
Mission, Method and Money: Financial Realities of Dental Services

HealthSource of Ohio
December 12, 2007
San Diego, CA

Objective:

To present financial opportunities in a
Community Health Center

HealthSource of Ohio

- 15 rural sites
- 2 dental sites
 - Expansion to 2 additional sites in 2008
- 5 counties east of Cincinnati metro area
- 2007 Users/Encounters:
 - 50,000 medical users (200,000 encounters)
 - 5,000 dental users (12,750 encounters)

Challenge: \$435,000 Projected Loss in 2007

- Plan, Do, Study, Act (PSDA) applied
- Balance of mission, grant requirements standards of care and finances

Taskforce

- Interdisciplinary
 - Dental Director
 - Finance Director
 - Director of Regional Operations
 - Dental Services Manager
 - VP of Operations
- This group had the knowledge, access to information and skills needed to move the project forward.

Collaboration

- Meeting expectations
 - Speak one at a time-don't interrupt each other
 - Schedule “Bio Breaks” for meetings lasting > hour
 - Stay engaged in the conversation-avoid distractions
 - Provide everyone with a chance to participate
 - Remain open to new ideas-there are no wrong ideas
 - Avoid participating in side bar conversations
 - Start and end the meeting on time
 - Have some fun!
- Why stated expectations
 - Create a trusting, positive, energetic environment to enable controversial/crucial conversations to be held

Findings and Opportunities

- Lab expenses
 - Prosthodontic lab fees were not covered for 25% sliding fee patients (75% write off).
- Recommendation:
 - Minimum Sliding Fee set at 50% for patients requiring prosthodontics
 - 25% sliding fee to remain available for preventative, periodontal, oral surgery, endodontic and restorative care
 - Obtain payment prior to initiation of service
- Result: Annual cost savings of \$62,000

Findings and Opportunities

- Supply vendors
 - We project to spend \$105,000/yr in consumable dental supplies
 - Considerations: price, service, value-added, product quality
- Recommendation:
 - Consolidate purchasing to one primary vendor
- Goal:
 - 10% cost savings (\$10,500)

Findings and Opportunities

- Aged balances
 - Patient balances growing at a faster rate
- Specific findings:
 - 70% of 25% SF patients have lab expenses; yet only 15% of those patients pay their balance
- Action: Effort at front window and at scheduling to collect aged balances.
 - Result: \$17,500 dental collections in 2 months

Findings and Opportunities

- Medicaid billing
 - Billing regulations do change
 - Findings: we were not billing according to the most current regulations for dentures/partials
- Results: \$20,000 in actual billings plus unknown future revenues

Findings and Opportunities

- Employee courtesy care (\$500/yr)
 - Recommendations
 - Employee is responsible for lab and materials fees associated with services not covered by insurance. Professional fees can be applied to annual benefit.

- Results: \$9,200

Findings and Opportunities

- Provider productivity
 - Scheduling protocols/practice style
 - Working contracted hours
 - Quadrant dentistry
 - Expanded Function Dental Assistant use
 - Standards of productivity
 - Recall/re-care expectations
 - Scheduling to accommodate “no-shows”

Money and Mission

- Each CHC is different
 - Discover your specific opportunities
- Finance challenges:
 - High deductible plans
 - Growing self pay balances
 - Are we in “banking” or Health care delivery
 - Distinction: “Can’t Pay” vs. “Won’t Pay”

Money and Mission Considerations

- Policy changes
 - Interdepartmental communication
 - All parties to “buy-in” to build consistency: Dentists, Hygienists, Operations, Finance, Executive staff, the Board
- Staff training/support
 - Money collection can be difficult: train and give tools to staff
 - Turf difficult situations to the managers
 - Look at resources/staffing/ return on investment
- Tools and options:
 - Dental Credit cards
 - Patient payment is obtained before treatment is initiated
- Patient education
 - Recognize that this is a change for our patients

Replication and Sustainability

- This task force and the process was successful; it is still alive and well
- The process and findings have applicability to other areas of our business—the task force is referenced regularly as a positive example in the organization.

Critical Success Factors

- Meeting and work expectations were followed
- Environment of trust: it was safe to explore options from all POVs
- Rank was not a factor---all input considered
- Clear deliverable goal: recommendation to improve financials back to executive staff
- Celebrate success! Enjoy the challenge!

Conclusion

- The task force discovered financial opportunities = over \$119,000
- The savings and revenue changes are for current *and* expanded programming.
- The findings are applicable to the medical side of our business
- The task force continues to explore additional opportunities for process improvements

Questions

- Email questions to Mary Hetzel:

- maryh@healthsourceofohio.com

- Email questions to Dr. Frey:

- bradleyf@healthsourceofohio.com