



CADP 20th Annual Conference

It's the Economy; Recession-Proofing Your Plan

(The Economy's) Impact on Providers

Thursday, May 28, 2009 2:30-3:30



PACIFIC
DENTAL SERVICES™

(The Economy's) Impact on Providers – Western United States

- **Pacific Dental Services**

Stephen Thorne, President, Founder & CEO

- Providing dental practice support services for 15 years (this isn't our first recession)
- 190 affiliated practices in five states – California, Nevada, Arizona, Colorado, and Texas
- Diverse patient mix - DMO, PPO, Discount, Cash
- Multi-specialty practices - OS, Perio, Ortho, Pedo, Endo, Implants
- Completely digital - x-rays, charting, imaging, and billing
- Purchaser of 150 CEREC CAD/CAM systems



(The Economy's) Impact on Providers – Western United States

• What we're seeing

- Continued growth in Discount Plans & PPO
- Higher patient volume, less treatment per patient
- Increased patient scrutiny & education— fees, service expectation, harder on docs and plans
- Patients still want better dentistry that is faster, more aesthetic, and longer lasting
- Patient out of pocket continues to increase



(The Economy's) Impact on Providers – Western United States

- **...cont.**

- Recent graduates not entering solo practice...females
- Virtually all retirements are among solo practitioners
- Growth in large groups currently 20%-24% annually – estimate that 7% of dental care is delivered by large group practices, within 4 years estimated to be 15%.



(The Economy's) Impact on Providers – Western United States

• Predictions (6 Business Truths)

- Prices must come down
- Competition
- Time has been re-priced
- Exceptional service (choices)
- Innovate
- Video, Video, Video



(The Economy's) Impact on Providers – Western United States

- **What we've done to be prepared**
 - **Our infrastructure has enabled us to reduce costs per unit**
 - Information is centralized and dispersed electronically - Provider manuals, fee schedules, rosters, etc.
 - Digital charts, x-rays, ERA, EFT, NEA
 - **Provide patients with advanced care they're looking for - Cerec CAD/CAM, LAVA, Visilite, 3-D imaging, Biopure, Lumineers, Arestin, LANAP**
 - **In-house specialists**



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• **Suggestions**

- **Focus on decreasing transaction costs**
 - Invest in your infrastructure, technology, automation
 - Contracting/Credentialing
 - Self-referrals for specialty
 - Electronic eligibility, rosters, claim follow-up, updates to Fee schedules & provider manuals
 - Auto adjudication - Real time
- **Push pendulum back to the middle – patient choices**
- **Sell & Educate Accurately - Covered ≠ Paid**



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Thank you