

# SPECIFIC STEPS TO SURVIVE AND THRIVE IN A PPO ENVIRONMENT

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### WHEN THE PAIN IS ENOUGH, CHANGE WILL OCCUR!

Dentistry is dramatically going PPO, multi-doctor, and corporations. Eleven PPO plans are sold for every Indemnity plan. 85% of dentists or greater are in-network, and increasing. Overheads are rising, as solo shifts to multi-doctor practice. For many, new patient flow is declining. This is the future – do you have a plan? Or, are you drifting?

### QUICK ASSESSMENT OF THE PRACTICE - YOUR WAKE UP CALL TO ACTION:

- Look at your new patient count and collections for each of the past five years
  - *WHAT IS THE TREND of each? Up or down? Down is probable!*
- How far out is the doctor booked solid? This indicates the overall health of the practice!
  - *Ideal is 1.5-2 weeks solid; acceptable is 1.0 to 1.5 weeks solid; below 1.0 week solid signals big trouble*
- If the new patient percentage downward *exceeds* the collections downward, then the practice is “living” off recall and collections will follow after a couple years.
- What is your treatment plan acceptance rate? A healthy practice should be getting a 75% or higher rate. Anything lower means finances are getting in the way or your patients do not understand the urgency of the treatment presented.

### FUNDAMENTAL THINKING FOR A WINNING VISION AND PHILOSOPHY:

- Deal from power not weakness – this is fundamental. Spend NOW while you have the money and cash flow to make essential change before your practice tanks, and it is too late.
- The doctor and staff **MUST** lose their sense of entitlement – there must be a change in doctor leadership and thinking about the practice to survive and thrive. Will staff (or doctor) like change? Absolutely not! Among many changes, it may require a change in working hours. Meet with staff and communicate the urgency of the challenge (PPO/corporate/solo to group trends).
- The doctor may have to work longer hours and harder even to maintain current income.
- Must put the practice first and properly capitalize it, just like the corporations do – not let personal spending issues influence it. You must build optimum practice infrastructure. Reasonable salary “draw”, and 5% of gross practice revenues retirement savings are built into the practice expenses.
- Must mimic the good business practices of corporations while avoiding the negative
- Must spend money to make money – you must upgrade your practice and cover ALL the bases to thrive.

- Remember -- every new and hygiene patient is precious and will refer others if treated well and encouraged.

### **LIST OF REQUIRED CHANGES TO THRIVE IN THE FUTURE:**

- Must see children and emergencies—this is essential. A 30 minute child checkup’s dollar-per-hour cash flow cannot be beat. Incorporate topical fluoride varnish and sealants in preventive services.
- Get training in simple surgical extraction procedures, and combine with socket augmentation procedures to ensure success with future implant sites.
- Get comfortable with one rotary endo system, and start slow by treating anteriors, and moving to more complex root systems once proficiency is obtained.
- Switch to ceramic crowns as the rest of the profession (lower cost) – consider CAD/CAM with 15-20 crowns a month—consider digital impression with less units per month. Ask lab for preferential fee schedule if you increase case numbers to that lab.
- Answer phones on Friday -- don’t miss a couple new patients per week – adds up
- Intraoral camera in every operatory.
- Provide caries detectors at least in the hygiene operatory – will enhance one surface composites.
- Must do same day dentistry (generates 10-15% or more of daily revenues not on today’s schedule. You must have a Morning Huddle.)
  - Requires un-booked operatory. Emergencies **always** seen on the same day to triage.
  - CAD/CAM in operatory (purchase where the ROI is positive)
- *Same-equipped* operatories will maximize efficiency (the minimum are the doctor and un-booked operatories—hygiene would be ideal). Save money with cordless curing lights.
- Digital x-ray is essential. Compatibility with current dental software is a must. Must have encryption to send to various offices or patients.
- Select a dental dealer knowledgeable in the “business of dentistry”. Give them 100% of your business and have them design a customized formulary supply list, and include priority service calls.
- Treat periodontal disease properly and develop a **Total Health** approach. Establish an effective 50 minute clean mouth prophylaxis visit using latest technology. Allow 60 minutes for perio maintenance. Make sure your hygienist is not “giving away the farm” by doing superprophylaxes instead of scaling and root planning, and not properly documenting pocket depth at least on a yearly basis.
- Expand procedure mix of the doctors (60 different procedures – refer-o-dentist; 90 procedures – average; 120 procedures – decathlon)

- Put oral cancer adjunct screening (D0431) into your practice- products such as Identifi, VELscope, and OralID are available.
- Essential Software
  - Patient Contact software (costs about \$300 per month)
    - Dentrix E-central
    - Demandforce
    - 360-AGD member discount
  - Patient insurance eligibility software
  - PracticeBooster.com insurance coding and administrative software
  - Electronic claims and electronic attachment
  - Patient education videos (DDS APP/ADA iPad) and ADA flip charts
- Marketing essentials
  - Patient communications
    - Message on hold (commentary on available procedures, CE/training, and notes “We welcome new patients”)
    - Pledge to patient - patient centered treatment and; they are not a number in this practice. DDS gives your personal commitment to each patient and talks to every patient about the rise of corporations (relate to medical). Locally owned - personal business card - write cell number on it. Ask the patient for referrals-send handwritten Thank You notes to all patients referring other patients. DDS calls all New Patients (on home telephone number) before appointment (always get home phone number)
    - Talk to every patient about referring patients to the practice
    - All staff members have business cards with QR code on the back to send patients to home page on web site.
    - Answer phone everyday from 8am-6pm at least (no recording).
    - Five Mile Rule - - spend dollars within a five mile radius. Look for publication that has “exclusivity” by being the first and only.
    - Website-mandatory, but be careful about Facebook and Twitter. LinkedIn is the professional and business social media.
    - Send no-cost Free quarterly emails to patients (through patient contact and practice management software)
  - Office Signage
    - “We welcome new patients” in reception area, and payment counter check area. Outside signage that is lighted at night with telephone number on it
    - Outside banners (usually gets around zoning) should be used.

## SUCCESS FORMULA FOR THE FUTURE

### STRATEGY FOR NOW:

- With adequate workload, possible part-time associate 1-2 days a week. Restrictive covenant and signed contract a must.
- Member of 4-5 PPO plans (only if required). PPO network analysis, profitability and negotiating for better fees are a must.
- Consider in-house discount plan with small business (direct reimbursement plan) marketing plan (within five miles).
- Expand procedure mix of the doctor by joining forces with another dentist that complements the services that you offer.
- Effective website and five-mile radius direct marketing plan.
- Possible part-time specialist a couple days per month to increase product mix in the office.
- Possible merger with another dentist(s) for either a two or three doctor practice-cut fixed overhead (with a six day operating week) to compete in the future, and gain from in-office peer review (not available solo).
- Consider a new office outfitted to compete in the future environment (either a 5-6 operatory or 8-10 operatory model. It would be “paperless” with a minimum of digital pano and treatment room computers.
- Implement all technologies (mentioned in this article) except CAD/CAM, CBCT and hard/soft tissue lasers. There should be a positive ROI to purchase those more expensive technologies.
- Doctor and staff need to take a course on case acceptance and patient communication
- Doctor needs to take courses on improved clinical productivity (Christensen courses)
- May have to work longer to maintain income and/or fund retirement.

### STRATEGIC GAME PLAN:

- **MUST GO MULTI-DOCTOR – THERE IS A COMPELLING REASON FOR NOW!**
- All technology (CAD/CAM and CBCT) is affordable with a 2/3 DDS practice.
- Facility and technology overhead is shared by 2/3 DDS
- A more powerful shared management—surely one of the doctors has some business sense!
- One-stop shop with 2/3 doctors(expanded procedure mix)
- Shared marketing expense
- Gain market volume to sustain several days a month of in-house specialists

## **ADVANCED STRATEGY TO THRIVE LONG-TERM WITH A MULTI-DOCTOR PRACTICE:**

- 2 DDS and 6 operatories – 50 hours open – one doctor working at one time and sometimes two at the same time in an efficient manner
- Assisted dental hygiene and expanded duty dental assistants to increase production.
- 3 DDS and 8-10 operatories -- 55-60 hours open -- two doctors working at one time
- Part-time specialist on premises to provide “one stop dentistry” and share expenses.
- CAD/CAM and CBCT technology plus all other technologies are standard in the office
- Co-op marketing with like minded dentists at 5-10 locations over an expanded geographic area – newspaper, radio, TV, etc., group marketing can make sense
- Consider utilizing a dental practice management company for back office and human resource operations

## **CHALLENGE OF ADAPTING TO PPOs:**

- Easiest - lower grossing practices
- Tougher - higher grossing practices
- Fixed overhead - must increase production is the answer

## **YOU MUST SUPPORT THEM IN THIS DANGEROUS ENVIRONMENT:**

- Organized dentistry (ADA). Free local peer review and term life policy premium saving are worth the price of membership, with other CE opportunities.
- ADPAC-Second largest health care PAC. They have your back!
- Change in restrictive workforce laws for dentist to fully utilize staff
- Necessary Law changes
  - Out of network payments go to the doctor
  - Illegal restriction of PPO provider for all locations (anti-trust)
  - Reduction of regulatory rules that increase the cost of practicing.
  - Pass laws in all states to maximize doctor efficiency with workforce changes.