

Provider & Team Compensation



FRIEND

OR



FOE

Here at Dental Menu we're crazy excited to help you improve your in-office plan with or without the help of our software by getting a bit into the weeds.. I know it sounds fun! Today we are focusing on how to Motivate Key People ie. Are they Friends or Foes of your plans. All other advice does no good if there is no support from your team because you won't have many members on your plan. We will cover other topics in the future.

Motivate Key People

Are you compensating your providers and allocating value for the included benefits of your in-office plan?

If you are a treatment coordinator in a dental office you really only have time to do a simple calculation when selling your in-office plan:

Cost of Plan - Discount on Diagnosed Treatment =
Immediate Savings!

It's likely the uninsured patient who hasn't been in for years needs treatment and the discount component of your plan shows them the money right away. It's a great tool and the patient appreciates you as their advocate. But what happens when the treatment and savings have come and gone. Do they remain in your office? Do they take advantage of the most valuable component and stick around long

Included Preventive Care

Those three words comprise the great secret the insurance companies found years ago. Let's make sure preventive care is a no-brainer. 100% coverage? Sure! IF they use it they will have better oral health outcomes, and therefore less claims to pay. It did the unthinkable: Align the interests of the patient and the insurance company.

It also happens to be the key piece of keeping patients active in your practice, so it should be the main focus and component of your in-office plan vs just a side benefit.

But who has time to talk about prevention, and gum health, and at home care ALL DAY LONG? Certainly not the front office, but in the back exists the most captive of audiences. Do they want to talk about it? Are they jumping out of their scrubs sharing how the plan is the perfect solution? How it helps patients receive the lowest cost possible for key oral health services we all need? I'll bet you \$10 they don't.

I'll Bet You \$10 They Don't

Allow me a real life scenario to share why, it's pretty simple:

I worked with a dental office years ago as a coach with a focus on sustained growth. I had a quick lunch w/ the Dr. after his morning that went long and before he had to be back for an emergency patient at the end of the hour. He shared his frustrations about a big case he was working on. Insurance was fighting him at every step regarding fees and allowed billing. He was excited about the clinical services he was providing but was disenchanted with the difficulty of financially navigating a case since it far exceeded the generous \$1200 allowance from the insurance company.

The conversation shifted to alternatives and he brought up his in-office plan. He said it hadn't grown much, that his practice was still dominated by patients with insurance who kept showing up (remember those pesky Included Preventive Benefits?) and the Fee For Service patients just weren't coming in. I asked him if his team promoted and sold his plan, and this was the big aha moment! He said not really, his hygienists didn't like it because they weren't credited w/ any production when plan patients were seen. His associate noticed that no collections were attributed to the exams received by plan members. What should have been the best patients, in the minds of the providers, were the absolute worst.

We did a deeper dive with the team, this is what we found out:



Front Desk

Not sure how to handle the monthly payments, was she supposed to try and match those w/ the included benefits (Exam, Cleaning, X-Rays)? What if the patient didn't use them? What if they're paying monthly? Credits were appearing on accounts that didn't really have credits. Trying to find a solution she started adjusting production and collections to "zero them out". While not the solution the providers prefer it decreased the hassle of the alternative.



Hygienists

They weren't motivated to enroll patients on the plan. They were more indifferent than I thought the champions of the prophylaxis would be. I even heard one share they preferred insurance patients, it seemed simpler to know what benefits they were allowed and when to pre-appoint. They weren't shy in bringing up the injustice of zero production on included services. It destroyed their daily incentives and had a negative effect on their pay.



Associate Doctor

He liked some things on the plan. Specifically he was happy with receiving higher fees for plan patients vs insurance patients. He was happy that patients had a way to access treatment at a fair discount. He wasn't receiving any compensation for the exams he conducted. He understood that he would get compensation from the production, but it still seemed a bit odd that the owner doctor received all the revenue from the membership plan and he didn't receive anything except for the restorative he was able to diagnose.



Doctor/Owner

He could see the value of the membership program. He wanted to ramp it up and have even more patients enrolled. He was concerned about the added administrative burden it could put on his team, specifically his office manager. He wanted to get his back office supporting and promoting the plans more. He was concerned with the accounting side of things and wanted his ledger and Quickbooks to be accurate. He also didn't have a good way to compare the profitability of his plans and didn't really know if he was pricing his plan correctly.

Other Team Members

They didn't know much about the plans or how it was affecting their team collection bonus. However they wanted to do what was best for the patients and overall wanted to help the practice.

After spending time with this office we repeated similar interviews with office managers, assistants, hygienists, and doctors and found that these issues were common. It was clear that not all team members were friends of these plans, and some of them were even foes! We spent the next couple of years figuring out some of the ways to address these issues.

Here's the One That Made the Biggest Impact

You are indeed being paid for the included benefits of the plan. So your office should be reporting production and collections associated with those services. This way compensation, bonus systems, and practice statistics all remain accurate. Here's a quick hack on how to accomplish this in 3 easy steps:

1 Set up reasonable fees on your plan fee schedule

My guess is you already have an "In-Office Plan" Fee Schedule with a % discount for restorative procedures. But what about your included preventive benefits? Did you set them to \$0, or did you do a discount off the UCR like your other fees just to adjust them off at the time of service? Don't do that, they need a reasonable value... goal is more than avg insurance reimbursement but less than UCR.

Ok but like how much exactly? Well it's hard to determine exact numbers because benefit usage isn't 100% and isn't always timely, but the most conservative way is to take the annual cost of your plan and use that as a budget for the included services. I recommend prioritizing the Prophy and Perio Maintenance fees, make them greater than all insurances if you can, even if it means less value to exams and x-rays. A sample exercise is shown here.

(Reach out to help@dentalmenu.com if you'd like us to share a spreadsheet you can use to calculate your included benefit values.)

Adult Plan Cost = \$300						
Common Name	ADA Code	UCR Fee	Plan Value/ Fee	% of UCR	# Provided Annually	Annual Benefit Budget
Periodic Exam	D0120	\$49	\$25	51%	2	\$50
Annual X-Rays	D0210, D0274, D0220, D0230	\$63	\$50	79%	1	\$50
Adult Cleaning	D1110	\$88	\$85	97%	2	\$170
Flouride	NA	\$45	\$15	33%	2	\$30
Total Value of Services						\$300
Annual Plan Cost						\$300

Great, now that you have included benefit fees set go ahead and individually input them in your fee schedule. Also make sure to add the fee schedule to the patient's family file and update fees in their treatment planner so that it reflects the discounted pricing. Here's your next step:

2 Set up a new payment type or adjustment type naming it something like "Plan Benefits"

After the patient receives their included services, create a payment for the total according to your new fees from that new payment type. Production and Collections will remain accurate while showing a \$0 balance due by the patient.

If you go the adjustment route, you'll want to add back the adjustments by provider for this specific adjustment category if paying on collections.

Wait! We're putting in a payment without actually getting a payment!?

Yes your plan is a bit of a business within a business, you collect as you go and provide services at hopefully regular intervals. There may be some months where you provide more in services than you collect as well as some where you receive more plan payments than the value of services that you provide, so you'll want to take some time weekly or monthly to:

3 Reconcile your plan revenue with plan benefit value

If your plan revenue is deposited directly into your operating account then compare total deposits with total payments by your "Plan Benefits" payment type on your collection/deposit slip. If less than what was actually deposited you can carry A/R in this category until you get caught up. If you collect more over time and don't anticipate needing it in the future create another payment to a new D9xxx code named Plan Profit.

If your plan revenue can be held in a merchant account or deposited to an alternative checking/savings account, you could make a transfer for the total of your included benefit value each month, and carry the balance forward.

Does it seem like a lot? With hundreds of plan members it can take significant time to coordinate payments/benefits/profitability for your plan. Always remember, it's still way better and less time consuming than the insurance alternative. And of course.. the team at Dental Menu with our powerful software is always here to help.

Stay on the lookout for more information on verifying included plan benefits, reconciliation of your plan roster, and key plan metrics!