HOW TO CHOOSE THE RIGHT DENTAL PRACTICE
A NEW DENTIST GUIDE

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How to choose the right dental practice

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Part 1: Clinical Philosophy – Conservative vs. Aggressive

This article series is for new dentists who want to know how to evaluate a dental practice BEFORE you start working there. 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 dental practice it is and you can decide if it’s the right fit for you.

What’s the difference between working in a dental practice where you earn $250,000 and one where you earn $120,000? What will you have to do 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 a potential dental practice, the more you understand the clinical philosophy, the more you can decide if it matches your own.

Questions to ask about clinical philosophy:

1. Who diagnoses your treatment?

Ask to see 5-10 recent comprehensive exams with intraoral photos and CMX’s. Then, make your own treatment plan before you look at what the existing dentists diagnosed. Then compare your 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 yourself by simply looking at the Dentrix schedule – go back a few months to find the comprehensive exams. Or, if you’re comfortable with Dentrix – 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?

Ask the senior 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 find out how hygiene exams are handled. Will you be assigned to certain hygienists to handle their checks? Again, will you diagnose your own 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 – ask why.

3. Check out the supply closet – what type of materials are being used?

What is your opinion of the dental supplies the practice stocks? Do you see cheap supplies or the most expensive supply options you could never afford in the school clinic? You can talk with a dental supplies representative to find out which are the most common dental supplies and see how the practice compares.
Ask who decides on which type of dental supplies will be purchased – can you have some input? What do you think of the supplies currently used in the practice?

4. What type of dental labs are being used?

Take a look at a lab slip and invoice for a recent crown patient. Do the same for a partial denture patient. How does the lab fee compare 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, look at the dentist’s instructions to the lab. For a crown do the instructions read “#6 porcelain to gold crown A2” or did the dentist 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, does the dentist use an articulator?

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

One last question about clinical philosophy is to ask 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 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 your schedule be full?

Another aspect to consider as you’re evaluating dental practice opportunities is the schedule. The busier the schedule is, the easier it will be to both achieve your financial goals and start to improve your clinical skills. Take a look at the appointment book for the practice – how full is the 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 take the owner dentist’s word for the type of dentistry you can expect to do in this practice – the evidence is sitting in the schedule. You’ve probably heard that not diagnosing or treating perio is one of the top reasons for dental lawsuits – so, what do you see in the hygienist schedule? Do you see perio maintenance and root planing/scaling appointments or wall-to-wall prophies day after day?

Thinking back to our 1st topic on Conservative/Aggressive diagnosis, you can also create your own opinion of the dentist’s diagnosis by evaluating his schedule. Do you see comprehensive exams in the schedule? How much time is reserved? Ask to sit in on one of his comprehensive exams to observe the diagnostic process. Do you see time for case presentations? Ask to sit in on one of these as well – this is an excellent opportunity to see for yourself how well the dentist connects and communicates with the patients.

In addition to looking through the schedule to assess the busy-ness of the practice, there are several statistics that will tell you about 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.

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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, ask a Dentrix office to share their Daily Huddle Report with you. You can see 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 get a feel for how successfully this practice is attracting new patients – and all you had to do was look at the report!

I’ve mentioned the Daily Huddle Report several times, which brings up another question: Does the dentist begin his 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.

Also on the Daily Huddle Report is information on unfilled hours for the dentist and hygienist (check the detail). Now, before you take this number to heart, you need to find out if the practice is scheduling their providers accurately in the Provider Setup. You also need to confirm that the dentist worked a normal week – the unfilled hours statistic is only as accurate as the setup – if the dentist took a vacation day and didn’t close the day, then it could look like he had 8 hours of unfilled time. On the other hand, if he took a vacation day last week and worked an extra day this week – the unfilled hours won’t count for the extra time worked if it’s outside his normal schedule. Still, for a standard work-week, a quick review of the Daily Huddle Report for the unfilled hours tells you how the secretary team performs their job and most likely how much open time you can expect to be facing if you join this practice. Thinking about the 8% benchmark for a moment – let’s say the dentist works a 32 hour/week schedule – that 8% is equal to about 2.5 hours/week. So if you see significantly more open time than this – in either the dentist or the hygienist schedule, it’s something to be aware of. (Well, unless it’s September and that’s a different story. ?)

The Daily Huddle also gives you 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 see how the 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 see how successful the practice’s external marketing programs are (direct mail, online promotions, yellow pages,
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 this practice may not be focused on tracking their new patients and may not be as successful with their 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 assess the diagnostic and treatment approach of the practice and Part 2: Busy-ness – where you can evaluate the schedule for open time and productivity. Next, we move into a more intangible subject: Management Style – so you can evaluate how the practice communicates.

Starting with dentist communication, is there a plan for helping a new dentist become oriented to the practice? Even if you plan to associate with a senior dentist who 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 you agree with his clinical approach or not, you need 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 you see a patient that the senior dentist has been treating for years and you diagnose perio disease – for the first time? This is tricky territory for patient communication – and you also run the risk of offending the senior dentist depending upon their history with diagnosing and treating perio in the practice.

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. You should find out 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. Find out what clinical skills she has. Also find out what people skills she has. 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 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 take time to talk with the employee that will be your chairside. For ideas on what to ask your future chairside, I recommend referencing my Hiring series.

To jumpstart some of these communication conversations, you can check the schedule. Do you see any blocks in the schedule for staff meetings? If so, ask the staff what happens during these meetings? Who runs them? Ask to see a copy of an agenda from the last meeting. As you walk through the practice and simply observe the staff and patient interaction, you should talk with each staff person. Again, using interview-style questions, ask each staff person what their role in the practice is, what their responsibilities are, how long they’ve worked in the practice, etc. Share a bit about your background – both your professional training and special interests as well as some personal information. These are staff that you will be working with – secretaries that will be scheduling your patients, hygienists that will have you check their patients and assistants who you will work knee-to-knee with for years to come.

Let’s consider timing for this part of the interview process. If your potential practice is more than a couple hours drive, then usually, you will only have a few visits to the practice before you start working. The more you have helped staff to get to know you and feel good about your joining the practice, the harder they will work to fill your schedule and make your transition into the practice easier. There are a dozen ways that staff can help you out before your first day that you will never
know about. If you haven’t spent time with the staff, they won’t be able to prep their patients in casual conversation to let them know about you – and to set a positive feeling about you in the community – before you ever see your 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 you join a practice that is committing insurance fraud – you are responsible for all claims submitted under your license even if you’re new!

Before you join a practice, you want to feel confident that this practice is following all the proper regulations. Now is a great time to break out your notes from your practice management course regarding 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 see if you can find a signed copy in a patient chart. If you want to dig deeper, 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 for the dentist to follow. 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 feel confident that this practice is submitting insurance claims honestly and properly. If the practice uses Dentrix, you can review certain reports to do a brief evaluation of their dental insurance approach. Ask to see 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 see that these adjustments are being documented – if the practice says they offer a 10% senior citizen discount and you don’t see any of these adjustments, that’s a warning sign that the documentation isn’t correct.

On top of just looking to see if the adjustments are documented at all, you also can assess the total adjustments that will affect your income. Look at every adjustment that comes off of production to see how significant these are. If you add these up and subtract them from production – now you have a more realistic picture of the production of the practice. This also gives you a more accurate picture of what can be collected.
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 your visits to the practice, sit down with the office manager and ask her some questions. Find out how many managed care dental insurance plans the practice has joined. Find out the names – Delta? MetLife? Guardian? You need to know how many plans the secretary team is keeping track of – and how many you will have to deal with as the middle man often interfering between your recommended treatment plan and your patient’s pocketbook. Ask if the dentist is expecting you to join the same plans. 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 you need to understand that each plan you join will require a different discount – some far worse than others.

When you’re meeting with the office manager, ask her to show you some patients’ accounts so you 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 you find a patient that has a managed care plan that the dentist has joined. Next, she can click on the Ledger and choose Ledger and history so you can see the past activity on the account.

Ask the office manager to show you how the charges for this patient were handled. You want to see the total fee charged out for the dental cleaning and exam. You should see the hygienist name/abbreviation for the D1110 dental cleaning procedure and you should see the dentist name/abbreviation for the D0120 periodic exam. You can see how much time was spent with the patient from the appointment book – and you can see 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 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. If you see a payment for the dental cleaning and a separate payment for the periodic exam on this claim, then this is a good sign that the practice is using Dentrix well. Plus, you can do your own micro-comparison for just this patient – how much did the practice receive for the cleaning and exam? You’ll probably be shocked at how little the practice was paid by the managed care plan – but this will help you to understand the reality of dental insurance – and help you to see how hard you have to work to earn your pay!

You can ask the office manager to show you a crown patient or a partial denture or any procedure you want to see how the finances look. You want to see the practice’s standard fee, the insurance negotiated fee, how much the insurance actually paid and how much the patient paid. Do you realize that it’s illegal to accept an out of network insurance plan’s payment as payment in full? To check to make sure this isn’t happening, 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?

If you aren’t seeing personal payments for out of network patients, this brings up another red flag – 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 this is a problem, you can guarantee that they are losing a significant amount to unpaid accounts. 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 insurance payment on June 28th and the personal payment entered in August – this tells you that the secretary didn’t require the patient to pay their 50% at time of service. Bad sign.

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 you see how much the practice is losing due to the adjustments they accept. Just by looking at this report, you will appreciate how hard the current dentist is working to earn his income now. When you see the production minus the
insurance withhold and the other adjustments, you’ll see how productive you need to be just to earn reduced fees! 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 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. You should sit down with the insurance secretary and ask her to tell you how things are going with dental insurance – ask her opinion about how well the different plans pay. You can judge her knowledge based on your conversation and what she can explain and answer for you. Since you are responsible for every claim she submits with your license number, you want to know 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 dentists start with “How much are you going to pay me?” and focus so closely on the compensation, they miss looking closely at what they will be expected to do. 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 look hard at the aspects we’ve reviewed today:

- 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 your approach and personality, then you are well on your way to joining this dental practice. 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 paid a percentage of collection, then estimating your production is the key to figuring out how much money you’re going to earn. So, how do you estimate your production? First of all, ask for 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 you can do. If you are a new graduate, then you must assume that even if you work the same patient hours as the senior dentist, you will produce less. He has polished dental skills, a well-coached team and long term relationships with these 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. You’re just beginning this conversation.

Another way to estimate your 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. Ask to see the number of new patients each month for the last 5 years. Ask to see 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 you be? If you’re seeing more than 15% dentist open time and low new patient numbers, how do you expect 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 be productive? This is a good question for the senior dentist as well.

Your choices and actions can affect your production. If you’re willing to work patient convenience hours (evenings and weekends) then this helps to increase production because your schedule will be more consistently full than during a normal workday. You’ll need to find out if the staff are willing to work these hours? This will add to the overhead if it’s a change from the past schedule – how does the senior dentist feel about the staff salary? If you go out into the community and
meet business owners and community leaders, this helps to increase production because people will talk about you and hopefully refer new patients to you.

Once you have estimated a realistic production level, then it’s time to find out 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). You should see for yourself what the collection policies of the practice are and how the secretary team performs at collecting the money. When you’re meeting staff, ask the secretary responsible for collections to show you the steps she follows on an account that hasn’t paid in full. If you take your estimated production, less 2% then this would be your collections number. Now you can calculate your income if you’re being paid a percentage of collections.

*Straight salary plus bonus*

Some practices pay dentists a straight salary plus bonus. When this is the case, they will give you an offer and you can consider 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. $1/3^{rd}$ to pay for his compensation, $1/3^{rd}$ to cover overhead and $1/3^{rd}$ to contribute towards profit. To figure your goal for bonus, take your compensation times 3 and again – compare this to your estimate for production. Does it look like you will hit the goal? Is this how the senior dentist calculates your bonus? Be sure to find out.

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 ask who pays for the benefits – if they are part of your compensation, then you’ve reduced your take home by $20k. Bonuses are all over the board, so just be clear on what your 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 ask is ‘How will your production and collection be tracked and eventually paid to me?’ Have the owner show you the report that will be used to determine your production. Find out what adjustments come off your production. Obviously, the lower your production, the less can be collected – and the lower your income! For example, 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. You need to see 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. So, just because you were super productive in June doesn’t mean your collections were strong. That’s why you need to see the report that shows how collections are tracked for you. 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 find out how expenses are allocated to you. Most dentists are responsible to pay for their own lab bills – so you need to ask to see how this will be tracked and assigned to you. Does the practice track each lab case by patient name to assign you 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 are paying as part of the contract. For each expense, you need to know where the original bill comes from and you need to match that with what you end up paying at end of month.

Once you understand how the production, collection and expenses are determined, then you can assess your individual practice profitability. Hopefully, you are earning a nice profit by working as a dentist – as you can already imagine, this profit will vary from month to month. You should ask if the practice will provide a summary of your production/collection and profitability at the half year and at the end of the year. By seeing your final results over a year, you can begin to understand (and forecast for future jobs) what you can accomplish.
As part of the conversation before you accept the position, you should ask, “What will happen if I do not achieve my production goal?” – If you have accepted a position that pays a straight salary of $225,000 and you only produce $450,000, you will most likely find yourself looking for new work at the end of your first year. You need to know what the expectations and the consequences are. On the other hand, if you’re being paid 30% of production and you collected $425,000 then your $127,000 salary is a reflection of your performance. If you want to earn $225,000 (like your buddy on straight salary), then you see the challenge ahead is to produce and collect $750,000!

Now you’re starting to think like an owner. In fact, the final piece of choosing a dental practice is to find out what opportunity for ownership exists. Even if you’re staring at $250,000 school debt, as a dentist, you have joined the ranks of small business owners. You can see that no matter how you are paid, your style of practice and subsequent production/collection will determine your income for the rest of your career. You 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 you sign the contract, you need to find out if there is an opportunity for ownership. What is the cost to buy into the practice? Will you be partners with the senior dentist? Or, for a large corporation, perhaps the opportunity for partnership exists after several years – again, ask about the costs, responsibilities and rewards of ownership.

Now you know how to thoroughly evaluate and choose the right dental practice for you. It’s a major life decision to choose a work situation and move your family into the community where you will make life-long friends and raise your children. By taking the time now to do a thorough evaluation now instead of jumping to accept a big salary, you can reduce the chaos of your life by avoiding a second move a few years later when you realize how the practice 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 dental practice for you!