Coast Dental: The power of BIG... the virtue of small

Building long-term relationships, one dentist at a time, is the business philosophy that drives the success of Coast Dental, a forward-thinking enterprise established 12 years ago by two Tampa brothers, Adam and Terek Diasti.

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From a single practice in Holiday, Florida, Coast Dental has grown into a thriving organization with over 100 practices serving more than 600,000 patients in four states: Florida, Georgia, Virginia and Tennessee. In 2002, Coast Dental revenues grew by approximately 30% percent and Coast expects continued growth this year.

If the gold standard in the dental industry is the million-dollar practice, “we have it,” said the Diasti brothers. “The average Coast practice earns two times the national average.”

Coast Dental occupies a unique niche in the dental industry—a company established and run by hands-on clinicians. Adam Diasti didn’t set out to develop a multi-million dollar organization. He graduated from dental school in 1990 and expected to embrace the traditional model of practice—to work in several offices before opening his own practice. But it didn’t take him long to realize the time and energy it took to address and run a business were draining. The non-clinical demands kept getting in the way. He suspected that he couldn’t be alone in feeling that way.

“I was frustrated,” he recalled. “I enjoyed being a dentist. I wasn’t trained to be a business manager. Providing patient care was the easy part. But so much more was required in accounting, payroll, hiring and firing. It took the fun out of it.”

He approached his brother, Terek, who had his own successful clinical practice in veterinary medicine. Terek was visionary enough to see the opportunity Adam presented, and the need for an organization that could address those concerns. Terek established Coast Dental Services, a management company that provides non-clinical business and administrative services to dental offices. Within three months of Adam opening his own solo practice, Terek joined him full-time,
This simply means the dentists have the power of big, the virtues of small. The Diastis believe as COO, it is his job to create the business infrastructure that allows each dentist to focus on what they do best: take care of patients. “We’re creating an enterprise where doctors can have a robust career doing what they enjoy most and not doing what they don’t enjoy,” said Marler. “A good 20 percent of a doctor’s time is spent on business issues,” said Adam. “We’re taking that 20 percent away from them and giving them the time to focus on patients and to be more productive.”

Dr. Jemel David Jr., of Lilburn, GA, joined Coast in 1997 after leaving his own private practice. He says he was looking for a long-term relationship with a dental service provider that would allow him to concentrate all of his talent solely on the practice of dentistry without the management aspects or financial worries that come with either a solo or private group practice.”

Tim Merrick, Coast Dental Services’ chief financial officer, supports this viewpoint. “Our doctors are dedicated to being dentists, not MBAs. They’re passionate about taking care of people. They want to focus on dentistry, not business management.”

Coast supplies the business infrastructure in every area required in a practice, from finance to marketing. Here are some of the highlights:

**Finance**—billing and collecting, arranging patient financing programs, insurance negotiations and fee schedule maintenance, payroll and payroll tax compliance, understandable monthly financials, and dental supply and dental lab negotiations.

**Human Resources**—employee recruitment and retention, compliance with a myriad of laws and regulations like COBRA, OSHA, the Family Medical Leave Act, ongoing team training and certification programs, benefits negotiation and management of insurance, benefits and retirement plans.

**Legal Services**—access to in-house legal counsel, business law, HIPAA compliance, risk management and patient relations.

**Marketing**—attracting new fee-for-service patients via referral sources, direct mail, newspaper print, radio, Internet advertising and promotions; supporting the practice through community events, patient education, in-office signage and merchandising, patient satisfaction surveys and more.

**Clinical Technologies**—implementing the latest and most progressive clinical technologies available in the dental industry to achieve optimum production including advanced periodontal charting, paperless patient records initiatives, laser technologies; all of which are seamlessly integrated into state-of-the-art practice management computer systems.

**Information Technologies**—implementing the latest and most efficient practice management technologies available including an advanced computer network linked from operatory to front desk to the corporate office, state-of-the-art hardware and software platforms, leading-edge telecommunications, and electronic insurance claim submissions.

**A career path for success**

Coast also offers dentists a unique opportunity to chart their own career path. Dentists can join the organization at one
of four career levels—as an associate, a senior mentor, an equity partner or multiple-location equity partner. Each level offers a different investment, commitment and reward. Best of all, as individual needs change, dentists have the flexibility to select the path that offers them the best fit. Based on their individual interests, lifestyle, motivation and expectations, dentists have unlimited potential for career satisfaction and earnings.

For example, many new graduates join Coast as an associate, working with a more experienced senior dentist as they gain experience and confidence. This has other advantages as well. Most dental students graduate with a hefty debt in student loans, estimated to be between $100,000 to $200,000. Then they’re faced with the need to invest more funds to buy into a practice, and the expectation that they will automatically know how to run a successful business.

“It’s not uncommon to be talking about a half-million dollars in debt just starting out,” said Terek. Instead, Coast offers new graduates a career opportunity with an immediate guarantee of earnings, combined with access to a student loan repayment program.

As associate doctors grow professionally, they can become a senior mentor in a practice or take the jump to the next level and become an equity partner by buying an ownership stake in the practice. From there, they can become a multiple-location equity partner in several Coast practices. According to the Diastis, Coast associates typically earn 51% more than the national average of non-owner doctors while a Coast equity partner earns 32% more than the national average of independent general practitioner dentists. The bottom line is Coast dentists don’t need to look outside the organization as they move through various stages of their lives and careers, or to increase their earning potential.

Dr. David Katz has been affiliated with Coast since 1997 when his New Port Richey, Florida practice was acquired by Coast. In June 2002, he made the decision to become an equity partner in a busy practice in South Tampa, Florida. He says Coast offers him the advantage of spending more time treating patients while forgoing the administrative headaches.

“My only regret is that I didn’t become an equity doctor sooner,” said Katz. “When I decide to retire, being an equity doctor will have much greater rewards.”

On the other hand, Dr. Marnie Bauer, an associate dentist in practice with Dr. Katz, joined Coast in 2002, after a one-year residency at the Hillsborough County (Tampa, FL) dental research clinic. “Coast offers me the right balance,” said Dr. Bauer, who is recently married. “My husband is in the prosthesis business and owns several companies. For me to open a private practice would be too much pressure for us. By joining Coast, I can focus on dentistry, concentrate on expanding my skill in cosmetics, and enjoy the weekends with no worry. I see Coast as a great opportunity for new grads.”

**Fee for service payor mix**

In the last few years, the biggest challenge confronting Coast has been the misperception it is a “managed care” company—a stereotype that the Diastis say simply isn’t the reality. In fact, by focusing on growing the fee-for-service side of the business, the company is shifting its payor mix to fee-for-service thereby reducing the managed care portion of its book of business.

Dr. Mark Miller is the perfect example of this trend. At 29, Miller has already established an excellent reputation for himself.
“One of the biggest misconceptions about our company is that it is a managed care company but in reality that isn’t true. Coast manages the business side of dentistry leaving the dentists free to devote their time and attention to dentistry.”

Adam Diasti, DDS, President

His practice in an upscale section of North Atlanta is nearly 90 percent fee-for-service. His average patient is between 20 and 40 years old. More than 70 percent of his business comes from referrals. And, while he provides comprehensive dentistry, his passion is for cosmetic dentistry. He admits he was somewhat hesitant at first about joining Coast, but quickly saw the advantages were enormous. “My debt is 1/8 of what it would have been to buy into a private practice,” said Miller. “And, with Coast Dental Services’ purchasing power, I get supplies at a fraction of the cost. But the biggest draw for my patients is Coast’s monthly flexible payment option.”

Coast introduced the concept of long-term patient financing a few years ago, when it became apparent that many patients wanted to take advantage of the latest advances in cosmetic dentistry, but balked at paying the prices. They simply couldn’t afford it, especially if required to pay up front.

“We know what a difference cosmetic dentistry can make in a patient’s overall well-being,” said Adam. “A great smile is a reflection of the person. It can boost confidence and self esteem. We wanted everyone to have an opportunity to take advantage of the latest advances.”

“Long-term patient financing in dentistry did not exist,” said Terek. “We decided to take an approach similar to orthodontics. If families can afford braces for their children by paying monthly rather than up front, we realized that we could do the same for cosmetic dentistry. It’s not that patients didn’t want to make dramatic improvements in their appearance; they just believed they couldn’t afford it. With a flexible payment plan, it wasn’t an issue.”

The result? Patient response has been excellent. Practices began seeing an immediate jump in the average patient transaction. As Dr. Miller points out: “I tell them, it’s just like a car payment, but a better investment.”

**Invest in professional development**

To help doctors stay abreast of new changes in technique and technology, and to keep their skills current, the Diastis believe in investing the time and resources required. “Teaching and professional development are an important part of who we are,” said Terek. “It raises the quality and the value of what we provide.”

Tom Marler agrees: “Coast’s professional development program clearly sets us apart from our competitors.”

Coast offers paid company-wide training and free continuing education programs where doctors can earn CEUs in an area of interest or learn about a new procedure. “We’re not only keeping doctors up-to-date, said Adam. “We’re providing a forum where they can have an open exchange of ideas in an atmosphere with no competition. There’s a synergy in knowing you’re not alone when faced with a difficult case. You can turn to your peers or specialists within the company for an answer. You’re never in isolation.”

Training is not just for doctors, however. Everyone in the practice is given the opportunity to keep their skills current—at no cost to themselves. The support team, from hygienists to administrative staff, participates in Coast’s progressive certification program. Training is available in treatment plan presentation, patient financing presentation, scheduling, supply management, telephone answering technique and soft-tissue management.

One of the areas in which Coast excels clinically is in soft-tissue management, a program that addresses both patient education and provider training.

“As a company we work hard to identify and correctly diagnose periodontal disease. By properly diagnosing and treating periodontal disease, we can help our patients save their teeth and live healthier lives,” said Donna Zaitz, Coast director of hygiene. “We’ve got an excellent program to identify and screen patients early when gum disease is most treatable.”

Coast is also piloting the use of state-of-the-art dental equipment, from digital x-ray to laser dentistry, electronic measurement of pocket depth for periodontal disease and intra-oral cameras for patient education.

As Coast looks to the future, one of the areas to receive renewed emphasis is marketing and public relations. But rather than promote name awareness of Coast at a national level, the focus is creating brand awareness of the practice at a local level. A broad set of marketing tools are being created that can be customized for each office. The Diasti brothers said, “It makes good business sense to market the skill set of our individual doctors. Coast is the ‘behind the scenes’ support. The doctor is the star. That’s what we’re all about—helping dentists build a strong relationship with their patients and a successful practice in the community.”