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INFOpak

2009

Practice Management Basics

OFFICE OF STUDENT AFFAIRS

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Introduction

It's never too early to think about the kind of practice that fits you best. The American Dental Association (ADA) has the resources to help you determine your future in dentistry, and to help you get started once you've made that decision. This Infopak, developed by the ADA Office of Student Affairs provides an overview on the basics of practice management and includes a list of resources to get you started!

Hint: Not sure where to begin your career after school? The ADA Office of Student Affairs (OSA) publishes an InfoPak on Careers in Dentistry. Download the PDF at www.ada.org/prof/ed/careers/infopaks/careers or request a copy by calling 312.440.7470 or by e-mailing studentaffairs@ada.org

Mapping Your Path

Associateships

According to a recent survey, almost 2/3 of recent graduates seek associateships after graduation. Associates earn income and gain hands-on experience without the financial impact of starting a practice. Depending on the agreement, associates may have the option of buying into the practice a few years down the road.

The ADA publishes an InfoPak on Associateships—download the PDF at www.ada.org/prof/ed/careers/infopaks/associate or request a copy by calling 312.440.7470 or by e-mailing studentaffairs@ada.org. Here are a few highlights from that publication:

It's a great idea to begin your search for potential associateships while you are still in school. Here are some suggestions on where to look:

- Your school may offer a placement service
- State (also known as “Constituent”) dental societies may offer placement services or listings of open positions. For a list of all constituents, visit www.ada.org/goto/constituents (be sure to ask if they have a new dentist committee)
- Attend a meeting of the local (also known as “Component”) dental society in the community where you'd like to associate. For a directory of components, visit www.ada.org/goto/components
- Professionals in the dental community, such as practice brokers, dental supply company representatives and others often know what's happening—network with them.
- Review opportunities in the [JADA](http://www.jada.org) classifieds on ADA.org (members only).

When senior dentists evaluate different associateship candidates, they may look for:

- A new dentist with a similar philosophy
- A C.V. that reflects experience and accomplishments
- A candidate interested in becoming involved in the community (because that reflects positively on the practice)
- Good references -- both professional and personal
- And finally, an interview that shows the candidate is a professional.

Part of professionalism includes a willingness to take on practice responsibilities; some of these may not inspire a lot of passion. For instance, the senior dentist may want an associate who is willing to cover emergency calls, participate in marketing efforts or handle some paperwork obligations.

Keep in mind that successful associateships don't just happen; you can help make them happen. Before you accept the offer, be sure to also evaluate the culture of the practice. Do

you think you would enjoy a positive working relationship with the senior dentist and the dental team? When hired, recognize that it takes some work to maintain even naturally good relationships.

A recent survey showed that 63% of new dentist associates have a written contract –so that means that 37% do not! A contract can help to sort out questions about the relationship in advance, and minimize the potential for misunderstandings that can arise.

The ADA Catalog offers a comprehensive guide: *Associateships: A Guide for Owners and Prospective Associates*. Members enjoy a substantial discount--order by calling 800.947.4746.

Independent Contracting

Some dentists who do not want all the responsibilities of ownership, but want to build their own base of patients, seek out the opportunity to practice as an independent contractor in another practice. Typically, an existing dental practice with excess capacity allows another dentist to share practice space and, depending upon the agreement, other practice resources such as staff, billing, etc.

What's the difference between an associate and an independent contractor? Generally speaking, an associate is an employee, while the independent contractor is self-employed. One difference is the degree of autonomy – independent contractors are responsible for building their own patient base and have control over the dental care they provide. Independent contractors generally take their patient records with them when they leave a practice.

Another important difference is compensation. For an employee, the employer dentist must generally withhold income taxes, withhold and pay social security and Medicare taxes, and pay unemployment tax. There is generally no requirement to withhold or pay taxes for independent contractors- the burden is on the independent contractor.

Just like associates, independent contractors can benefit from a clear written agreement that clarifies the status of the working relationship.

Practice ownership

If owning your own practice interests you, you are not alone; one of the main reasons cited by dentists and dental students as to why they pursued a career in dentistry was to be their own boss.

Being your own boss and managing a dental team is a big responsibility. Not only do you require the clinical expertise to practice dentistry, but you also need practice management know-how to operate a business.

Every situation is unique. However, there are a few standard items to address as you pursue practice ownership including:

- Select the proper location
 - It's not just about real estate, but the demographics of your potential patients, the type of services needed by those patients, and of course, competition. Each of these factors needs attention, and the ADA has the data to help you assess different locations. Contact the ADA Survey center at 312.440.2568 or visit www.ada.org to order your customized demographic reports.
- Decide if you are going to purchase an existing practice or open a new practice
- Secure capital
 - You're running a business as well as keeping your patients healthy. And that

means accounting, insurance, and marketing are all part of the package. The ADA Catalog offers valuable publications to help you with practice management. Visit www.adacatalog.org or call 800-947-4746.

- Choose your team, and determine their salaries and incentives
 - Your team is an extension of you and a part of your brand. They take care of your patients. They take care of your business. With much of your success depending upon your team, you need to hire smart and train right. The ADA Catalog offers many office management resources, including a series of three *Basic Training* publications for office staff. Visit www.adacatalog.org or call 800.947.4746
- Develop management systems, such as record, inventory, HIPAA, OSHA/Infection Control, financial, and payment systems
 - If you've got a tough business question, such as staff training options, marketing strategies, personnel matters, billing, scheduling, or how to respond to regulatory requirements, you might benefit from the services of a consultant. A list of practice management consultants is available on ADA.org, including contact information, a description of services and basic information about each consultant's experience and training. Members can download the directory on www.ada.org/prof/prac/tools/practice/search/searchstart free of charge.
- Keep it legal
- The ADA offers a free contract analysis service to help you understand the implications of unsigned contracts with insurers or health plans. To take advantage of the service, contact your constituent ("state") dental society. You'll find a complete listing of constituent societies at www.ada.org/goto/constituents

The ADA maintains a New Practice Checklist online at http://www.ada.org/prof/resources/topics/dentalpractice_checklist.pdf.

Another important listing of resources consolidates other important information from the professional associations that represent members of the dental team, to tax information, to financial planners. Access the list online at http://www.ada.org/prof/resources/topics/dentalpractice_sites.pdf

ADA Resources

As you plan your future, the ADA can provide information to help you succeed with a wealth of practice management information through booklets, seminars, and resource kits. Visit www.adacatalog.org or call 800.947.4746.

Success Dental Student Programs: The Basics While You're Still in School

A good introduction to understanding your practice options and practice management in general is the series of Success Dental Student Programs. The program for fourth-year students, *Success Practice Management for Seniors* is a full-day program with topics including leadership and management issues; methods to value and purchase a dental practice; marketing strategies; and managed care options. The Success programs are available to every school, every year, so watch for it at your school. If you want to know when Success is coming to your school, or if you'd like to request the program, contact the ADA at 312.440.2808 or email success@ada.org.

Helpful Meetings and Conferences

ADA Annual Session

The premier dental meeting in the world features the largest dental exhibition in the country and the most comprehensive educational programming, including many practice management tracks. For more information call the 24-hour information line, 800.232.1432 or visit www.ada.org/prof/events/session/.

New Dentist Conference

The annual New Dentist Conference offers special programs for new dentists and dental students featuring clinical, practice management, and leadership issues programming. Contact the Committee on the New Dentist at 312.440.2779 or visit www.ada.org/goto/newdent for more information.

Dentistry as a Business

The Dentistry as a Business Conference is held in Chicago, usually every other year, and features nationally known speakers addressing common business topics that can take your practice to the next level. For more information, contact the Council on Dental Practice at 312.440.2895 or visit www.ada.org for more information.

Personal Help by Phone

Want to talk to an ADA staff dentist about what's going on in dental practice? Get answers and counseling about resources by calling the ADA Council on Dental Practice at 312.440.2895.

Insurance and Business Resources

Insurance for dentists

ADA members have exclusive access to competitive rates, flexible coverage that can be customized to your needs, and reliable protection that can continue throughout your career. More than 130,000 participants select insurance coverage each year through the ADA Insurance Plans — it's the insurance for dentists backed by dentists. Visit www.insurance.ada.org or call 800-568-2001.

Business Resources

ADA Member Advance is now ADA Business Resources. A host of practice resources including practice financing, advertising and marketing, patient charts and more can help manage the business-side of your practice. And because Business Resources are ADA supported—you know you can count on top quality. Learn more about the companies at www.adabusinessresources.com.

Networking

Networking with other new dentists in your area or who are in your own situation can help, too! For the name and contact information of your representative on the Committee on the New Dentist as well as new dentists in your area, call the Committee at 312.440.2779. The national Committee on the New Dentist and the state and local New Dentist Committee Networks are here to help dental students and soon-to-be new graduates. Valuable resources and a conference are available to assist with all the questions and concerns a recent graduates faces. For more information, visit www.ada.org/goto/newdent.

Need More Information?

Contact the ADA Office of Student Affairs at 312.440.7470 or by email at studentaffairs@ada.org. Also review the resources in the "You and Your Practice" section on ADA.org, including disaster planning, insurance, practice tools and more: <http://www.ada.org/prof/prac/index.asp>.