



*transforming oral health*



# The Community Health Center Oral Health Practice

**Changing our approach and our results**

**safety net**  
SOLUTIONS



## The Mission

- *Quality* oral health services
- *Access* to care
- Dental service for the *disadvantaged*
- Services for *underserved* populations
- Dental service *regardless of the ability to pay*

## What About?

- Profit
- Revenue
- Sustainability
- Business Plans

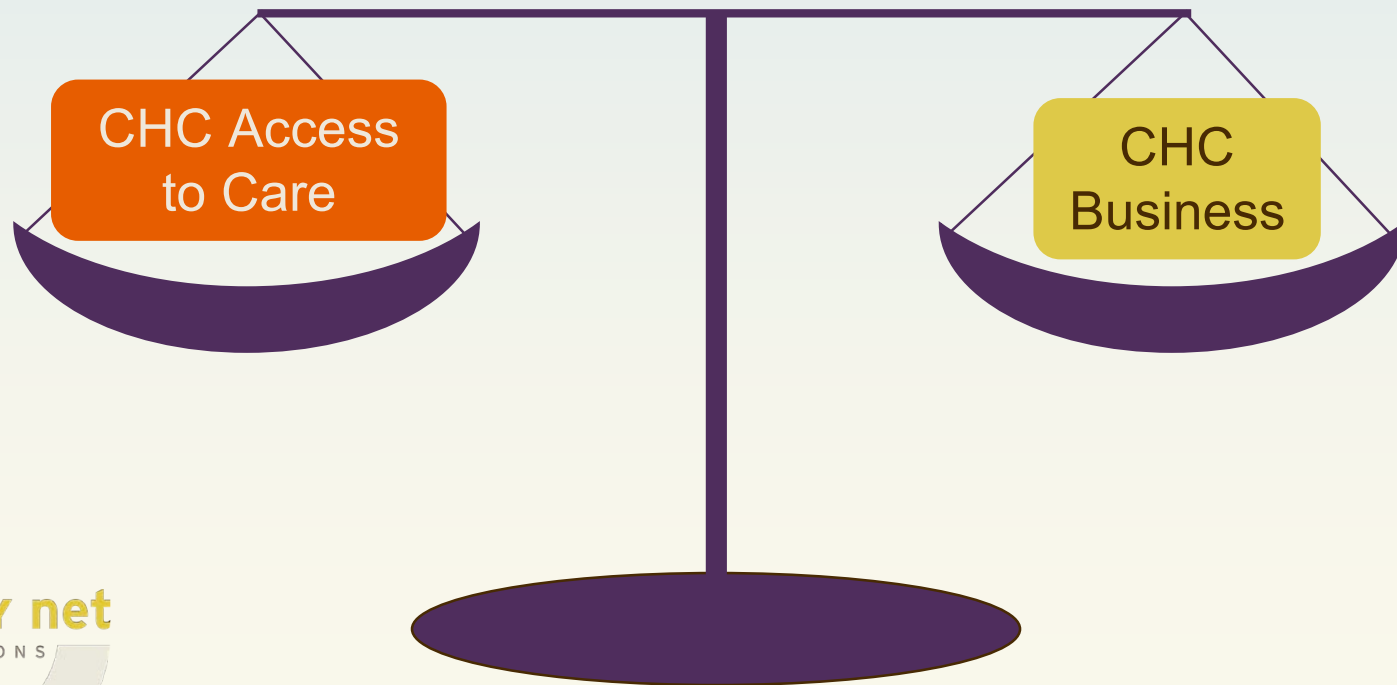
# Balancing Mission and Business

Community health dental programs provide high-quality clinical care to our nation's most vulnerable residents. However, without a balance between mission focused-care and robust business practices, community health dental programs may jeopardize their own sustainability.

# Creating a Balance



# Balance





# Case Study



## Case Study: Initial 6-Month Analysis

■ Charges	\$310,000
■ Revenue	\$283,000
■ Direct Expenses (salary, fringe, lab, supplies)	\$348,000
■ Allocated Expenses (overhead—administration, support, etc.)	\$249,000
■ Total Expenses	\$597,000

## Case Study: Initial 6-Month Analysis

- Revenue (\$283,000) vs Direct Expenses (\$348,000)  
= \$64,000 Loss
- Revenue (\$283,000) vs. Direct (\$348,000) + Allocated (\$249,000) Expenses  
= \$313,000 Loss
- Charges (\$310,000) vs. Direct Expenses (\$348,000)  
= \$38,000 Loss
- Charges (\$310,000) vs. Direct (\$348,000) + Allocated (\$249,000) Expenses  
= \$297,000 Loss

## Case Study: Initial 6-Month Analysis

- Visits (3,764) vs. Direct Expenses (\$348,000) = \$92 cost / visit
- Visits (3,746) vs. Direct + Allocated Expenses (\$580,000) = \$154 cost / visit
- Visits (3,746) vs. Charges (\$310,000) = \$82/ visit
- Visits (3,746) vs. Revenue (\$283,000) = \$75 / visit

# Challenges to Sustainability

- Outdated fee schedule
- Uneducated and unmotivated staff
- Lack of leadership
- Practice limited to preventive and minor restorative dentistry
- No clinical protocols
- No definitive no-show policy
- No emergency policy
- Lack of goals
- No strategic plan

## Strategy...

1. Take scheduling **out** of providers' hands
2. **Revise** fee structure
3. **Add** larger procedures/transactions  
Consider C&B, Endodontics, Periodontics, and Oral Surgery
4. Meet with department and discuss **strategies** to attack the deficit
5. Set and document **goals, motivate** providers, and **coach** providers

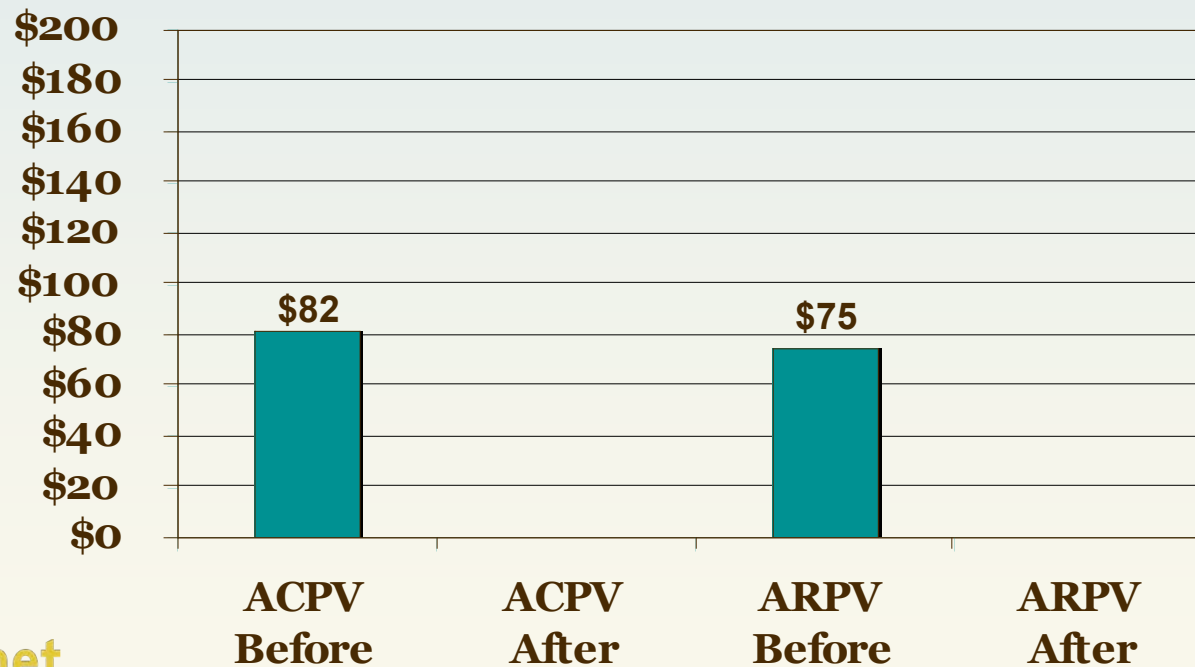
## Strategy (continued)...

6. Schedule regular **meetings** with providers to **assess goal attainment** and **accountability**
7. Revise appointment **schedules**, stress **confirmation of appointments** and establish method of dealing with **no-shows**
8. Review dental program's performance after 6 months

## Results After 6 Months

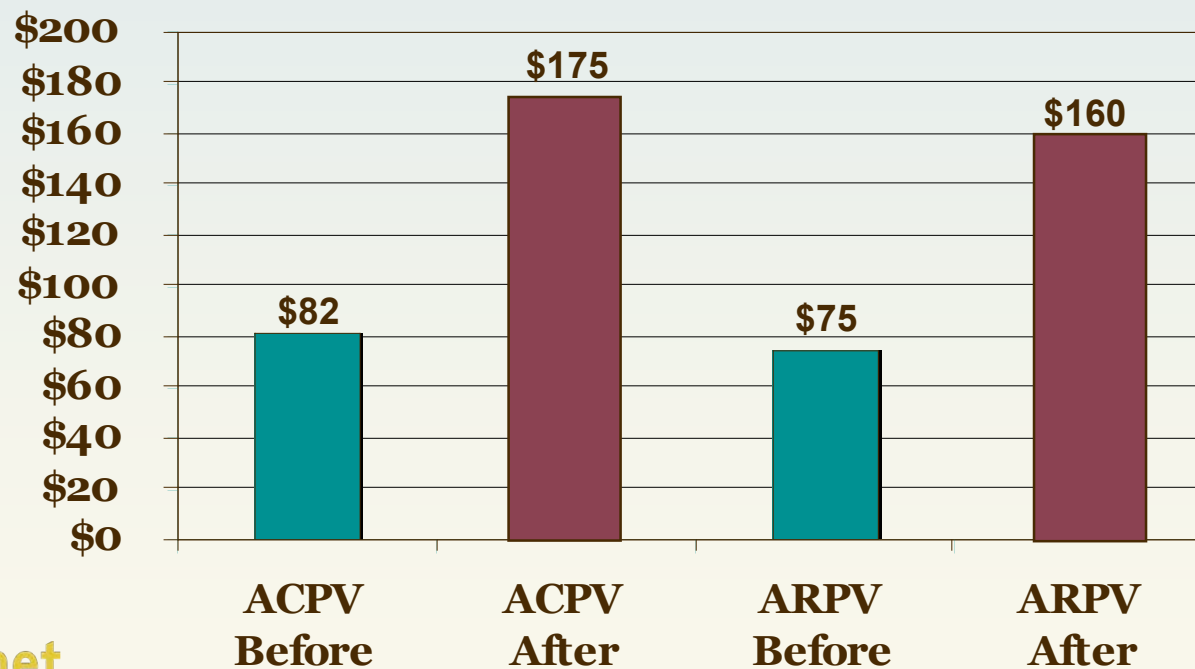
- Increase in patient visits
- Increase in gross charges
- Increase in charges per visit
- Increase in net revenue

# Sustainability IS Achievable



ACPV = average charge per visit  
ARPV = average revenue per visit

# Sustainability IS Achievable



ACPV = average charge per visit  
ARPV = average revenue per visit

# To create sustainable dental practices, we need to think about:

- Revenue
- Profit
- Best practices
- Best payer groups
- Practitioner accountability
- Business-related protocols
- Business goals and standards

# There are eight crucial CHC oral health business principles

- Collect good practice **Data**
- Build clear and documented **business goals: The Strategic Plan**
- Create a “**business educated**” department
- Establish **accountability**
- Secure team **trust**
- Sell **ownership**
- Exhibit **leadership** by example
- Utilize **reward** mechanisms

## Data

What you need to know about your practice to make it efficient, profitable and thus:

**Sustainable**

# The most **essential data** to maintain an efficient CHC practice

## **Monthly Data:**

- 1.) Number of patient visits for the department
- 2.) Gross charges for the department
- 3.) Number of patients seen per provider
- 4.) Gross charges per provider
- 5.) Number of no shows

# The most **essential data** to maintain an efficient CHC practice

## **Quarterly Provider Data:**

- 1.) Visits
- 2.) Charges
- 3.) Charges per visit
- 4.) Revenue
- 5.) Revenue per visit

# The most essential data to maintain an efficient CHC practice

## **Quarterly Practice Data:**

- 1.) Visits
- 2.) Charges
- 3.) Charges per visit
- 4.) Revenue
- 5.) Revenue per visit
- 6.) Expenses
- 7.) Cost per visit
- 8.) Cost per visit ratio
- 9.) % No Shows

## Creating a Strategic Plan

- A dental director with good data can now determine what the business piece of the practice needs to accomplish in order to be sustainable
- Numbers of patients to be seen
- Numbers of appointments and length of appointments
- Revenue needed per visit to sustain the practice
- Types of patients needed to be seen to accomplish the goals

## Before implementing a strategic plan, focus on the following...

- An updated and appropriate **fee schedule**
- An **encounter form** that is simple, accurate and collects the data needed for billing and reporting
- A documented, well thought out and universally enforced **no-show policy**
- A documented and practice friendly **emergency and walk-in policy**

## Before implementing a strategic plan, focus on the following...

- A **billing success rate that is 95%** across the board
- A successful patient **eligibility documentation process**
- Provision by IT of **data** needed to monitor the business
- **Appointments** that are **out** of the providers' hands
- A **waiting list policy**

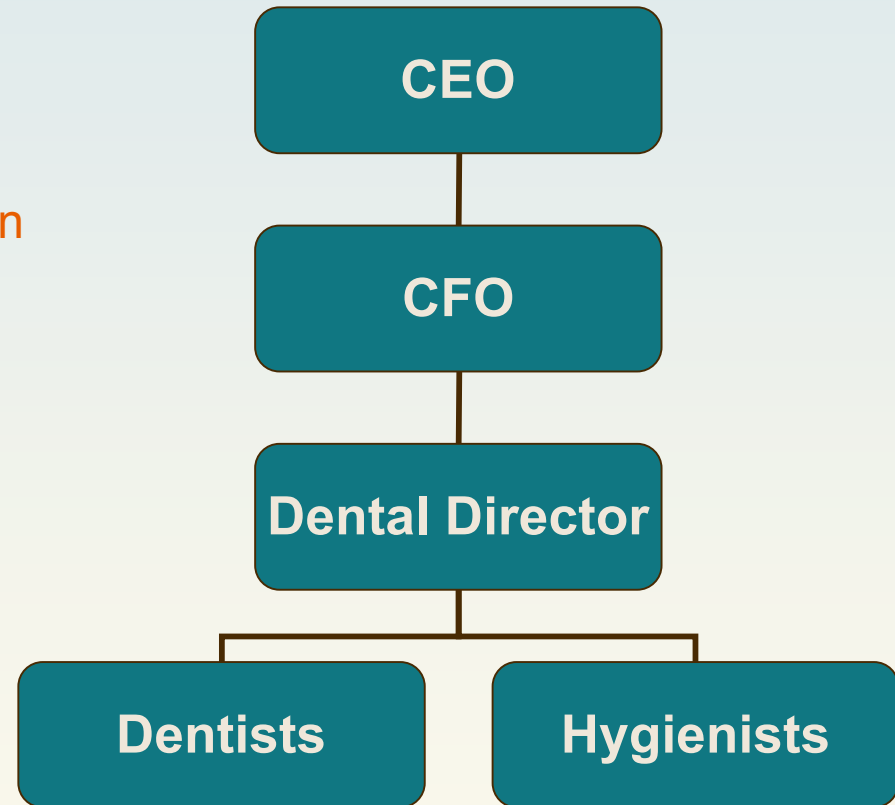
# Creating the business-educated department

All members of the practice should be aware of:

- The cost of seeing a patient
- What types of patients are eligible for what types of services
- Which payer classes are most advantageous to treat
- Protocols for each visit
- The practice's expectations for productivity

# Accountability

Establish the **Accountability Chain**



## Accountable for what?

1. **Numbers of patients seen:** Establish standards, goals and realistic expectations. Document and schedule meetings to review and discuss goal attainment
2. More importantly: What **services are providers providing** for their patients?
3. **Financial Standards:** Productivity and revenue per visit. Establish goals
4. Remember: Without goals there are no rewards to enjoy

# Accountability follows education

- Providers should not only be accountable for the quality of work they produce, but also for the revenue they generate
- Establish the accountability chain
- Schedule regular meetings with staff to discuss the practice and the provider goals related to revenue

## Secure Team Trust

- To get buy-in, generate commitment and sell ownership to the team, you must first secure their trust
- Their trust in **you** and their trust in **each other**
- Lencioni`s Team Dysfunctions Pyramid

# Lencioni's Team Dysfunctions



# Pyramid to Success



# Ownership

To create ownership of the strategic plan by the team, you must secure their trust, resolve conflict and generate commitment to the strategic plan

## Leadership

- Adherence to the same principles you have created in the strategic plan
- Acceptance of your role in the accountability chain
- Sharing the success of the department with others
- Willingness to share in responsibility for setbacks
- Leading by example

# The Fun Part: Rewarding Success

- Think outside the box
- Create incentives
- Be creative
- Acknowledge success

