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Practice Management Articles



Updating Fees

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When was the last time you reviewed or updated your fees and how do we do it each year?

Each year, the raising of fees is a major practice management system to provide the growth of 10-15% each year that your practice deserves. Balancing and increasing fees keeps the practice financially healthy and profitable and able to support the salaries and excellent patient care.

Fair dental fees are determined by dentist, as an independent business owner in a competitive marketplace, with raising operating costs similar to other health care offered in a medical clinic or hospital.

The factors to consider when considering the cost of providing dentistry include: reflection of your specialized equipment; sterilization, technology and safety protocols; hiring trained and licensed staff; and ongoing continuing education for the dental team. As well as the costs of external labs, current materials used in treatment, the complexity of the treatment time as well as geography of the practice location are also among considerations in determining costs and fees.

Operating costs will vary between dental offices based on metropolitan or rural area and are provincially based. However, all practices should at least be on the current year of suggested fees guides or to match their present day costs .

The balancing and raising fees each year accordingly doesn't have to be an awkward topic for dental teams, if handled correctly and collaboratively with communication tools of how to justify and explain the fees to the patients.

Each province (except Alberta) has a provincial suggested fee guide which is a resource tool for dentists to use and a reference for outside groups such as the dental insurance industry.

Ask yourself:

- What do I believe our procedures are worth and so we service the patients experience to reflect what we charge?
- Where do you feel your fees fall in comparison to the suggested fee guide?

- What is my monthly practice break even and overhead and do the fees cover this for a profitable dental practice?
 - How do our fees compare to our local dental competitors or do we know what they charge?
 - When was the last time you raised fees, how many patients complained? How many even noticed?
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- What type of procedures drive the majority of your revenue?
 - Do we have flexible financial arrangements for patients to afford dentistry?
 - What percentage of your dentistry is accepted with your current fees?
 - What feedback may happen from your patients when you adjust your fees?
 - How do you think the eventual reduction of or loss of dental insurance benefits will impact your practice?
 - What company is best to partner with as a third party financing option to finance our fees outside of our own accounts receivable.

Tips and Facts about Fees

- Each year, the dentist independently sets, balances or increases their fees to reflect the quality of care and services they and their hygienist provide.
- Your provincial suggested fee guide is NOT MEANT to be a fee schedule nor should we tell the patients we have to charge what is suggested.
- It is a dental practices prerogative to charge over the fee guide if they choose, there is no rules that say a dentist can't charge what they believe they are worth.
- Be sure that your team buy into these fee increases by having a team meeting and discuss the procedures that will have fee increase
- The practice is usually more sensitive about your fees than your patients are as they expect increases like all other service business they deal with.
- Best time of the year for fee increase is in quarter 2 March to JULY as opposed to January as much less noticed by patients after January.
- It is obvious patients are aware of your fees, but they are not driven by them, as long as they perceive value of your service experience and take the time to educate them on the conditions of their mouth.
- When they ask why the fees are what they are tell them, *“Our fees are based on the quality of care we are committed to providing our patients optimal dental diagnosis, treatment and*

service".

- When patients “price shop” and compare fees, they may not be comparing apples to apples especially when comparing general dentistry fees to specialty fees.
- Regardless of the fee amounts, the response will be the same from a patient of fees too high whether you charge \$500 or \$1000 for a crown, both fees draw the same comments of being expensive.
- Do NOT quote fees over the phone to new patients. Verbal way to handle this is to say. “*There is no way to know what the costs for your dental work is until you have an examination of your individual oral health status*”
- Make sure you present the total fee and, if they have a plan, how it is designed to provide financial assistance to offset the difference of cost
- When providing a general price range or estimate, it is better to err on side of caution and estimate slightly higher than anticipated.
- All treatment rendered must have patient informed consent to pay the fee of service prior to being delivered.
- Patients become irate with surprises of treatment being added to their appointment without discussion or explanation of added costs after the fact.
- The best assurance that the patient understands and was made aware of the costs is to have a signed financial agreement form with method of payment agreed upon in writing.
- Involve the dental team, as a team member that thinks you are charging too much can undermine your practice. They must believe in the process and enthusiastically support any fee increases.
- When a patient asks “*How much is a cleaning*” Explain to them their investment for hygiene is based on the status of their independent oral hygiene status and that there are three types of hygiene services for health, disease and maintenance.
- It is human nature for people to remember what they paid for dentistry in the past. They forget that they thought the fees were too high back then, too.
- Patients tend to notice small increases in hygiene visits more than the restorative services as attend more frequently.
- Patients need to know that you’re providing them with a true price estimate of their treatment plan to the best of your ability and that there are no surprises added without them being informed. .

- Transparency is in the numbers and explaining the breakdown of the lab fee in major procedures can help the patient see true costs in delivering dentistry.
- Use the term “investment” as opposed to fee or cost- *“Dental care is an investment in oral health appearance, function and longevity.”*
- There is a danger of having fees that are the lowest in your area as you risk attracting the price conscious patients and turning off the quality conscious patient who may perceive your low fees mean you’re not up to date in services. .
- Present the total investment in dollars and then deal with what benefits that may be provided from their insurance plan
- More often than not employers and dental insurance companies don’t match reimbursement with the current year fees
- Setting proper prices from a purely mathematical approach is not as precise as you would think as a fair fee. Whatever theoretical figure you come up with — given your best estimates of time, material, etc. — have to be tempered with reality.

Step by Step Process of How to Raise Fees

- 1) Each year, assess your current fees and how current they are to provincial fee guide (if applicable)
- 2) Analyze the most common codes used in restorative and hygiene increase those a minimum of 5% or brings them up to the current year guidelines.
- 3) Schedule a team meeting in January each year to review the most common procedures and what the amount of dollars the fee increase will be
- 4) Have a team meeting to review fees and make sure team members understand the increases and support them with the how to explain and justify to the patients.
- 5) Set a date for the computer to be adjusted and for the fee increase to take effect
- 6) Practice with the team on how to overcome and answer barriers and questions from patients.
- 7) Track the practice production and how the fee increase has impacted the growth.