What a Practice Administrator can do for you

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Abstract

Most dentists have at some time during their practice years yearned for administrative help. This article reasons through the why, what, who and how of employing a Practice Administrator so that the dentist is free to concentrate on clinical rather than business aspects of the practice. (Pediatr Dent 24:50-52, 2002)

Keywords: practice management

Received September 12, 2001  Revision Accepted December 11, 2001

Once dental school is over and practice has begun, the realities of life hit the new doctor almost immediately. Whether one has started a private practice, bought an existing practice, joined a group practice or entered the world of academics, bills must be paid, forms developed, staff hired, trained and managed, and a myriad of things we never had time to learn or hear about before must be dealt with. All of these must be handled in an efficient, ethical, legal and profitable manner. And, most important of all, patients must be attracted, given the best, most up-to-date dental care, and made to feel that they are the most important thing in the practice, because they are. Without happy, satisfied, well-treated patients, the best clinicians in the world cannot survive in a public arena. A strong Practice Administrator can be invaluable in weaving together all the threads necessary to manage a successful practice.

In previous years, a dentist could set up practice, develop or buy forms, purchase insurance, hire and train staff and practice for years with minimal adjustments to any of the systems. Times have changed. With more knowledge and improved techniques, better supplies, materials and equipment, broad public awareness, increased expenses from every direction and greater government intervention, everything in a practice or any other business must be managed, monitored and changed more accurately and rapidly than before. No longer can a dentist afford to rely upon one insurance plan, one dental company or one set of forms to serve everyone’s best interest year after year. The business of managing and administering a dental practice has become complex and time consuming.

To meet some of the needs of a practice, whether private or in a dental school setting, senior dental assistants, hygienists, or business desk staff members are often called upon to help the dentist manage certain aspects. Years of exposure to the different activities in a dental practice have trained many staff members to perform these tasks extremely well. Some have continued to grow, increasing their training and skills to become dental instructors and/or consultants. Ultimately, however, most of the overriding business and legal matters have to be researched and dealt with by the dentist. This continues to take increasingly more time away from our most important task, serving patients.

Other businesses and healthcare facilities have administrators who manage the company. Why not dental practices? Once a practitioner accepts the idea, several questions must be answered: 1) Why would one need a practice administrator? 2) What qualifications or experience are required? 3) Where would one look for such a professional and what resources are available for training? 4) What are appropriate interview questions? 5) What salary range is needed? 6) Where would the money to fund this new position come from? 7) What would be the key responsibilities of a practice administrator? 8) What role would the doctor or doctors in the practice now play? 9) What methods would be necessary to assure that the doctors are kept abreast of all pertinent information? 10) What must a practice administrator know or learn about dentistry?

Why would one need a Practice Administrator? Maybe the doctor is required to spend too much time in administration and too little time in patient care. Maybe the doctor has little or no free time available; time for study, relaxation and family responsibilities can all be absorbed by the practice. Perhaps the practice has simply outgrown the present administrative staff’s abilities. As the practice increases in size with more staff, more doctors and more patients, the administrative responsibilities grow accordingly. Everything from payroll and taxes to vacation policies, scheduling,
hiring and purchasing become more difficult and time consuming. Finally, with increasing practice activities comes the need for better, more sophisticated business acumen. All of this points to the need for a professional Practice Administrator.

To determine the qualifications or experience required, one must define the scope of the administrative role. The larger, more complex the practice, the more education, training, and experience needed for the position. As previously noted, in some offices well-trained dental auxiliaries may provide the extra management expertise and help the dentist needs. In larger multi-dentist situations, it might be wise to hire an individual with a degree in business or healthcare administration. Certainly previous experience in dental or medical offices would be advantageous.

Where would one look for a Practice Administrator? University and community colleges with programs and degrees would be one place to begin. Recruit from hospitals, medical centers, rest homes, emergency centers, insurance companies, law and CPA firms, The Federal Services, and other businesses which utilize Practice Administrators. If you cannot find well-qualified candidates locally, you might consider hiring someone willing to relocate from another town. Interview questions should be developed that will give a broad view of the candidate’s expertise and experience. Following is a list of questions one might consider:

1. Tell me about your experiences working with a budget:
   - Have you written/initiated one?
   - How accurate was it? in projected income? in projected expenses?
   - Did you have to justify inconsistencies?
   - How did you try to hold the line?

2. What has been your biggest problem in administration?

3. What has been your greatest pleasure in administration?

4. In previous positions how closely did you oversee:
   - Daily production goals?
   - Collection goals?
   - Delinquent accounts?
   - Money handling? Daily balances? Petty cash?
   - Daily banking? Monthly reconciliation of bank statements?
   - Liaison with an attorney? With an accountant?
   - Getting bids on insurance needed for practice/business?
   - Computer services and costs for those services?
   - Merchant’s rate for charge cards?
   - Profit and loss statements?
   - Accounts payable?
   - Inventory?
   - Hiring new staff?

5. Would evening hours be a problem? Doctors’ meetings on weekends?

6. Describe the scope of personnel administration you have done.

7. How do you conduct staff meetings?

8. Have you given performance appraisals?
   - To whom? Schedule? Method? Results?

9. Describe the scope of physical facility maintenance you have handled.

10. Describe your responsibilities as you would envision them in our office.

11. What benefits do you need/want?

Salary ranges may best be obtained by checking with other businesses and healthcare facilities in your area. Beginning annual salary can vary between $35,000 and $60,000 plus benefits, depending on the administrator’s education and experience. Obviously, salaries also vary by geographical region.

Any time a new position is introduced into a dental practice, or any business for that matter, one of the initial questions is where will we find the money to fund the new position? Unless excess money is available, and this is seldom the case, additional revenues must be generated or enough money must be saved by better administration and management of the practice to pay for the position. Certainly having a professional manager whose primary responsibility is to review and administer all the programs and systems in a practice should lead to increased production/collections, better money management and greater profitability. From these improvements come the funds to pay a Practice Administrator. In short, the position must pay for itself.

The key responsibilities of a Practice Administrator could be compared to those of a Chief Executive Officer (CEO) of any corporation:

1. Strategic planning and positioning — chief strategist
2. Team building — culture, positioning, performance contracts, empowerment
3. Monitoring all departments, making adjustments/changes as needed
4. Chief deal maker

Once the Practice Administrator assumes the position of CEO, what role does the doctor or doctors play? Certainly the doctor must retain veto power over anything in the practice which leads one to the question, “How can this right of refusal best be carried out without interfering with the Practice Administrator’s job?” The doctor’s position becomes one similar to chairman of the board of directors of a corporation or company. The doctor should teach, advise, monitor, and give approval or disapproval as needed, but not micro-manage the practice. It is now the Practice Administrator’s job to see that all aspects of the practice function properly.

As soon as possible, the Practice Administrator should become familiar with all of the business and clinical systems plus the inventory (components) of each. A Practice Administrator must also know how to set, count and understand dental practice numbers, goals and norms. It is not sufficient for the Practice Administrator to simply have a general understanding of business figures; rather he/she must know how these are specific and unique to dentistry.

To provide appropriate information to the doctor(s) in an organized, efficient manner, a Practice Administrator must receive reports from the bookkeeper, financial
coordinator, supply manager, business desk coordinator, clinical coordinator and marketing coordinator. While one person may fill several of these positions, information from each area must be reviewed regularly with the Practice Administrator.

On a routine basis, the Practice Administrator should organize the appropriate daily, weekly, and monthly reports into a summation presented by the Practice Administrator to the doctor(s) in a board of directors or doctor’s meeting. These meetings may be held as often as necessary. Some practices may require weekly meetings; others can stay well organized with biweekly or monthly sessions. At the doctor’s meetings, in addition to sharing necessary information from all areas of the practice, the Practice Administrator and doctors may wish to review and/or:

1. Plan cash flow/use; prioritize expenses; justify budget variances
2. Discuss personnel needs/problems
3. Set the office calendar for next week/month
4. Evaluate building upkeep, maintenance
5. Prioritize equipment needs, maintenance, etc.

A Practice Administrator must realize that the practice takes priority over any other business interests that person has. Administration of a practice is not an 8 a.m. to 5 p.m., five-day-a-week job, as any dentist who has run a practice can testify; therefore, the Practice Administrator must be present in the office when needed and available for evening, early morning, and weekend meetings. If the Administrator cannot work a flexible schedule, the dentist often is still thrust into the role of administrator, which defeats and frustrates the purpose of employing an Administrator.

Those doctors who like the concept but do not feel their practice large enough to afford a Practice Administrator might consider sharing a Practice Administrator among several offices in the area. Obviously, this would require more coordination, flexibility and juggling by the Administrator, but it has proven successful in other businesses.

As the profession of dentistry continues to develop and adapt to the rapidly changing demands of the 21st Century, previously underutilized positions such as Administrator will develop. Just as we dentists have employed the professional capabilities of attorneys, accountants, insurance agents, bankers and practice consultants, we can learn to utilize an Administrator. The increasing complexities of practice management and the need to interface expertly with all who are employed by or served by your practice make it worth considering the employment of a Practice Administrator.