



“Show Me the Money”

Presented by
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My Experience in a Nutshell

- 1985 graduate from Carlson School of Management at U of M
- Worked in the “Corporate World” for 8 years
- Graduated from U of M School of Dentistry 1997
- Purchased an existing dental practice in 1997
- Consulted to new dentist owners throughout the years
- Sold dental practice in 2018
- Consulting, sharing my experience, and speaking since 2018



Today's Goal

- Come away with at least one thing that will resonate with you when you are choosing
 - which insurance plans to accept or not
 - developing financial agreements
 - what forms of payment you are going to accept
 - and your billing practices



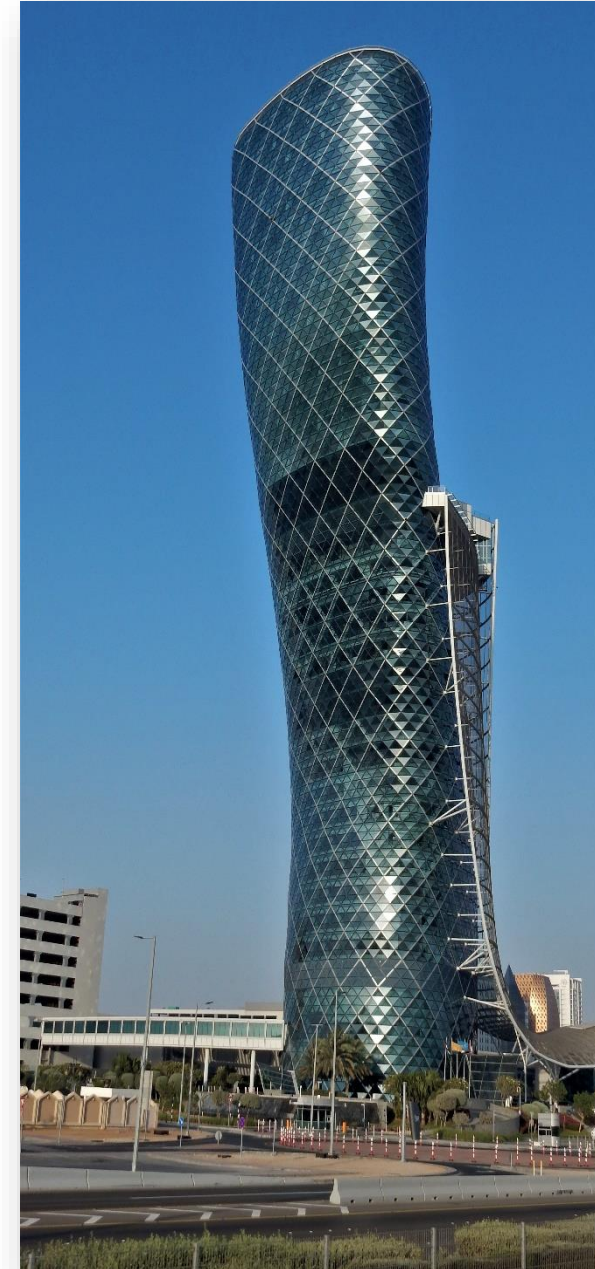
Decisions

- Determine type of payment you will accept
- Determine which, if any, insurance you will accept
- Level of discount you are willing to accept
- How quickly you want to get paid
- How will patients finance treatment
- What you will include in your financial agreement

INSURANCE

- Get away from calling it an insurance PLAN. It's a BENEFIT.
- There are many different types of insurance benefits available
 - The patient does not understand the differences
 - Limiting network presence or not submitting to insurance companies, be prepared to lose patient loyalty
- Which insurance plans are you going to accept?
 - In network?
 - Out of network?
- Submit insurance for patient or not?

- PPO's account for 82% of insurance
- Fee for Service accounts for 6.5% of dentistry



You're a Know It All....So the Patients Think

- Patients expect you to know everything about their policy
- Make the ownness on them, not you or your staff
- It's their employer, or they themselves, that chose the benefits their policy has
- Do NOT make their policy your problem
- Have your own financial policy to explain yours and their responsibilities

Buying an Existing Practice that Already Accepts Insurance Plans

- Obtain a specific list of insurance plans and state/federal plans the office is accepting
 - In Network and Out of Network
- Review those Explanation of Benefits for each plan
- Know what percent of patients are on those plans
- Know what \$ amount of collections and production is associated with each of those plans
- How much are the adjustments
- If the selling office can't provide this information, you get it done – Do your DUE DILIGENCE
- Decide if you are going to maintain all the insurance contracts

Opening a New Dental Practice

- Decide which insurance plans you want to accept, if any
- Add an insurance plan one at a time as you learn more about each of them
- Do some investigating as to what insurance plans are in the area at the local businesses
- Can easily set your own payment terms for fee for service, and patient portions due for patients with insurance
- Set your financial policies from DAY 1. Figure out what you can live with long term

Cash Flow

- Decide how quickly you want or need to be paid
 - Do NOT let your front desk decide
 - You have to pay the bills and the payroll, not them
 - Set up financial policies for fee for service and insurance patients
 - Accept all credit cards
 - Online payments



Financial Policy for Insurance Patients

- Are you going to estimate the patient portion – due at first appointment
- Are you going to submit to all insurances and then bill
- Are you going to be the “bank” for large patient portions or use other finance options

Financial Policy for Fee for Service Patients

- Due in full at first appointment, if multi appointment visit?
- Due in installments if multi appointment visit?
- Cash/check discount if paid in full at first visit?
- Finance options?
 - Personal credit card – take them all
 - Care Credit
 - LendingClub
 - SimpleSelect
 - Dental office acts as the lender
 - Spread treatment out over time

Credit Card Processing Company

- Reevaluate annually
- Compare rates of other companies
 - It's easy to change processing companies
 - Lots of processing companies to choose from
 - Watch the rates. They creep up and you don't notice it
 - Accept on line payments
 - Text to pay will be coming
 - Different rates: keyed in vs swiped card



Lenders

- Evaluate your use with an outside lender that you're paying the interest for the patient
- Are you also taking an insurance adjustment?
- How much are you paying in interest?
- Is it worth it?



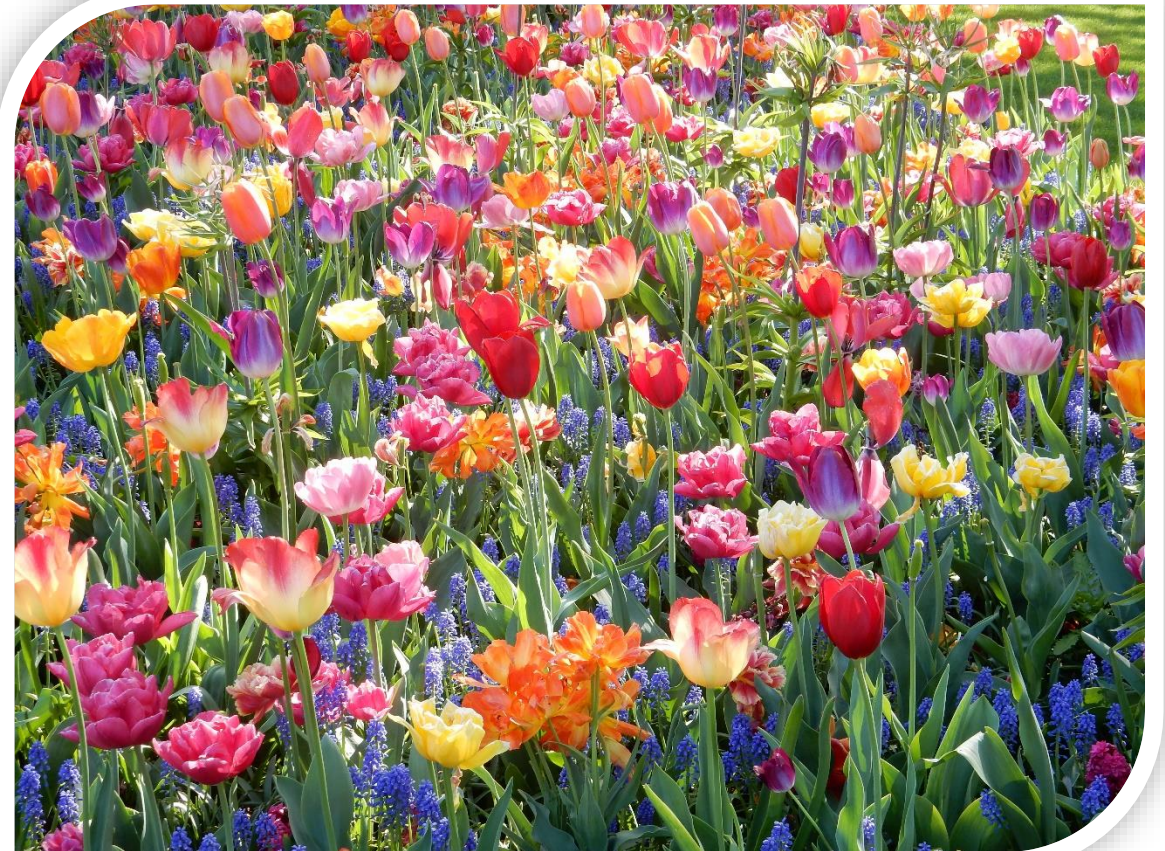
Billing Practices

- Choose in office or contracted
- Bill often – Daily is best
 - Keeps cash flow even
 - Manageable task
 - Catch errors, omissions quicker
 - Allows the office to be consistent in billing practices

Billing to Patients

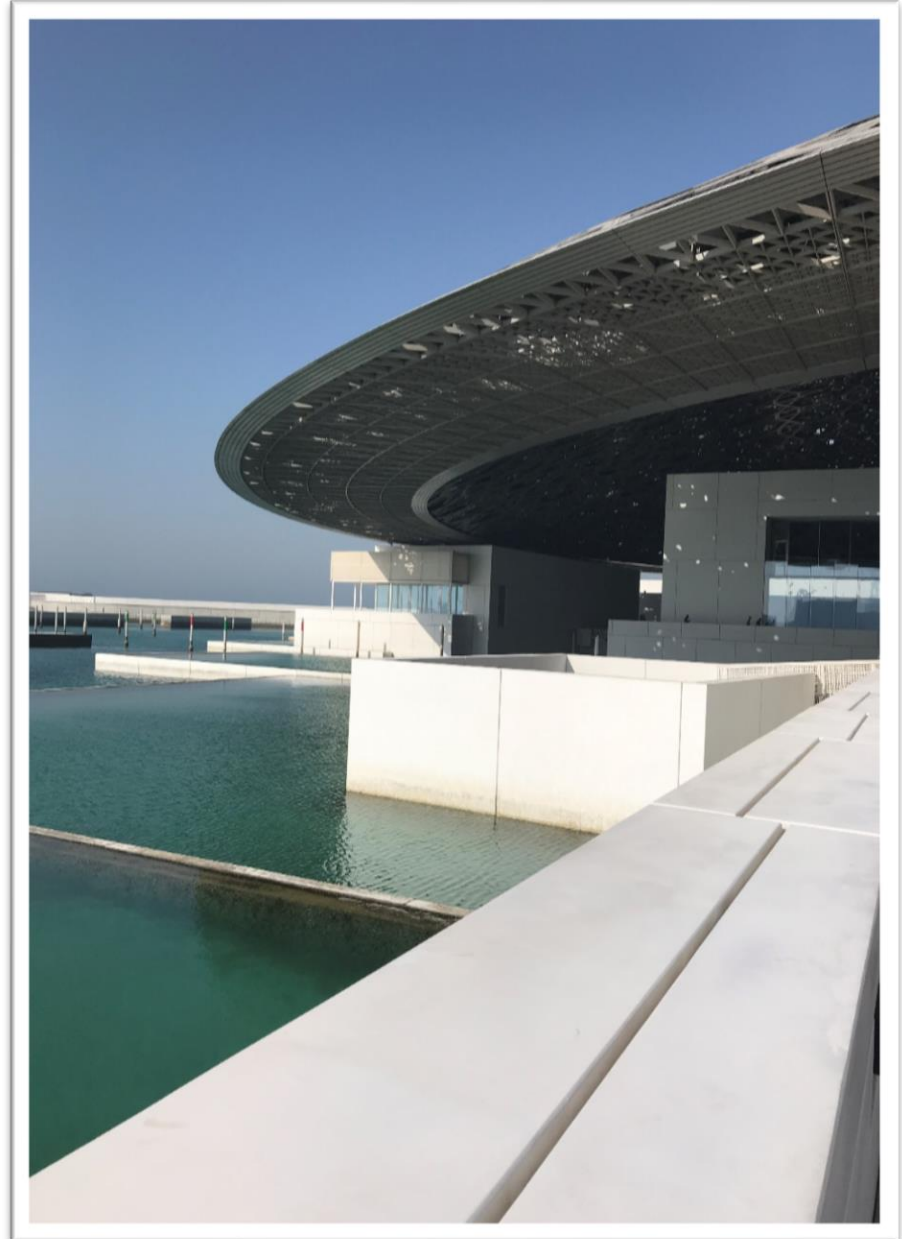
- In Office

- May feel like you have more control
- Patient receives statement quicker
- Can add message to statement
- Time Consuming
- Costly



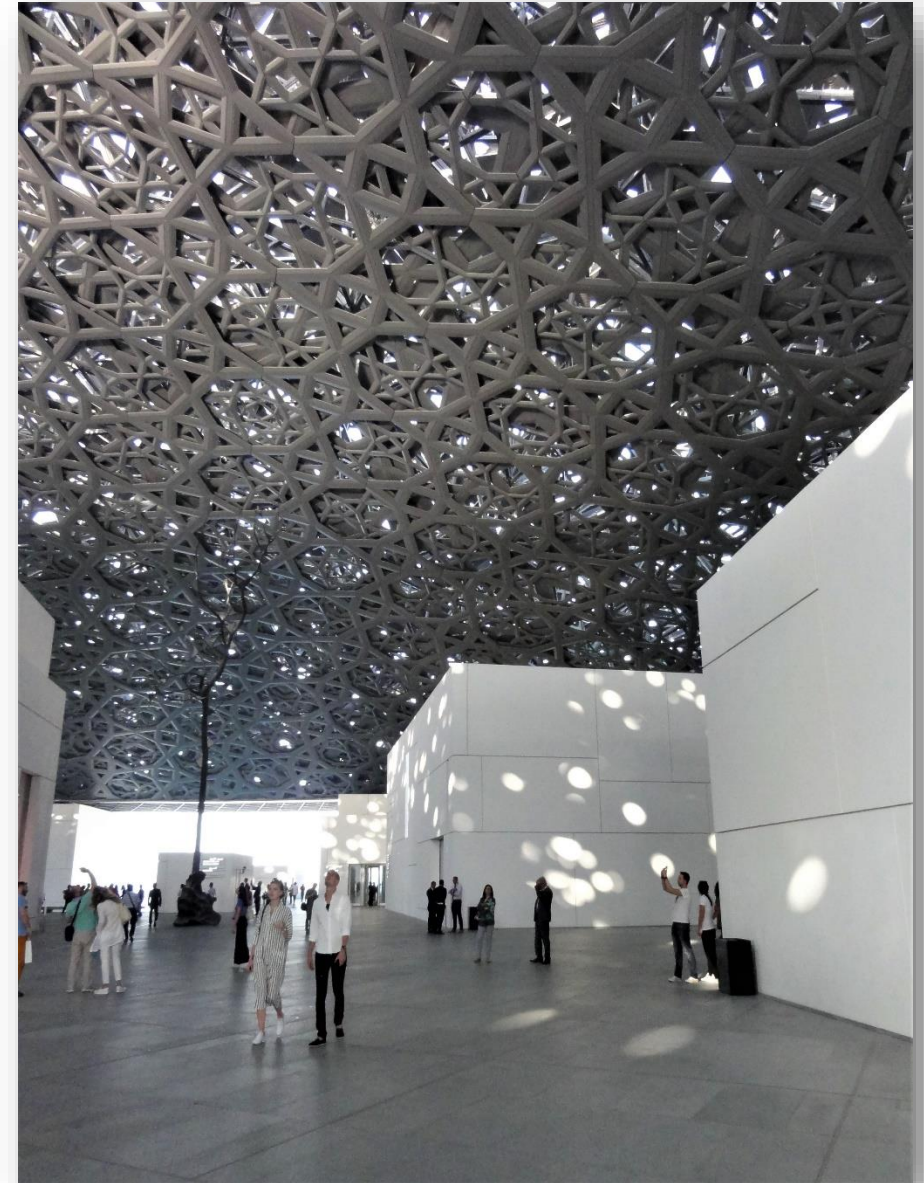
Contracted Out

- Most dental software companies offer this
- Can still control it
- Can add message to statement
- Takes longer for patients to receive statement
- Frees up your employees
- Typically cheaper



Collection Agency

- Use one
- Reevaluate its fees and success every 2 years
- Most offices consider 60 days or less as overdue
- More likely to get paid the sooner the account goes to collections



EMPLOYEES

- Hire a front desk person with insurance and financial knowledge
- If that's not possible, then hire someone to train your front desk person
- Must still be willing to learn and change what they are doing, even if they know it all
- A poorly trained front desk person or financial coordinator can ruin your practice financially



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Review

- Evaluate the practice you are purchasing and know where the money is coming from
- Know what the write-offs are
- Due Diligence
- Determine what you're willing to live with regarding insurance write-offs and payment frequency from patients in order for your practice to thrive
- Determine how to finance patient's dental treatment
- Evaluate credit card processing fees annually
- Accept all credit cards
- Bill daily, if possible
- Consider using a billing service
- Hire knowledgeable front desk people or train them well



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