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Practice Management Articles

Five Ways to Positively Impact Practice Revenue

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Every dental practice has key engines or factors that drive and determine practice health, stability and longevity. These engines include building and maintaining a strong and thriving patient base, generating consistent and predictable revenue, efficiently managing expenses, and fostering effective communication. Ultimately, the goal of every successful dental practice is to provide patients with an exceptional experience and enable them to get the dentistry they need, want and deserve. Here are five things you can do to help generate consistent practice revenue by focusing on your schedule and keeping it — and your chairs — filled.

Exceed Patient Expectations

First, let's talk about new patient growth and patient retention. This includes successfully marketing your practice, internally and externally, so that new patients call and come in when they need dental care and existing patients return when they need additional treatment. Regardless of how many dollars are spent in dental marketing a year, the most consistent and predictable way to obtain new patients is through internal referrals. That's why it's so important to make existing patients your advocates — happy and satisfied individuals who actively and happily refer your practice to friends and family.

The benchmark for healthy new patient growth for a general practice in growth mode is a consistent 25 to 35 new adult patients a month. Patient retention is achieved by exceeding expectations, clinically and experientially. It's not only what you do — it's also how you do it. It's all the "little things" that add up to big returns. When a patient's reasonable expectations are not exceeded by reality, disappointment often results. But when reality exceeds expectations, patients are delighted and much more likely to return for care and refer their family and friends. So how can you exceed expectations? Sit down as a team and develop benchmarks that define and illustrate "normal" patient expectations. Then challenge yourselves to exceed these benchmarks in every possible way.

Start with "Yes!"

Good case acceptance is when a patient says “yes” with a smile on their face. I have found case acceptance averages 60 to 65% in most practices. The ideal healthy benchmark goal for a well-run practice is 75 to 80% acceptance. Case acceptance is a step-by-step process and critical to practice health. From diagnosis, treatment recommendation and documentation to knee-to-knee presentation and the financial conversation, the dentist and team need to provide the patient every opportunity to engage and become excited about care. The goal is to achieve “buy-in” by giving patients a clear understanding of how recommended dentistry will benefit them and how it relates to the goals they have for their oral health and smile. Once you have patient buy-in, the next step is to make it as easy as possible for them to say “yes,” by working treatment into the patient’s busy schedule and monthly budget.

Stay on Schedule

The next driver, scheduling, is the heartbeat of the dental practice. Being able to have evenly engineered, balanced days with a variety of procedures reduces stress, and increases productivity and efficiency. Maintaining a balanced schedule is absolutely critical to the longevity of the health of the practice and the dental team and the procedures they provide. A healthy benchmark for a well-run schedule is half of every day consisting of major dentistry or what we call the ‘rocks’ of dentistry – your crowns, your bridges, your implants and your quadrant fillings. Set a daily production goal based on your financial goals and then look at how it is engineered to be evenly balanced between major dentistry, basic dentistry and what’s called your tertiary dentistry of no fee. You’ll often see a day where you’ve had the largest amount of patients and the shortest amount of appointment time is the day of the highest negative stress and the least potential in production collections.

Minimize Failed Appointments

No-shows and cancellations are a challenge for practices on a daily basis. When we have asked dentists what keeps them up at night, 100% of the time no-shows and cancellations are in the top three answers. Why is it important to not have holes in the schedule due to failed appointments? Simply, lost revenue and opportunity.

We have a provider available with a chair, operatory and treatment room and we need to have a procedure to perform on a patient for the practice to be at its highest potential. A healthy measurement of your no-shows and cancellations in the restorative department with the dentist is when less than five percent of that time is left vacant. In hygiene, the goal is less than 10% downtime due to no-shows and cancellations based on their available hours. The number one reason people say they don’t show up is they believe “it’s just a cleaning.” So the dental practice must invest in team communication and be able to confidently and clearly communicate to the patient that their oral health is the gateway to overall body wellness.

Focus on Care

When you exceed expectations, have good case acceptance and schedule appropriately, the final step is to collect for the dentistry being delivered. Money is often an uncomfortable topic of conversation for teams and patients. Dentists want to do what’s right for the patient and, most often, patients would prefer to say “yes” to the care they need. But, dentists should also be appropriately compensated for their services in a timely manner. Miscommunication during the financial conversation can significantly and negatively impact all the other drivers we’ve talked about. So, providing absolute clarity when it comes to treatment cost and payment options is a must. It’s also

important that payment be efficiently handled. When patients have complete dentistry and owe the practice money, it can damage the relationship, leading to patient migration and fewer referrals. For patients who would prefer to pay over time, accepting a healthcare credit card (Third Party Financing)

gets you out of the banking business. Dentists should not be bankers and carrying accounts over a long period of time impacts the value of the practice in the future. The benchmark for healthy collections for the dental practice is directly related to the management of the accounts receivable department. The goal for accounts receivable, in an assignment dental practice, is to not have the total dollars owed to the practice exceed more than four to six weeks of production, with less than 10% outstanding in over 90% of the cases. A non-assignment practice theoretically would have no accounts receivable, especially if they collect over the counter at time of service.

The practice engine of revenue is possibly the most important driver towards success and has several key components including patients, scheduling and case acceptance. If your growth begins to stall, the first place to focus your attention is the aspects that help to generate revenue. Your first and primary goal should be to make sure patients (and revenue) are coming in the front door and then making it into the chairs. Once this engine is on track, you can optimize your practice by making sure that the other drivers are also running smoothly.