

PRODUCTION AND PROFITABILITY in Dentistry?

Dental “PRODUCTION”

The generation of revenue by means of performing dental services.

Dental “PROFITABILITY”

The generation of revenue over and above the costs associated with providing dental services.

Productivity 101:

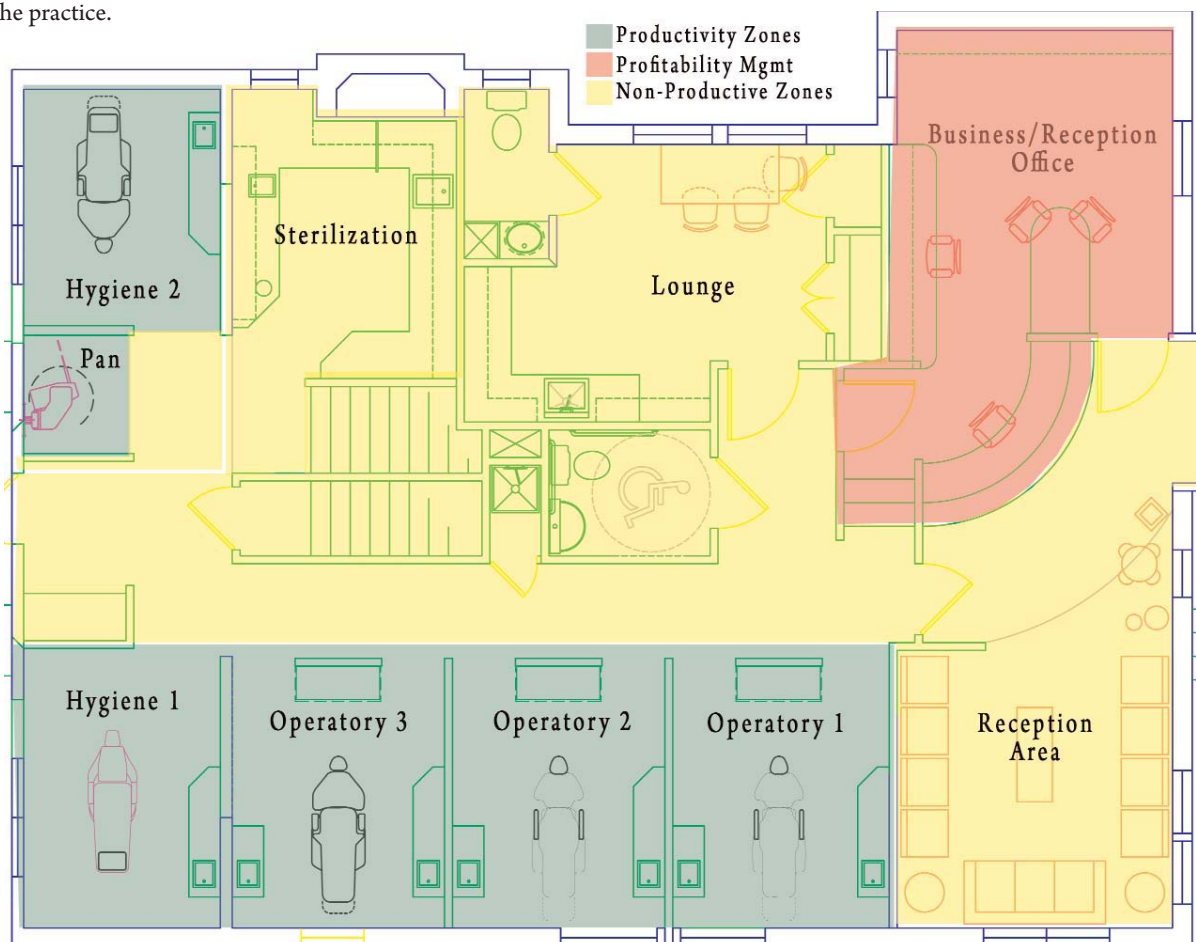
In the business of running a dental practice, it is critical to maximize productivity as well as profitability. Each day affords the dental team with an average of eight blocks of productive time. The ability to maximize production during those eight blocks of time is the key to a profitable day. There are a number of things that can go on in a dental practice that will reduce the level of productivity and we will look at those in this article and then identify ways to eliminate or minimize these events.

As seen in the drawing below - there are **three business zones** in the office:

1. Productive Zones - Areas where dental procedures are performed that result in money being due from the patient. Essentially, the only times of true productivity in an office are when a practitioner is performing a service on a patient that may be billed out.

2. Profitability Management Zones - This is typically the scheduling and collections portion of the practice. The front office is in charge of maintaining the schedule with a steady flow of patients and collecting money that is due as a result of services rendered.

3. Non-productive Zones - These are areas that are required to maintain staff and patient comfort but generate no tangible revenue for the practice.



Five Productivity Killers:

Retreatments:

Patients can return after a productive procedure for many reasons.

- Retake impressions
- Re-cement crowns
- Sensitivity
- Marginal Staining
- Shade shift on anterior work

Any time one of these re-appointments occur, the chair time used is non-billable time and therefore, costs the practice the equivalent of what would have been produced had a procedure been performed that was billable. These events occur in many offices.

No Overflow Ops:

If you have room for an operator that remains unscheduled, yet you are using it for storage, it's costing you a lot of money. In many cases, while a procedure is being performed, other simple needed treatment is discovered. The doctor has the choice of rescheduling the patient or going ahead and treating while the patient is in the chair. It is not fair to another scheduled patient to be required to wait when their scheduled time is being used to treat another patient. However, if the doctor has no "overflow" or "unscheduled" operator, then the office is forced to reschedule the patient for another time and possibly lose the procedure, or to delay the next appointment, potentially risking anger and frustration from you next patient.

If your hygiene department has a dedicated operator for each operator, then the same situation can occur. If a hygiene appointment is complete and the patient has to wait for a check from the doctor, the next patient cannot be seated until the patient is checked, dismissed and the room cleaned and prepped for the next procedure. With an overflow op, the next patient can be seated while the doctor is doing the check. This way, the hygienist can move straight into the next appointment without the downtime of dismissal, clean-up and prep.

Overuse of Hygienists in Sterilization:

Like the doctor, the hygienist is licensed to perform productive procedures. She is generating income for the practice only when she is working on patients.

If your hygienist is spending much of her time during production hours checking out patients, working phones or cleaning and processing instruments, she is missing the opportunity to produce revenue thereby, reducing profitability.

Inefficient Support Area Design:

Clinical support areas in the office (i.e. sterilization, consultation, equipment room) are completely necessary. They provide the means to supply the operatories with materials and instruments needed to accomplish billable procedures. They provide the environment to present needed work, answer and educate the patient about why work is needed, what the end result will do for them and how they can fit it into their budget. To say these areas are not important to production would be incorrect. However, these areas must be kept in perspective - the business office cannot send a bill to a patient for anything that occurs in these areas. Therefore, the more time that is required to be in the areas, the less time that is available for producing billable procedures during the day.

Sterilization systems that are disorganized and require a great deal of handling instruments can drastically slow the turn around time between patients. It can also be the cause of valuable instruments being inappropriately cleaned, sterilized and handled. This often leads to \$1000 handpieces being accidentally thrown away, instruments being broken or thrown away, etc. This can cause a great disruption in the schedule and create a lot of anxiety in the office.

Lack of Standard Procedures & Designs:

The lack of standardized design in operator layouts and in procedural set-ups can contribute to a lot of wasted time. For example: if the doctor utilizes three operatories, but one of them is set up differently and the doctor does not care to work in there unless absolutely necessary, then this op will often times go unused. This generally means the staff will avoid this room and it will never generate revenue that will be meaningful to the overall bottom line like a standard op can do.

Sterilization procedures and random instrument set-ups can contribute to wasted time as well. If the doctor asks for a particular instrument but the assistant has to get up and go to a drawer or the sterilization to find it, then the procedure slows down and the chances of the schedule getting behind are much greater.

Or if multiple employees are handling the processing of instruments, and there is not a clear procedure that everyone follows, instruments and burs can become damaged, lost or mixed up between set-ups. This again goes to increased overhead costs and a reduction in productive time.

(continued on page 7)

FIVE PRODUCTIVITY BOOSTERS

Preventing Retreatments:

Manufactured dental materials are designed for very specific purposes. They each come with a set of instructions that, when followed, optimize the performance of the material, giving the patient the full benefits designed into the product. In the dental office, it is sometimes difficult to control the environment which products are placed. Mimicking the lab results of the manufacturer is sometimes difficult. The parameters that can cause a failure in a product sometimes can be numerous.

While your account representative is by no means a doctor and has not been trained to perform dentistry, he or she is trained on the materials they sell and can often times help to find ways to eliminate the issues that contribute to retreatments. By letting your representative know about what issues may be taking place, they can often times walk through the procedure with you and help you to find areas that may lead to issues such as cements not fully setting, composite discoloration and staining, impression retakes due to voids, tears or distortion, etc. Utilizing your rep as a member of the team can give you another resource to eliminate non-billable chair time.

Handling Overflow Opportunities:

A single hygienist working out of one room is limited in the number of patients that hygienist is able to see in an 8 hour day. This is based on how quickly she can get a thorough treatment done on a patient, wait for a doctor check, dismiss, clean, prep and finally seat the next patient. Likewise a doctor working out of chairs that are fully scheduled, has no opportunity to take on additional procedures as they present themselves on a daily basis.

If in these situations there was an unscheduled operator, fully equipped, then as the need arises, the next patient can be seated and prepared while the doctor finishes up a quick procedure on the current patient. This prevents the next scheduled patient from having to wait for the additional work on the existing patient and then dismissal, and room transition. The doctor or hygienist can quickly move to the next patient and keep on going. In many cases, this system will allow additional production each day to well exceed the monthly payment on equipping an overflow operator.

Maximizing Your Revenue Generators:

Like the doctor, the hygienist is licensed to perform productive procedures. She is generating income for the practice only when she is working on patients.

Ideally 1 hygienist will have two rooms or two hygienists will have three rooms. This allows them to transition between patients much quicker. Hiring a room transition specialist dedicated to the managing and processing of instruments, room clean up, room prep and even patient dismissal procedures, can greatly increase the potential to see more patients in each given day.

Any time a hygienist is spending time cleaning rooms, processing instruments and working in sterilization, she is not generating revenue for the office. Coupled with the fact that her hourly salary is much higher than an infection control or room transition specialist, it is costing the doctor a lot of money to pay her to do these tasks. However, if she has her hands on a patient, she not only costs the practice nothing, but is making money.

Efficiency in Clinical Support:

Clinical support areas in the office (i.e. sterilization, consultation, equipment room) are completely necessary. However, the time spent in these areas should be minimized. That is to say that the jobs that have to be performed in these areas should be as streamlined and efficient as possible.

For example: in sterilization, any process that reduces the effort and time to process dirty instruments into usable, sterile set-ups, should be examined and implemented. The less instruments are handled from the time the doctor finishes with them in the operator until they are stored with the clean set-ups, the more time the assistant's will have to work with the doctor to efficiently provide high quality treatments. The more efficient the process is, the more treatments that can be provided each day. This greatly increases productivity and the bottom line.

Working with your account representative, these procedures can be evaluated and more efficient systems can be developed to help you maximize the potential to increase daily production.

Standardized Procedures & Designs:

Having a lack of standardized design in operator layouts and in procedural set-ups can contribute to a lot of wasted time. For example: if the doctor utilizes three operatories but one of them is set up differently and the doctor does not care to work in there unless absolutely necessary, then this op will often times go unused. This generally means the staff will avoid this room and it will never generate revenue that will be meaningful to the overall bottom line like a standard op can do.

Also standardizing systems such as instrument processing and room transition can increase efficiency. By moving to instrument cassettes, assistants can more quickly clean a room, safely deliver dirty instruments to sterilization, and then prep for the next patient. In many offices, implementing instrument cassettes, instrument washers/disinfectors and automatic autoclaves can reclaim 45 minutes to an hour of productive time each day allowing additional treatments to be provided.

By reviewing your systems and facilities, you can put together a strategy to maximize your earning potential. Your Nashville Dental representative will be glad to assist you in this.