HOW TO RECRUIT THE RIGHT DENTIST TO JOIN YOUR PRACTICE
A SENIOR DENTIST GUIDE

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This article series is for senior dentists who want to know how to evaluate a new dentist BEFORE you hire him/her. I will give you a series of questions to ask, items to look for and even reports to request so you can determine what kind of dentist you are interviewing and you can decide if it’s the right fit for your practice.

What’s the difference between a dental practice where a new hire dentist is paid $250,000 and one where she is paid $120,000? What are the expectations in order to earn the higher compensation? Often, the difference lies in the clinical philosophy of the practice – conservative/minimally –invasive dentistry vs. more aggressive/higher production-focused diagnosis.

An article in the April 2012 JADA highlights the concern an employee dentist can have when his personal clinical philosophy doesn’t match the practice he’s working in. He asks “Who is responsible ethically for patient care in a corporate dental practice in which I am an employee dentist?” The dentist shares that he is a recent grad with a heavy debt load responsible for carrying out the treatment plan diagnosed by a supervisor dentist. The response is that “You, and you alone, are
responsible ethically and legally for the care of the patient . . .” and that by carrying out the treatment the dentist is confirming his agreement with the diagnosis. The dentist also needs to be ready to defend his treatment legally, despite any financial pressure and remember that his obligation is to the welfare of the patient.

So, as you’re evaluating potential new hire dentists, the more you are clear about your practice’s clinical philosophy, the more you can decide if your candidate’s approach matches your own.

Topics to discuss about clinical philosophy:

1. Who diagnoses new dentist treatment?

Gather 5-10 recent comprehensive exams with intraoral photos and CMX’s. Then, ask your candidate dentist to make his own treatment plan before you share what the senior dentists diagnosed. Next, compare the candidate dentist’s diagnosis with the treatment plan the practicing dentist created. What is similar? What is different? Talk with the dentist about the differences and see if the explanations make sense to you. If you see a pattern of overtreatment – or undertreatment, you have a good idea of what you’re getting yourself into.

You can find these patients by simply looking at the Dentrix schedule – go back a few months to find the comprehensive exams. Or, if you’re savvy with Dentrix reporting – just run a report in the Office manager, Letters module for all D0150 (Comprehensive exam) completed in the time frame you choose.

2. How are new patients scheduled?

Tell the candidate dentist how new patients will be scheduled. As the new hire dentist, will you receive new patients into your schedule evenly with the existing dentists? Will you diagnose your own treatment and perform it or will a supervisor dentist do all the diagnosis?

Also discuss how hygiene exams are handled. Will the new hire dentist be assigned to certain hygienists to handle their checks? Again, who will diagnose treatment out of these exams?

You can see the difference in diagnosis between dentists by using the Practice Advisor report in Dentrix. In this report, the New Patient Analysis section shows the average treatment amount diagnosed in $. In fact, it will show you the dollar amount diagnosed for each dentist! So, you can see from one dentist to another, how much treatment is diagnosed. Now, obviously, this can vary month to month depending upon the type of patients that come in, but this can give you a sense of proportion. If one dentist’s diagnosis is drastically different than another – discuss this with your candidate.
3. Check out the supply closet – what type of materials are being used?

Briefly show your candidate dentist the dental supplies the practice stocks and ask if he is familiar with these materials. Ask his opinion – do these look similar to what he has used in dental school or are they completely new? You also can give your candidate dentist a sense of whether certain supplies are cheap or expensive in order to set expectations for conserving materials and avoiding waste. You can introduce your candidate to your dental supplies representative to help him understand which are the most common dental supplies and see how the practice compares.

This is a good time to discuss who decides on which type of dental supplies will be purchased – will the new dentist have some input? What will happen if your new dentist wants different materials than you do?

4. What type of dental labs are being used?

Gather a lab slip and invoice for a recent crown patient. Do the same for a partial denture patient. Show your candidate dentist how the lab fee compares to the collections for the crown. Don’t look at the production – if the patient is covered under a PPO insurance plan, the production won’t make any difference anyway. You want to see the lab fee compared to what you will receive in payment (do include the insurance payment as well as any out of pocket payment).

Next, share the senior dentist’s instructions to the lab. For a crown do the instructions read “#6 porcelain to gold crown A2” or did you provide specific guidelines for materials, color map, multiple shades and include a photo with the tooth and a shade tab? For a metal frame partial, do you use an articulator? This is a great opportunity to share your expectations for how you expect your new hire dentist to communicate with your lab.

5. What instruments are used to diagnose? Explorer only or diagnodent/other caries detector?

One last question about clinical philosophy to discuss is what type of diagnostic tools are used in the practice. Is the practice using only an explorer or also some sort of caries detector and documenting the results? At what reading will the dentist perform a filling? Compare the approach being used in the practice with what was taught in the candidates’ dental school.

6. How healthy are the recall patients?

One measure of success for a dentist (and his hygienists!) is to determine the health of his regular recall patients. The healthier the patients, the more successful the dentist. For an informal review of the health of regular recall patients, you can
do a review of the hygiene patients in the schedule. By simply clicking on each hygiene prophy patient and then going to this patient’s ledger you can find:

- Has this patient been seen for a prophy at least once a year for the last few years? This tells you if the patient is a “regular recall patient.”

- During this same time frame, do you see completed treatment that would indicate decay or gum disease? If you see fillings, this is a giveaway.

- Now, in the ledger, look at the Treatment plan option to see if there is new treatment that needs performed.

I run a similar evaluation for one month each year for each dentist in our practice and we have landed in the 80% - 89% range for the past few years. I also run the numbers for children compared to adults. This gives you at least one practice’s benchmark for how healthy regular recall patients are.

**Part 2: Busy-ness – Will the new hire dentist’s schedule be full?**

Another aspect to consider as you’re evaluating candidate dentists is the schedule. The busier the schedule is, the easier it will be to both meet the candidate’s financial goals and start to improve his clinical skills. Take a look at the appointment book for the practice – how full is the senior dentist’s schedule? How full is the hygiene schedule? What type of appointments do you see – mostly fillings and extractions or several cases of veneers and crowns? You don’t have to explain the type of dentistry the new hire dentist can expect to do in this practice – the evidence is sitting in the schedule – just show him! Most senior dentists have heard that not diagnosing or treating perio is one of the top reasons for dental lawsuits – be sure to show your candidate dentist what you are seeing in the hygienist schedule. Show him the perio maintenance and root planing/scaling appointments and talk through the criteria for scheduling these.

Thinking back to our 1\textsuperscript{st} topic on Conservative/Aggressive diagnosis, you can also reinforce your communication of the senior dentist’s clinical style by evaluating the schedule. Show the candidate your comprehensive exams. How much time is reserved? Ask if he would like to sit in on one of your comprehensive exams to observe the diagnostic process. Show him the time for case presentations. Ask if he would like to sit in on one of these as well – this is an excellent opportunity to demonstrate your expectations to the new hire dentist by how you connect and communicate with patients.

In addition to looking through the schedule to assess the busy-ness of the practice, there are several statistics that you can share regarding the health of the practice:
1. How many active patients are in the practice? Often defined as having a last visit within 2 years, consultants have given a range of 1500-2000 patients/full time dentist.

2. How many recall patients are in the practice? In Dentrix, this refers to patients with a continuing care for prophy or perio maintenance. This ignores the emergency patients or the treatment-only patients who don’t come in for regular cleanings.

3. How many new patients joined the practice last year? Last month? The benchmark range I’ve heard is between 35-45 new patients/month per dentist. If you’re seeing at least this number regularly, this is a good sign.

4. How many patients not seen for at least one year disappeared from the practice last year? This is a tough one to measure, but incredibly important. You want to retain as many new and existing patients as possible.

5. How many hours went unfilled for the dentist and hygienist last month? The common goal is 8% for open time including no shows, cancellations and unfilled hours.

To find many of these numbers, Dentrix offices can share their Daily Huddle Report with candidates. You can show in black and white the number of new patients seen yesterday, scheduled today, seen month to date, scheduled month to date and total. Most practices are open about 20 days in a month (figure 4 weeks, 5 days each), so if your goal is 45 new patients/month you’d like to see 2-3 new patients each day. The total new patients number is a great way to show how successfully this practice is attracting new patients – and all you had to do was share the report!

I’ve mentioned the Daily Huddle Report several times, which brings up another question: Do you begin your day with a huddle? Dentists that gather their assistant(s), hygienist(s) and secretary together for a morning meeting can plan how the day will flow. They can identify the good and bad from the day before and then focus on what each person needs to do today to maintain a smooth running, productive day. If this approach works for you, then you may recommend it to your candidate.

Also on the Daily Huddle Report is information on unfilled hours for the dentist and hygienist (check the detail). Now, before you share this number, you need to make sure it’s accurate by checking the Provider Setup. You also need to confirm that your team worked a normal week – the unfilled hours statistic is only as accurate as the setup – if you took a vacation day and didn’t close the day, then it could look like you had 8 hours of unfilled time. On the other hand, if you took a vacation day last week and worked an extra day this week – the unfilled hours won’t count the
extra time worked if it’s outside your normal schedule. Still, for a standard workweek, a quick review of the Daily Huddle Report for the unfilled hours reveals how the secretary team performs their job and most likely how much open time you can expect the new hire dentist to be facing if he joins this practice. Thinking about the 8% benchmark for a moment – let’s say the senior dentist works a 32 hour/week schedule – that 8% is equal to about 2.5 hours/week. You may want to talk your candidate dentist through this math so he can see that he will have some open time – and you can discuss what you do in your unfilled time.

The Daily Huddle also shows a deeper picture into new patient referrals as well. This is important to a new dentist because it shows what type of new patient marketing is working. Most practices are strongest with word of mouth – this is # of New Patients Referred by Patient. To show how the senior dentist and other professional referrals are doing at bringing new patients to the practice, take a look at # of New Patients Referred by Doctor/Person. Finally, to show how successful the practice’s external marketing programs are (direct mail, online promotions, yellow pages, advertisements) check out the # of New Patients Referred by Marketing. Finally, you can see the # of New Patients Referred by All – compare this to the # of New Patients Seen/Scheduled to find out how the secretary team is doing at entering referral sources. If these numbers are close, then the referral sources are tracked well. If not, then that tells you you may need to improve your secretary team’s tracking of new patients so you can be more successful with your marketing budget.

**Part 3: Management Style – How is the communication?**

So far in this series we have reviewed Part 1: Clinical Philosophy – so you can clearly communicate the diagnostic and treatment approach of the practice and Part 2: Busy-ness – where you can share the schedule for open time and productivity. Next, we move into a more intangible subject: Management Style – so you can discuss how the dentists and staff communicate.

Starting with dentist communication, is there a plan for helping a new dentist become oriented to the practice? Even if the senior dentist intends to only work for a few months or a year through a transition, the patients have a long term relationship with this senior dentist. They know what to expect at their appointments based on the protocols the senior dentist has established. Whether the new hire dentist agrees with the senior’s clinical approach or not, he needs to know how things have been documented and communicated with the patients. What type of documentation is expected in the charts? In the computer? What labs are used? What will happen if the new hire dentist sees a patient that the senior dentist has been treating for years and diagnoses perio disease – for the first time? This is tricky territory for patient communication – and the new hire dentist runs the
risk of offending the senior dentist as well as coming across as hyper-sensitive to patients who have been dealing with their perio disease for years.

For these types of issues and many others, is there pre-planned meeting time for the dentists to get together and talk through issues? With an hour each week for the dentists to talk together, problems can be addressed quickly and resolved before they grow. It is often difficult for a new dentist to question the diagnosis or treatment of a senior dentist – even if the senior is open and willing to talk through cases! Setting up a standard meeting time and encouraging both dentists to bring charts for review is a great way to bring up issues that might occur, as well as challenging cases that would benefit from a second point of view.

Managing staff is one of the most stressful and difficult challenges for a dentist – especially a new dentist. Share how staff concerns are addressed. If the new dentist’s assistant gets upset with the senior dentist’s assistant – how will this be handled? Who do these assistants go to? Is the new dentist expected to get involved and solve these staff problems – while they’re still trying to figure out their clinical approach? It’s nice if there is a strong office manager with people skills to help staff talk through upsets and problem solve together. As the new dentist becomes more comfortable in practice, then he can get more involved with staff management, but it’s nice to skip this at the beginning.

Next, which assistant will be assigned to work with the new dentist? What is her level of experience – and skill? Experience and skill are two different things. You could get an assistant with 5 years experience who has relatively low skills – or an assistant with 6 months experience with excellent skills. Decide which assistant would be a fit for working with your new hire dentist. Determine the clinical skills needed and what people skills she possesses. Interestingly, a new dentist has more need for an assistant with excellent people skills as he begins his private practice work than he does for clinical skills. Hopefully the assistant has worked in the practice at least one year so she knows the patients and understands the flow in the practice. She also can help introduce the patients to the new dentist and help both to feel comfortable together.

One of the first staff challenges a new dentist faces is to train his chairside assistant. Inevitably, the new dentist will want his assistant to support him in a new way – perhaps a different tray setup than the senior dentist or just a different sequence for a specific procedure. By starting with just one assistant, the new dentist learns how best to train, to praise, to give feedback, and even to handle tears. In fact, most new dentists will turn over their first chairside assistant because they are so green in their management techniques. As a new dentist is interviewing with the practice, it would be smart to introduce him to the employee that will be his chairside. For ideas on recruiting the proper staff, I recommend referencing my Hiring series.
To jumpstart some of these communication conversations, you can share the schedule with your candidate dentist. Show him the blocks in the schedule for staff meetings. Encourage your staff to tell your candidate dentist what happens during these meetings. Who runs them? Share a copy of an agenda from the last meeting. As the candidate dentist walks through the practice he should observe the staff and patient interaction, because often candidate dentists are unsure in the interview process, you should ask each staff person to introduce themselves and start a conversation. Using interview-style questions, ask each staff person to share their role in the practice, what their responsibilities are, how long they’ve worked in the practice, etc. Your staff will give you feedback on how the candidate interacts with them – does he share a bit about his background, professional training and personal interests? These are staff that he will be working with – secretaries that will be scheduling patients, hygienists that will need checks for their patients and assistants who will work knee-to-knee with the new hire dentist for years to come. Their opinions may be valuable.

Let’s consider timing for this part of the interview process. If your candidate dentist is more than a couple hours drive, then usually, he will only have a few visits to the practice before he starts working. The more you have helped staff to get to know the new hire dentist and feel good about him joining the practice, the harder they will work to fill his schedule and make the transition into the practice easier. There are a dozen ways that staff can help out before the first day that even the senior dentist may never know about. If you set up time for the new hire dentist to connect with the staff, they will be able to prep their patients in casual conversation to let them know about the change ahead – and to set a positive feeling about the new hire in the community – before he ever sees his first patient!

**Part 4: Accounting Accuracy & Honesty**

Have you heard about the Virginia dentist who was convicted of insurance fraud by Medicaid and actually spent 2 years in jail? All for dental insurance coding violations. He also paid $75,000 in fines. Dentists are responsible for what the staff submits to insurance – ignorance is no excuse. That means if your practice is handling insurance claims properly, this is a major selling point!

Before you hire a new dentist to join the practice, you want to make sure that your team is following all the proper regulations. Now is a great time to review guidelines for OSHA, HIPAA Privacy practices and the state dental board laws. Observe the cleaning and sterilization routine and decide if it looks like the practice is following the proper steps. Check the lobby for a copy of the HIPAA Privacy Notice and make sure signed copies are in patient charts. Each of these are great items to point out to your new dentist – again, this reinforces how you practice dentistry. It also sets the expectation that any dentist working in your practice will follow the appropriate laws. For reference, you can go online to search each of these regulatory bodies so
you can read the rules yourself. The American Dental Association is also a huge resource – they have created material to help dentists implement OSHA and HIPAA training. By the way, they also offer a free contract evaluation service – but you must be a member of your state dental association, so go ahead and pay your dues!

You also want to demonstrate that your practice is submitting insurance claims honestly and properly. If you use Dentrix, you can print certain reports to share a brief evaluation of their dental insurance approach with your candidate dentist. Print the adjustments report for last month for all providers. This adjustments report shows every type of adjustment given in the practice. You will see exactly how much the practice is losing/giving away through senior citizen discounts, pay in full discounts, new patient discounts, courtesy adjustments and managed care dental insurance withholds. You want to confirm that these adjustments are being documented – if your policy says you offer a 10% senior citizen discount then you should see these adjustments, this is a great way to show that your documentation is accurate and your practice is well-run.

On top of just proving that the adjustments are documented, you also can assess the total adjustments that will affect the new hire dentist’s income. Review every adjustment that comes off of production to see how significant these are. Next, add these up and subtract them from production – now you can show a more realistic picture of the production of the practice. This also provides a candidate a more accurate picture of what can be collected. Expect that your candidates have never seen these type of numbers (they may have heard of them) and therefore they will need your help to understand what they are looking at.

The most important adjustment is the insurance withhold. When you’re looking at the adjustment report, you should find this particular item. Compare the production (find this by looking at the Dentrix Practice Analysis production report for all providers for the same timeframe) against the insurance withhold. Most managed care plans require a reduced fee schedule of 15% - 20% from a dentist’s standard fees. What percentage do you calculate when you compare the insurance withhold to the production? Depending upon how the Dentrix insurance claims are set up, the discount may seem much lower than 20% simply because the claims are set to charge the dentist’s standard fee on the claim but enter the negotiated fee in the patient ledger – and the additional insurance withhold may be due to an additional discount required for the risk pool. If this is all greek to you, then suffice to say that you should see a sizeable insurance withhold amount on this report if the practice has joined many managed care insurance plans.

During one of the candidate’s visits to the practice, have him sit down with the office manager and plan some discussion. Ask her to tell the candidate dentist how many managed care dental insurance plans the practice has joined. Tell him the
names – Delta? MetLife? Guardian? Give the candidate dentist a sense of how many plans the secretary team is keeping track of – and how many he will have to deal with as the middle man often interfering between recommended treatment plan and the patient’s pocketbook. Have the office manager ask if the dentist is okay with joining the same plans as the senior dentist? Obviously, it’s easier for patients (and for the secretary team who has to explain patient benefits) to understand that all the dentists accept the same insurance plans, but each dentist needs to understand that each plan requires a different discount – some far worse than others.

During the meeting with the office manager, plan for her to show the candidate dentist some patients’ accounts so he can see the effect of managed care insurance. By looking at the appointment book, she can find a managed care insurance patient that was seen last month. Flip through the hygienist schedule for the last month or two. Look for a patient that has one of the managed care insurance plans. This shouldn’t take very long – most patients that come in for dental cleanings have insurance! To figure out what insurance the patient has – she can just click on the patient name in the schedule, then select the Family File and look at the insurance plan. Ask her to keep going back and forth between the appointment book and the family file until she finds a patient that has a managed care plan that the senior dentist has joined. Next, she can click on the Ledger and choose Ledger and history so the candidate dentist can see the past activity on the account.

Finally, have the office manager show the candidate how the charges for this patient were handled. Show the total fee charged out for the dental cleaning and exam. Point out the hygienist name/abbreviation for the D1110 dental cleaning procedure and the dentist name/abbreviation for the D0120 periodic exam. Calculate how much time was spent with the patient from the appointment book – and look at the associated fee in the ledger. Next, she should click on the dental cleaning and then select “Show transaction codes” to see the associated claim form and insurance payment. Double click on the insurance claim and look to see the total fee, the total insurance estimate and the actual insurance payment.

Practices that are using Dentrix to the fullest enter payments matched to each procedure code. This allows the Dentrix software to create a profile of each dental insurance plan so that when you treatment plan a procedure that has already been paid for another subscriber on the same plan, it will automatically insert this amount into the insurance estimate. When you see a payment for the dental cleaning and a separate payment for the periodic exam on this claim, this is a good sign that the practice is using Dentrix well. This is a nice opportunity to do a micro-comparison on insurance for just this patient – how much did the practice receive for the cleaning and exam? Expect your candidate dentists will probably be shocked at how little the practice was paid by the managed care plan – but this will help the
senior dentist to coach him on the reality of dental insurance – and help the new hire dentist to see how hard he will have to work to earn his pay!

You also can ask the office manager to select a crown patient or a partial denture or another significant procedure to share how the finances look. You want the candidate dentist to see the practice’s standard fee, the insurance negotiated fee, how much the insurance actually paid and how much the patient paid. Be sure to tell your candidate dentist that it’s illegal to accept an out of network insurance plan’s payment as payment in full? You can prove this doesn’t happen in your practice, just go back to the appointment book and look for an out of network insurance patient. Then, look in the ledger to find the personal payment – you should see a credit card payment or check payment or even cash. If there is no personal payment – find out why?

When you can show your candidate dentist personal payments for out of network patients, this brings up another topic to discuss – how are the collections for the practice? Some secretaries are afraid to ask for payment at time of service and if you’re in a practice where your team is doing a great job at collecting money, you can point out that one of the benefits of joining your practice is that the new hire dentist will be paid for the work he does! The bad news is dentists are in the top categories for not being paid for their work – patients assume that dentists and physicians are rich, so they pay other creditors first – often skipping the dental payment altogether. With a simple review of the ledger, you can see the dates the payments were entered – if you see a crown seated on June 1st, the personal payment entered in May and the insurance payment on June 28th – this tells you that the secretary did a nice job collecting in advance of the appointment!

Looking at the Dentrix Practice Advisor, you can see the production, adjustments to production and the adjusted production. This is the big picture for the month and again, it helps show how much the practice is losing due to the adjustments they accept. Just by looking at this report, a senior dentist can show how hard he is working to earn his income now. When a candidate dentist sees the production minus the insurance withhold and the other adjustments, he will see how productive he needs to be just to earn reduced fees! For example, when you see a managed care patient(s), you need to be 15% - 20% more productive in order to receive the same fee as an out-of-network patient. Or, you need to be 15% - 20% more efficient. Realistically, neither of these options are easy to accomplish.

The last recommendation for this section is to have the candidate dentist sit down with the practice’s insurance secretary. Every office has one person that they call their dental insurance expert. She is the one that follows up on unpaid insurance claims and sends the additional x-ray or perio chart in order to receive payment. She knows which plans pay well and which stink. She knows how many complaints
she gets from the patients on the different plans. Having the candidate dentist sit down with the insurance secretary and having her explain how things are going with dental insurance – encourage her to share her opinions about how well the different plans pay. A new hire dentist can judge her knowledge based on the conversation and what she can explain and answer. Since dentists are responsible for every claim she submits with their license number, helping the new hire dentist recognize that she is following the rules and doing an excellent job!

**Part 5: Compensation & Ownership**

You’ve made it to the final step of the practice evaluation. Some senior dentists start with “How much can you produce?” and focus so closely on the income for the practice, they miss looking closely at what the new hire dentist will be doing and the effect on the practice. Since work is more than just about money, even a highly paid dentist who is asked to make ethical compromises may want to quit a highly compensated position.

Studies show that earning any amount over $50,000/year doesn’t make Americans any happier and in our practice, we often say, “The worst thing isn’t not getting the job, the worst thing is getting the wrong job.” That’s why it’s worth it to go through a thorough practice evaluation when you’re looking for a new opportunity. So, your final step in evaluating any dental practice is to confirm the aspects we’ve reviewed today with your candidate dentist:

- Does the clinical philosophy fit your beliefs?
- Will your schedule be full? Are there enough patients to add a new dentist to the practice?
- What is the management style? How does communication work in the practice?
- Are insurance claims handled accurately and honestly?

If each of these pieces fits the approach and personality of your new hire dentist, then you are well on your way to hiring this dentist. The last consideration is compensation and ownership.

There are generally 3 types of compensation for dentists:

1. Paid a percentage of collection
2. Straight salary plus bonus
3. Some combination of the two


**Paid a Percentage of Collection**

If you’re paying your new hire dentist a percentage of collection, then estimating his production is the key to figuring out how much money he will earn. So, how do you estimate production? First of all, look at the production and collection for each dentist in the practice for the last 5 years – as well as the total number of hours seeing patients. Seeing what’s been done with this staff, with this patient base is going to give you a realistic picture of what your new hire dentist can do. If you are hiring a new graduate, then you must assume that even if he works the same patient hours as the senior dentist, he will produce less. The senior dentist has polished dental skills, a well-coached team and long term relationships with patients, where some will finally decide to go ahead with the bridge, implants or crowns they’ve been talking about for the past 3 years. The new dentist is just beginning this conversation.

Another way to estimate production is to go back to your evaluation of schedules and new patients. The ADA survey center has data showing most dentists need about 35-45 new patients/month to maintain a practice. Consider the number of new patients each month for the last 5 years (if available). Look at the percentage of open time for the dentists each month for the last 2 years (8% is a nice benchmark to use). These numbers will show you in black and white – how productive will the new hire be? If the practice has more than 15% dentist open time and low new patient numbers, how do you expect your new hire to be productive? Which brings up the point, if you feel that everything else about the practice seems to be a fit – then, what will you do to help your new hire be productive enough to earn a reasonable income? This is a good question for the new hire dentist as well.

The choices and actions of the new hire dentist will drive his production. If he is willing to work patient convenience hours (evenings and weekends) then this helps to increase production because his schedule will be more consistently full than during a normal workday. Don’t forget to talk with the staff to prepare them to work these new hours. An increase in hours will increase overhead but may allow more working families to come in at convenient times – be sure to discuss all of this. If the new hire dentist is willing to go out into the community and meet business owners and community leaders, this helps to increase production because people will talk and hopefully refer new patients.

Once you have estimated a realistic production level for your new hire, then it’s time to see how the practice performs on collections. You need to see some reporting results that show how much production is due for a month and how much of that is actually collected. Every practice has some patients that don’t pay for their services. Some are slow payers and others skip out altogether. The best practices collect 98% of their actual production (after all adjustments). Sit down with your
new hire dentist and share the collection policies of the practice and how the
secretary team is performing at collecting the money. It might be helpful for the
secretary responsible for collections to show him the steps she follows on an
account that hasn’t paid in full. If the new hire takes his estimated production, less
2% then this would be his collections number. Now he can calculate his income if
his is being paid a percentage of collections.

*Straight salary plus bonus*

Some practices pay dentists a straight salary plus bonus. When this is the case, the
senior dentist makes an offer and the candidate dentist considers the amount.
Dental recruiters will tell you that the standard for setting a goal for a dentist to hit
bonus is that he collect three times his compensation. 1/3rd to pay for his
compensation, 1/3rd to cover overhead and 1/3rd to contribute towards profit. To
figure the goal for bonus, take the new hire dentist’s compensation times 3 and
again – compare this to your estimate for his production. Does it look like he will hit
the goal? Sit down with your new hire dentist to make sure you’re both calculating
the bonus the same way. This will avoid disagreements and stress later.

Benefits for most dentists run about $20,000/year – including the required licenses
and dues, health insurance, disability and vacation being the most expensive. Make
sure you discuss who pays for the benefits – if they are part of the new hire
dentist’s compensation, then the take home will be reduced by $20k. Bonuses are
all over the board, so just be clear on what the goal is and how the bonus is
calculated. Expect this to be included in your compensation.

*Some combination of the two*

The next question you need to review is ‘How will production and collection be
tracked and eventually paid to the new hire dentist?’ You will show the new hire
dentist the report that will be used to determine his production. Identify the specific
adjustments that will come off production. Obviously, the lower the production, the
less can be collected – and the lower the income. Here’s an example to share with
your new hire dentist: “Let’s imagine that you do a crown – at standard fees, that
would be $1000 in production. However, if this crown is done on a managed care
patient, the UCR is $750 – so the $250 is the insurance withhold and that comes off
your production. The most you can hope to collect on this crown is $750.” The
senior dentist needs to share the reports that show an accurate production number
for just this reason. In Dentrix, you can see an accurate production number by
reviewing the Provider A/R Totals report. This report shows you exactly what the
adjustments are to the practice’s production, both the positive adjustments that
increase production (such as undercharge or late fee) and the negative adjustments
that decrease production (such as insurance withhold or senior citizen discount).
For the selected dates, this report totals the positive adjustments, the negative
adjustments and gives you a final production number taking both these adjustments into account.

Production and collection run in cycles. Certain months are very productive (usually summer months when the kids are out of school and often November and December when families try to use up their dental benefits). With insurance payments trailing the submission of claims, usually the month following a large production month has higher collections. New hire dentists are unaware of these trends. It’s helpful to explain this cycle so that they are prepared for how their income will flow. For example, just because the new hire dentist is super productive in June doesn’t mean his collections will be strong. The more open you are with the new hire dentist with reporting, the less chance of him getting upset because he can see the report that shows how collections are tracked. In Dentrix, you can see an accurate collection number by running the Provider A/R Totals report. Just like for production, this report shows you exactly what the adjustments are to the practice’s collection, both the positive adjustments that decrease collections (such as patient refund or insurance refund) and the negative adjustments that increase collections (such as refund check returned). Again, for selected dates, this report totals the positive and negative adjustments to give you a final collection number taking both these adjustments into account. In most practices, this report is the one used to determine each dentist’s actual production and collection.

Once you have production and collection established, you need to determine which expenses are allocated to the new hire. Most dentists are responsible to pay for their own lab bills – so you need to review this with your new hire dentist so he can see how this will be tracked and assigned to each dentist. Does the practice track each lab case by patient name to assign the dentist the exact lab bill? Or, does the practice just take the end of month bill from the lab and divide it equally between the dentists? This will be a significant expense and you need to make sure you can track it accurately. Repeat this process for any expenses you expect the new hire to pay as part of the contract. For each expense, your new hire needs to have access to the original bill so that he can match the amount with what he ends up paying at end of month.

Once you have clearly established how production, collection and expenses are determined, then your new hire dentist can assess his individual practice profitability. Hopefully, the new hire anticipates earning a nice profit by working as a dentist – and you’ve helped him to expect that this profit will vary from month to month. As the senior dentist, you should sit down with the new hire dentist at the half year and end of year to review a summary of his production/collection and income. By seeing these final results over a year, you are helping your new hire dentist to begin to understand (and forecast for the future) what he can accomplish and the level of effort required.
As part of the conversation before you offer the position, you should discuss, “What will happen if the new hire dentist does not achieve the production goal?” – If the position pays a straight salary of $225,000 and the new hire only produces $450,000, he will most likely find himself looking for new work at the end of the first year. The new dentist needs to know what the expectations and the consequences are. On the other hand, if the position offers to be paid 30% of collection and the new hire dentist collected $425,000 then the $127,000 salary is a reflection of performance. If the new hire dentist wants to earn $225,000 (like your buddy on straight salary), then he can see the challenge ahead is to produce and collect $750,000!

Now your new hire is starting to think like an owner. In fact, the final piece of recruiting the right dentist is to decide at the beginning what opportunity for ownership exists. Even if the new hire is staring at $250,000 school debt, as a dentist, he has joined the ranks of small business owners. He can see that no matter how he is paid, the style of practice and subsequent production/collection will determine his income for the rest of his career. Dentists are a one-person enterprise! For some dentists, this level of responsibility is just not for them. But some dentists want to make the decisions on issues that affect their clinical care and production/collection. To earn decision-making authority means earning ownership.

Before contracts are signed, discuss the opportunity for ownership. What is the cost to buy into the practice? Will the new hire become a partner with the senior dentist? Or, for a large group, perhaps the opportunity for partnership exists after several years – again, discuss the costs, responsibilities and rewards of ownership.

Now you know how to thoroughly evaluate and choose the right dentist for your practice. It’s a major life decision to choose a dentist who will move his family into the community where he will make life-long friends and raise his children. By taking the time now to do a thorough evaluation now instead of jumping to get a new dentist started, you can reduce the chaos in your practice by avoiding a second change a few years later when you realize how the dentist actually works and discovering you’re terribly unhappy. So, congratulations on starting on a new chapter in your life – and here’s to choosing the right dentist for your practice!