

## Case Study 4. Practice Management Mistakes to Avoid



Doctors must run their practice as smart and lean as possible in these tough economic times because of the following challenges pediatric dentistry faces today:

- Decreased patient base that pays full fee. Many families have dental insurance that pays a reduced fee.
- Increased patient base that uses Medicaid.
- Families bringing their children only once a year for a recall appointment to cut back on expenses.
- Families putting off restorative care.
- State reductions to Medicaid fees paid to providers.
- Possible future tax increase which will result in less after tax savings ability for retirement.
- Increased retirement savings needed to counter possible reduced Social Security and Medicare benefits.

The last three articles of *PMM* discussed specific case studies of three different pediatric practices. This article discusses additional practice management mistakes observed in pediatric practices across the country. Doctors sometimes fail to understand the negative consequences to management choices they make. The below scenarios are presented to help doctors recognize how they can improve their practices for increased productivity and profits and decreased stress.

### Scheduling

**Problem:** Not scheduling to a producer production goal or scheduling for a specific number of patients.

- **Consequence:** Less productive daily schedule. Scheduling for a specific number of daily patients instead of a production amount is not accurate enough.
- **Solution:** The 'scheduling queen' should schedule to a specific doctor, hygiene and hospital daily production goal to insure the most productive schedule each day.

**Problem:** Filling holes in the schedule instead of following a block schedule with designated procedures.

- **Consequence:** Erratic schedules that do not flow.
- **Solution:** Follow a block scheduling that alternates 'Easy Ops' and 'Hard Ops' to allow flexibility for complications. Too many 'Hard Ops' in a row can ruin a day.

**Problem:** Staff not using the practice management software correctly when closing out a recall appointment.

- **Consequence:** Patients were unknowingly not attached to the continuing care report, therefore they did not show up as past due to be called or have a postcard reminder sent. This lead to a decrease in recall production because the recall patient base was not maintained.
- **Solution:** Adequate training for staff on practice management software.

### Front desk staff

**Problem:** Front desk (FD) staff cross trained but no one person is held accountable for a specific system, (i.e. scheduling, recall, unfinished treatment plan report, billing, insurance, etc.).

- **Consequence:** FD systems can not function at an acceptable level when one person is not accountable for meeting a defined benchmark for specific systems. Also, FD staff do not feel a sense of accomplishment when their actions are diluted with other staff members.
- **Solution:** While cross-training is always a good idea; each FD system should be assigned to a specific FD staff member along with a specific benchmark to be met. Having one person ultimately responsible for specific FD systems will increase production and collections as well as allowing the FD staff to feel more of a sense of accomplishment from their efforts.

### Doctor leadership

**Problem:** Doctor shared too much of their personal life with the staff and tried to be their buddy instead of their leader.

- **Consequence:** This made it very difficult for the doctor to speak to the staff about inadequate job performance when necessary.
- **Solution:** Be careful about how much personal information you share with the staff. Maintain a professional relationship and be interested in them as a person, but not as a friend.



.....

## Management decisions

*Problem: Using outdated software because software updates have not been implemented.*

- **Consequence:** Inefficient and inadequate practice management systems and reports.
- **Solution:** Purchase new software or updates. Supply adequate training on new software and updates for staff.

*Problem: Using software that fails to generate informative management reports allowing the doctor to clearly understand the status of the practice: production scheduled vs. goal, accounts receivable, new patient referral source, unscheduled treatment, past due recall, etc.*

- **Consequence:** Doctor is not able to make good management decisions and take proactive actions to correct deficiencies that cause lost production and collections.
- **Solution:** Purchase a practice management software that gives thorough reports on all systems and utilize these reports monthly.

## Hiring

*Problem: Not providing adequate training to new hires by just throwing them into the fire and see if they figure it out.*

- **Consequence:** Systems are not worked to their full potential which results in a loss of production and collection.
- **Solution:** Work through a systemized introduction to the practice and its systems with all new employees. Design a training schedule for the new hire which includes specific tasks that need to be mastered, completion date and who is going to train them.

*Problem: Not checking references or doing a working interview with a potential new hire.*

- **Consequence:** Hiring a person with a past history of unacceptable job performance, or hiring a person that the staff will not make feel accepted and the new hire fails to stay.
- **Solution:** Always call previous employers and ask, "If a position was open in your office, would this person be eligible for rehire?" Always do a working interview and have the applicant go to lunch with the staff they will be working most closely with. The doctor should not attend this lunch. Ask the staff their opinion about hiring the applicant.

## Employee accountability

*Problem: Doctor allows an employee to have different hours than the rest of the team which causes a burden on other staff members (i.e. come in late or leave early).*

- **Consequence:** If the doctor allows this for one employee then it becomes difficult to say no to the next employee that requests an adjustment to their work hours. It creates

resentment to those employees that put out the extra effort to be on time in the morning or who are not able to be at home when their children get home from school.

- **Solution:** All full-time employees arrive on time for the morning meeting so they are fully informed and are not the weak link of the day. All full-time employees work a full work day and do not leave early so the team is fully functioning until the end of the day.

*Problem: Doctor not addressing inappropriate behavior or substandard job performance by an employee, allowing this behavior to disrupt the team for too long.*

- **Consequence:** These doctors have a revolving door with good performers because they lose respect for the doctor.
- **Solution:** Address issues with problem employees as soon as they arise so the team can see that the doctor has standards to be met and is willing to do what it takes to protect the team from disruptive behavior.

*Problem: Owner doctor not addressing employee and associate doctor's consistent tardiness at morning meetings. Associate doctor doing free dentistry on friend's children that the owner doctor was not aware of.*

- **Consequence:** Absence at morning meetings was disruptive to team members when those not present lacked pertinent knowledge for the day to flow smoothly and be productive. Staff lose respect for the owner doctor in allowing this behavior and it caused a decrease in morale, along with the loss of practice revenue on free dentistry.
- **Solution:** Owner doctor held all employees equally accountable to be on time for the morning meeting. Associate doctor needed prior approval if any dentistry was going to be done at no charge.

*Problem: Maintaining long-term FD employees who refuse to fully learn and utilize practice management software.*

- **Consequence:** Decreased efficiency always results in decreased production and collection. This also puts a burden on FD staff who are skilled in fully using the software.
- **Solution:** Replace FD staff that refuse to increase their skills with the software training that was provided to them.

*Problem: Not utilizing staff strengths in the right job positions. For example, one practice had a very quiet FD employee as the check in person who rarely looked up and engaged the parents and children in conversations when they arrived. While another extroverted FD desk employee worked on insurance in a back office and did not have face to face patient contact.*

- **Consequence:** Parents did not have a good first contact with the practice on the phone or when arriving.
- **Solution:** Put your extrovert in the 'ambassador' check-in position and on the phone to make parents feel welcomed



and their needs recognized. These employees traded positions and were much happier.

### Collections

*Problem: Not charging for completed procedures when insurance does not cover due to thinking it could not be billed to patient.*

- **Consequence:** Decreased production and lost revenue.
- **Solution:** Charge out ALL procedures performed on the patient. Many non-covered procedures can be collected from the patient (including Medicaid). Thoroughly understand the terms of your provider contract.

*Problem: Replacing orthodontic appliances at no charge to parent when the child admits to eating sticky, hard food when the appliance broke.*

- **Consequence:** Lost revenue.
- **Solution:** Have a written appliance contract that clearly states when the parent will be responsible for a replacement cost, then hold them to the contract.

*Problem: Office manager mistakenly thought that only one recall exam could be charged per year for Medicaid patients.*

- **Consequence:** Exams were performed but never charged out, thus resulting in a tremendous loss of revenue.
- **Solution:** Be sure to have the right information on insurance benefits. Always code and submit procedures based on actual treatment as opposed to insurance coverage.

**“Long range planning does not deal with future decisions,  
but with the future of present decisions.”**

– Peter F. Drucker

**Can you afford to lose 5%-10%+ in productivity every year  
due to weak front desk systems?**

**Inefficiency and lack of knowledge can easily cost  
a million dollar practice \$50K - \$100K+/yr.**

**LET US HELP YOU CREATE STRONG FRONT DESK SYSTEMS**

- Block Scheduling to Producer Goal
- Productive Morning Meetings
- Accounts Receivable Management
- Collecting 98%
- Division of Front Desk Duties for Accountability
- Established appointment policies

**JULIE WEIR**  
TAKE *the* LEAD

**Full service practice management consulting specializing in Pediatric Dentistry since 1996**

Management Consulting \* Success Products \* Speaker \* 303-660-4390 \* [www.julieweir.com](http://www.julieweir.com)



.....  
american academy of pediatric dentistry  
211 east chicago avenue, suite 1700,  
chicago, illinois 60611-2637



.....  
Published four times per year as a  
direct membership benefit by the  
American Academy of Pediatric  
Dentistry (AAPD), 211 East Chi-  
cago Avenue, Suite 1700, Chicago,  
IL 60611-2637, (312) 337-2169.

Copyright©2011 by the AAPD. All rights reserved. ISSN  
1064-1203. [aapdinfo@aapd.org](mailto:aapdinfo@aapd.org), [www.aapd.org](http://www.aapd.org). Writer:  
Julie Weir has built an outstanding reputation as a con-  
sultant, international speaker and author in the business  
of dentistry. Opinions and recommendations are those  
of the author and should not be considered AAPD policy.  
Chief executive officer: Dr. John S. Rutkauskas; Publi-  
cations Manager: Cindy Hansen; and Publications Coor-  
dinator: Adriana Loaiza.

