

TIPS FOR THRIVING

IN TODAY'S WORLD OF HEALTH CARE BY DR. JAMES R. SCHROEDER



There is no question that the management and delivery of dental care is undergoing an enormous metamorphosis. The corporate business world has recognized there are profits to be made by

limiting the dentist to delivery of patient services (only), while leaving the important aspects of practice management and growth to a corporate entity. This is quite similar to the path our medical colleagues traveled 20-30 years ago.

Insurance, heralded as a great boom for dentists and patients in the early 1980s has drastically cut into the profit margin and operational funding required for high technology and qualified staff, all the while delivering reduced fees for provider participation. Corporate DSOs are bringing powerful leverage to insurance negotiating, marketing and business dealings – details that are never touched on in our four-year dental curriculum. As a solo practitioner or small dental group, adjustments and strategies must be made to remain on the competitive edge, to attract and retain patients and quality staff, and to thrive in today's diverse marketplace.

When I lecture or coach students and our young colleagues, I am still extremely excited about the future of our profession. However, our toolbox needs to expand with an understanding that we must develop other levels of expertise never touched on in dental school. More and more dentists are asking questions, pulling out new resources and strengthening a few untapped skills.

The world looks very different to a 70 year-old compared to a 30 year-old with \$300,000 in debt. For the 30-year old dentist, not everyone is designed to be a CEO and dentist simultaneously. For the 70 year-old, the question is more about how much longer they will practice and how will they exit this chapter of life. Critical conversations are so important at every stage to arrive at smart decisions and positive outcomes.

Seeking counsel and coaching is mandatory. Fortunately, most of us have discovered that we simply don't know what we don't know. Having worked with many practice owners, I have consolidated a few tips for sustaining a thriving practice - no matter what stage of your career:

Look in the Mirror

Lifelong learning in leadership is required if we are to practice our professional and relational skills. Am I an effective leader? Do I recognize my gaps? Am I limiting the growth of my practice? These are tough but important questions to answer. Failure to do an honest self-assessment can be a limiting factor in achieving a thriving practice long-term.

Avoid the Mousetrap

Are you caught in the mousetrap? If you are writing off 40 percent or more of your production due to drowning in an alphabet soup of severely reduced dental insurance programs, stop! It may be time to re-evaluate. Quality staff, necessary equipment, and a decent salary for you to take home can become very difficult extending a 20 to 40 percent reduction of fees. Healthy reimbursements and limited controls may have been the standard in the early 1980s, but fierce competition between insurance companies seeking contracts with employers, and failure of dentists to recognize this downward trend and take action has resulted in the dentist drawing the short straw. For the most part, the dentist has been put on the menu and they are not at the table with the employer and insurance company who are drawing up the benefits and reimbursements. Don't misunderstand me, insurance is a benefit and we want to help the patient achieve assistance, but patients' needs must come first. A dental policy is not a medical policy. Practice growth and the best recommendations for patients in order to preserve and prevent the loss of dental health often don't fit within the confines of their insurance policy.

Doctors and staff have been brainwashed that it is mandatory to discuss the insurance box before the doctor's recommendations for their patient's best care. We are here to meet

with each patient's needs and desires – not their insurance provider. Is it possible to escape the mousetrap since the big piece of cheese has often been reduced to crumbs? Absolutely, but it requires leadership and a belief that patient communications should be based on what is best for the patient coupled with asking, "How can we make it happen?"

Focus on Service

Do patients choose you because you are on their insurance list or because of word of mouth and the exceptional service or experience that you and your team provide? Our communities are bursting at the seams with the growing number of dentists in every neighborhood. Serving your patients in extraordinary ways must happen on multiple levels and by multiple people to build your base on patient referrals.

Develop Your Team

Did you know that, on average, approximately 30 percent of office revenue goes toward employee compensation and benefits? Yet, reports are gloomy regarding employee engagement at work. Do all office members feel like they're part of the team? As leaders, we can heed this information and be proactive with our team by providing development plans, training, mentoring or coaching. If you collect \$1,000,000 then \$300,000 is going toward your employees. What are you doing to improve your return on the investment? This investment can often yield a far better return on your dollar than efforts in the stock market.

Application of these tips is not unlike a patient treatment plan. Diagnosis, skills required to implement the plan, development of staged steps of staff development, and measurement of desired outcomes are all components for consideration. There are many pluses we can enjoy from the difficult challenges we face in our industry. For those who want to survive and thrive, the other option, business as usual, isn't actually an option at all.

Editor's Note: Dr. James R. Schroeder practiced dentistry in Richmond and is the founder of **Leadership by Design**. If you have questions or would like help implementing a change in your office, contact Dr. Jim at 804-897-5900 or email drjim@lbdtransitions.com