interest-rate environment that has banks reaching for returns,” said the WSJ reported.

Yellen takes the helm at the Fed

As Ben Bernanke stepped aside after eight tumultuous years, Janet Louise Yellen took the reins Feb. 1 as the 15th chair of the Board of Governors of the Federal Reserve System.

A native of Brooklyn, N.Y., who earned a doctorate in economics from Yale University



Janet Yellen

in 1971, Ms. Yellen is the first woman to lead the central banking system of the United States known informally as the Fed.

As she took office, experts were predicting that her first challenge would be to guide a tightening of U.S. monetary

policy. Others also agreed that she was taking charge at a positive moment—with “inflationary pressures subdued and the U.S. economy finally in an upswing (occasional stock-market gyrations notwithstanding),” as Phillip Swagel of the New York Times put it Jan. 28

“The difficult part for Ms. Yellen is that she faces a new set of challenges involving not just monetary policy but also broader questions regarding the role of the Fed in the nation’s economy and political system,” wrote Mr. Swagel.

The Federal Reserve was established in December 1913 as the nation’s response to a series of financial panics, including a severe panic in 1907. Later on, events such as the Great Depression witnessed a substantial broadening of the Fed’s roles and responsibilities.

More recently, the financial crisis of 2008 led the Federal Reserve, under Mr. Bernanke, to adopt controversial emergency programs intended to encourage lending and restore confidence in banks.

Most memorably, at the height of the crisis, the Fed persuasively persuaded Congress to approve a massive \$700 billion bank bailout fund.

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