

# Solutions for Effectively Managing a Dental Office

by Kevin Brady



As any owner of a dental practice knows, there's a lot more to running the business than treating patients.

Owners are responsible for hiring and managing staff, billing patients and insurance companies, handling accounts payable and receivable, and becoming proficient on dental software programs.

All of these duties have a negative impact on both the time dentists are available for their patients, and the profitability of the practice. A viable solution that benefits dentists, staff and patients is outsourcing. By contracting out the busy work, dentists and their staffs have more time to better serve their patients.

## Practice demands

It's no secret that dentists face increasing constraints on their time. First and foremost, a dentist's role is to be a dentist. This means providing high-quality care for their patients, which entails creating treatment plans and participating in continuing education to keep abreast of the latest innovations in dentistry.

At the same time, dentists need to be the CEOs of their practices. In this capacity, they are tasked with:

- Hiring, training, firing and managing staff
- Marketing the practice

- Understanding insurance changes and HIPAA regulations
- Managing the billing, collections and accounts payable/receivable processes
- Ensuring the office is running smoothly
- Maintaining office technology
- Dealing with economic conditions affecting the bottom line of the practice

In conversations with dentists, I've found that business issues are taking up more and more of their time. Dr. William K. Rich from Precision Dental Plan in Walton, Kentucky, is one dentist who has seen the business issues grow exponentially.

"Compliance issues are an increasing challenge with credentialing, audits and regulatory issues around HIPAA," Rich said. "It's difficult to keep up with the administrative burden."

Due to the basic demands of being the business's main producers, dentists have very little time to actively manage the practice. Yet, ignoring the business side of the practice can severely impact the growth of their business.

For example, a dentist may have the best state-of-the-art equipment available, offer a multitude of services, and produce at a high rate every month. But if the office is only collecting at 60 percent of the revenue associated with this work, the business

is not running at its best capacity. The answer lies in establishing and maintaining reliable billing, collections, scheduling and other office systems so that the practice will run efficiently.

### Running an efficient dental practice

Typically, the front-office personnel are responsible for billing patients and insurance companies, with oversight from the dentist(s) who owns the practice. In addition to determining the correct billing codes for insurance paperwork, as well as the patients' payment responsibilities, staff are tasked with the printing, folding, stuffing, sealing, stamping and mailing of monthly invoices. They also handle the management of insurance companies' explanation of benefits, accounts receivables, collections and scheduling of patients. All of these duties are time-consuming.

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Unfortunately, many dentists believe that this condition, i.e., the struggle and stumbling alone with managing the business, is just the way it is. They are unaware of the many resources available from third-party vendors to streamline the front office responsibilities.

However, having outsourced systems in place that automate front-office functions free the staff from busy work. As a result, they can spend more quality time with patients to build stronger relationships, engage in treatment planning, and reactivate inactive patients. This shift in the staff's responsibilities enhances the appeal of the practice and results in increased productivity and profitability.

### The benefits of outsourcing

A key benefit of outsourcing a dental practice's busy work is that the systems are already developed to assist staff in concentrating their efforts on practice-building activities. Outsourcing administrative tasks (such as accounts receivable management, collections, processing insurance claims, cash flow, and patient financing options) is an efficient way to displace costs and refocus staff on exceptional customer service.

Selecting a partner who provides all of the outsourcing solutions needed by a dental practice has several advantages. These include eliminating the headaches involved with working with multiple vendors, and providing the office with optimal front and back end integration and smoother transitions with dental management software programs. Dr. John Offerdahl, a dentist with South Kipling Dental Care in Littleton, Colorado, experienced this firsthand with the partner who serves his practice needs.

“Whether it's a software or hardware problem, working with

one partner for support brings about quick resolutions. Plus, their software and business applications help me manage the practice from a business standpoint,” Offerdahl said.

For Tonya Runyon, the office manager for Stone Canyon Dental in Sunnyvale, Texas, using a partner for front-office tasks eliminated her overhead and freed up staff time.

“[The partner does] everything for me,” Runyon said. “They do my statements, collection calls and process my payments. This takes a load off of the front office and allows them to do more of what needs to be done in working the aging reports, the recall and the production treatment reports. Things of that nature normally get put aside because you constantly are doing the mundane dirty work. Now I have [the partner] doing my dirty work for me.”

Another benefit Stone Canyon Dental experienced was increased patient treatment. Before incorporating its partner's software into the office, numerous recommended patient treatments remained in patients' charts, resulting in lost production for the office. Patients weren't scheduling recommended dental treatment when it was proposed. This was due to issues such as patients' financial difficulties, a lack of understanding the need for the proposed treatment, or patients canceling and rescheduling their treatment appointments.

Now the system tracks the proposed treatment plans. Runyon prints reports showing which patients haven't scheduled their treatments.

“We are able to see which treatment was recommended but hasn't been rendered yet,” Runyon said. “Then we can call the patients to see why it hasn't been scheduled. We can see if the treatment plan has been approved by the insurance company and inform patients of their out-of-pocket expenses. If payment is the issue, we can discuss the financial options offered by our partner.”

Runyon appreciates that her partner streamlines these tasks, as she believes her office was making them more complicated. “It consolidated [the data] into one report. You can click on one report and itemize it out, by date, patient or insurance. These reports make our lives easier and are important to the practice,” Runyon said.

Precision Dental Plan has been outsourcing its front-office tasks for many years.

“It allows our staff to be more productive in other things, such as patient outreach,” Dr. Rich said. In addition to managing any software or hardware issues, their partner oversees the

practice's trends. "They are, in essence, a practice advisor. They keep track of my production and collection trends and do a great job of going over our reports with us and giving advice on marketing, practice management, hiring and firing, and different aspects of the practice. It's a relationship of trust with one another. It's a good joint venture," Rich said.

and moving patients forward with their treatments. As a result, production and profitability increase.

Here's an example of how that works. Let's say the average treatment generates \$500 to \$1,000 per visit. Because staff and dentists have more time to spend with patients due to outsourced business functions, they are able to move one additional treatment

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A huge benefit from working with a partner is managing the compliance issues related to HIPAA.

"They integrated what we had and kept our computers compliant," Rich said. "This took a decent load off of what we would have needed to do concerning our information technology system in the office and our electronic health records. It cost some of my friends a lot of money to become HIPAA compliant, [but the partner] came in and set it up as part of the service."

As staff time is freed up, the staff can better concentrate on contacting inactive patients, reducing the number of no-shows,

forward per week. The result from this change? An increase of \$26,000 to \$52,000 yearly in additional production. In addition, when the billing, invoicing, collections, and accounts-receivable management are performed on a consistent basis instead of only when the staff has the time, practices receive a greater collectability on their production.

### Busting the outsourcing myth

One misconception related to outsourcing is that the dentist will lose control of administrative functions. In reality, outsourcing provides greater control and allows for these tasks to be performed more efficiently.

Many offices already understand the benefits of electronic insurance-claim filing, including reduced errors, costs and staff time. Outsourcing other office tasks brings about similar benefits. However, it's important to recognize that none of these tasks are performed without oversight from the dental staff. They still determine who is billed, when they are billed, and what amount they are billed.

"It's a misconception that dentists have no control of anything," Runyon said. "I have control over my accounts. I have control over my treatments. I have control over my recall and I have control over all of my insurance. There is nothing that I can't do that I wasn't able to do prior to using my partner."

Rich agrees. "We haven't lost any control by using our partner, especially with the oversight they provide," he said. What does change with outsourcing is the time involved with processing billing, filing insurance claims, managing accounts receivable, and making collection calls.

### The little difference makes all the difference

Remember, there is a difference between working with a vendor as opposed to a true partner. A vendor is trying to sell a solution, whereas a partner truly cares about the client and has the expertise to help the practice grow. Additionally, the partner is available for consultation and to make recommendations. When selecting an outsourcing partner, seek one with an extensive track record of improving dental practices.

In the end, spending valuable time on the busy work of

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running a dental practice is not a growth strategy. By outsourcing these tasks, dentists and their staffs can spend more time enhancing patient care. By switching the focus from struggling with office work to developing patient relationships, the practice enjoys the benefits of increased production and satisfied patients. This is a winning formula for managing and running an effective dental office. ■

What are your experiences with outsourcing?  
Comment after this article at [Dentaltown.com/magazine.aspx](http://Dentaltown.com/magazine.aspx).

### Author Bio



**Kevin Brady** is the president of sales and marketing for First Pacific Corporation (FPC). Founded in 1961, FPC provides a comprehensive set of practice-management tools that support both the business and clinical sides of dental practices. For more information, contact FPC at (800) 544-2345 or visit the website at [Firstpac.com](http://Firstpac.com).

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