



LCP Dental Team Coaching (the new name for Julie Weir & Associates) is recognized as the premier consulting firm specializing in pediatric dentistry since 1996.

Are You Adapting to the Changing Marketplace?

In the last 10 years the dental marketplace has changed dramatically; insurance reimbursement has decreased, competition has increased and a higher daily volume of production is needed to produce enough profits to meet expenses.

Managing the practice and employees in this atmosphere can be overwhelming and doctors find it challenging to have a work/life balance. To adapt to this changing marketplace, doctors must have excellent leadership skills. Without these skills, profits and team morale will lack due to poor business planning, inefficient systems and lack of employee accountability. This will ultimately lead to doctor frustration and exhaustion.

Below are the top challenges that doctors are currently facing and the leadership actions they can take to help meet these challenges successfully.

MARKETPLACE CHALLENGES

- Expansion of reduced insurance reimbursement plans and decreased Medicaid reimbursement
- Increased complexity of the insurance market and reimbursement
- **Increased competition for new patients from corporate dentistry**, general dentists and increased number of pediatric dental graduates
- Shrinking profit margins
- Doctors lack of fiscal management and business planning

- Doctors lack of knowledge on front desk systems and if front desk **employees are properly trained**
- Doctors unsure of what is happening at the front desk; poor verbal skills, lack of professionalism, financial arrangements not properly **presented and followed through**
- Smaller pool of qualified employees
- Employees not committed to their job; absence of personal accountability, showing up on time, caring about doing a good job
- Scheduling the increased volume of production needed and not have the schedule run behind
- **Parents not wanting to take their children out of school for appointments**

LEADERSHIP SKILLS NEEDED

Business Planning: If you fail to plan, you plan to fail. Set goals and monitor them regularly so the doctor knows if the practice business plan is being met, if not, then timely adjustments can be made in production, collections and expenses.

- Create a practice business plan that defines:
 - Break-even point to identify the collection goal required to support overhead expenses, debt service, doctor income and retirement savings
 - Practice goals to support the break-even collection goal:
 - > Average number of doctor, recare, hospital and sedation **work days/month**
 - > Average daily production for doctor, recare, hospital and **sedation**
 - > Collection ratio
 - > Average number of new patients/month

- Overhead expense budget
- Control lifestyle costs and reduce debt to be better able to adapt to economic downturns and reduced insurance reimbursement if and **when they occur**
- Monitor goals:
 - **Monitor daily**
 - Production for each producer/provider
 - Month to date production vs goal for each producer & **the total practice**
 - Show rate of patients: number of patients that showed up for their appointment/number of patients scheduled
 - Treatment acceptance ratio: case acceptance/case presentations = 80 percent to 90 percent
 - **Monitor monthly**
 - > **Total practice production**
 - > Total producer production (doctor, recare, hospital, ortho, IV sedation)

- › Average daily producer production
- › Producer work days (doctor, recare, hospital, ortho, IV sedation)
- › **Total practice collections**
- › Collection ratio: 96 percent – 98 percent of collectable fees depending upon how much charitable dentistry is **performed**
- › Show rate of patients: strive for a 95 percent show rate
- › Accounts receivable (AR) total: 1:1 ratio of total AR:monthly production
- › Total of AR in 61+ days: not more than 18 percent – 24 percent
- › New patients: 55 – 65+ new patients/month are needed to maintain and grow an average one doctor pediatric dental practice. Count only D0150 (Comprehensive Oral Examination) and D0145 (oral evaluation under three years of age)
- › Percent of patients in recare: goal is 75 percent
- Monitor quarterly
 - › Overhead expenses from the profit and loss statement against budget goal amounts
- **Monitor yearly**
 - › Do a comparative analysis of all goal numbers to see if **there is a decrease or increase and if the practice is growing** correctly. A dental practice should grow two percent to four percent above the national inflation rate each year to stay even, and higher to experience true practice **growth**. **The growth in costs of dental supplies and services** can be greater than regular consumer products

Employee Management: The doctor must help lead and motivate employees to their personal goals and the practice goals. Every person wants to feel a sense of belonging and recognized for making a positive difference. Happy employees are productive employees who stay long term.

- Doctor shares practice vision and goals with team members
- Create patient and team mission statements that put the doctor's vision into words and create a clear sense of purpose and accountability. When all team members are working toward a common goal, it greatly increases the probability of success
- Create a business culture of mutual respect and trust
- **Properly train employees**
- Hold team members accountable for their job performance
- Regularly recognize employees who go above and beyond in their **performance**
- Identify and develop team members with leadership potential to become the office manager, front office coordinator and clinical coordinator to help hold employees accountable for proper job performance and maintain efficient systems
- **Hold regular team meetings**

Holding Effective Team Meetings: Hold productive morning meetings, monthly team and quarterly department (clinical, front office, leaders and marketing) using an action plan form so follow-up on the changes discussed can be tracked and implemented.

- **Utilize meeting agendas to stay on track**
- One team member should run the meeting while another takes notes. Meeting minutes and the Action Plan items are typed,

printed and given to each team member after the meeting. This will help create accountability

- **Place all meetings for the year into the schedule to maintain consistency**

Efficient Scheduling: Proper scheduling controls the pace and productivity of the day versus a day of stress and chaos. Use a proactive approach by using block scheduling to schedule an "ideal day" that will produce the daily restorative and recare producer goals.

- Not all procedures should be scheduled for the same amount of time. Consider qualifying each treatment appointment as either a simple or complex appointment giving each one a specific amount **of time for their respected category and alternating them in the schedule** to avoid complex appointments being booked back to back
- Schedule appointments for patients with greater behavior management needs and/or more procedures in the morning
- Allow for uninterrupted time with the doctor for sedations; i.e. no recare exams
- Block enough new patient appointments each month in your **schedule**
- Leave slots available for urgent procedures once your appointment **schedule is at capacity**
- Work the recare and unscheduled treatment plan reports consistently
- Coach team members on proper verbal skills to minimize no-show or short notice cancellations
- If a patient fails to keep an appointment, a team member should telephone the parents within 10 minutes. If unsuccessful, call again within 24 hours. If the appointment cannot be rescheduled, the patient must be flagged in the computer. At the end of each month, a broken appointment report can be run so that patients with failed appointments can be re-contacted
- Efficiency must be maximized when scheduling patients with very low reimbursement plans or providing care to these patients may become cost prohibitive. Consider the following:
 - Schedule these appointments during the hardest times of the day to fill (if the plan allows the doctor to dictate appointment time). Normally this is between 10:00- 2:00
 - Understand the volume required. Typically a procedure that is minimally reimbursed must be performed three to five times to get the same dollar of profit as when it is reimbursed at full fee. That is why efficiency and high utilization of expanded function team members, if your state allows, is important
 - Delegate as much as possible that is within the state law to dental team members
 - Track new patients in lower fee plans separately from private pay. Limit patients by age or number of patients/month on lower fee plan patients if necessary to maintain adequate collections
 - Have a strict no-show, short cancel policy. Dismiss at first or second no-show. Have parents sign an appointment agreement form. These can be different from private pay patients
 - Designate a flow coordinator to help the team manage the flow of patients to the back and direct the doctor where to go next so the doctor's time is efficiently used

Accounts Receivable Management: Insurance management has become more complex and requires more time than ever before. Statistics now show that an additional fulltime front office team member is needed to manage the collections from insurance companies than what was necessary five to 10 years ago.

- Three important tasks the front office team should be performing to ensure the best collections for the practice are:
 - Verifying patient's insurance eligibility and benefits
 - Utilize a coverage table for the insurance plan in the practice management software
 - Utilize a payment table for the insurance plan in the practice management software
- Collect all patient payments, deductibles and estimated portions at the time of service
- **Monitor outstanding insurance claims**
 - Submit all claims daily at the end of each day
 - Follow up with the insurance company if the claim is unpaid after 14 days
 - At 60 days with no insurance payment, close the claim and send the parent a statement for the entire balance
- Accounts receivable report: take appropriate actions to collect all balances
 - Print weekly and review all accounts with balances past 14 days
 - Utilize electronic communication to send statements and email parents regarding balances after 21 days (following HIPAA guidelines)
 - After 45 days past due, call parent and remind that balance is due
 - If not paid after 90 days, send account to collections

Create a Marketing Team: Have one person from each department on the team to create and carry out the marketing actions.

- Consistently track referrals and new patients using practice management software
- Hold a monthly marketing meeting to review the new patient referral report, discuss what marketing actions have been successful and what new marketing actions will take place in the next quarter
 - Internal marketing; monthly contest giveaways, cavity-free club giveaways, frequent team theme days, celebrating team member birthdays/anniversaries, new patient t-shirt giveaways
 - External marketing ideas; quarterly deliveries to referring offices, posting on social media and supporting community groups and events
 - Consider hosting an annual patient appreciation event with an icecream truck at the office or at a local frozen yogurt shop
 - Consider hosting an annual referring office appreciation event at a local event room or restaurant
- Review website to check for anything that may need updating including doctor and team photos, advances in technology to advertise and ability for easy viewing on any mobile device
- Focus on creating a bigger presence on social media. Create an Instagram account and set up to sync to Facebook account to post simultaneously. Set a goal to post a minimum of 1-3 times per week
- Coach team on verbal skills to let parents know the practice is always accepting new patients

There is a high financial and emotional cost to being unprepared to market changes. By implementing the recommended leadership skills, doctors will be able to reduce their stress and find more enjoyment in their work.

Published four times a year, *Practice Management and Marketing News* is a featured column in *Pediatric Dentistry Today*.

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& ASSOCIATES**

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