Managing Fees and Profitability in Interdisciplinary Care

Dear Readers:

One of the challenges facing restorative dentists in long-term interdisciplinary cases is how to establish fees and protect profitability when their phase of treatment may not be completed for several months—or perhaps years—after the initial presentation. For most disciplines involved in interdisciplinary care, fees are based upon performing procedures they do routinely and in a fairly predictable time frame. For restorative dentists, however, complex interdisciplinary care requires a different approach to setting fees than is used for their day-to-day routine procedures. Normally, for a routine posterior crown, the dentist charges a known fee which assumes that a predictable amount of time will be spent on the entire procedure—from start to finish—and with a fairly predictable laboratory fee.

However, for patients requiring orthodontics or periodontal surgery as part of their treatment, it is often necessary to prepare the tooth and temporize it prior to any other procedure. Then, following orthodontics or surgery, it is commonly necessary to re-prepare the tooth, make a final impression, and either reline or remake the temporary. It is easy to see how, in this complex example, that the time required for a crown increases dramatically. With the average profits of dentists in this country averaging 30% to 35% of production, if the complex patient care requires one-third more time than the routine case—which is not unreasonable—and dentists charge their routine crown fee, they are basically performing the treatment for no profit. If the treatment requires placement of multiple units, the problem simply gets amplified.

The solution is simple. Anytime a restorative procedure is provided that cannot be performed according to your standard method of scheduling, then a fee adjustment is required. The amount of the increase is always the challenge.

As practitioners are learning and improving their skills, new procedures always take longer. It is unrealistic to assume as you begin to perform complex interdisciplinary care that your hourly profits will equal those you achieve for

routine crown and bridge procedures. But, as you become more competent, it is essential that complex patient care be as profitable as everything else.

One solution that has worked well for me in establishing fees for such cases is to create additional fees for each procedure that is necessary for the complex patient but not performed for the routine patient. For example, in addition to your crown fee, if a diagnostic wax-up and long-term temporary are necessary, add a fee for each and explain to the patient why they are necessary. As a rule, I would use 30% or 40% of your crown fee to determine the fee for the diagnostic wax-up and provisional.

In addition, it is critical that you explain the total fee schedule to the patient up front, particularly if treatment may be prolonged due to implants or orthodontics. For example, explain to the patient that the final fee today is "x", but that since treatment will extend months or even 1 or 2 years, the final fee will be the final restoration fee at the time of completion. Also, if patients require temporization during the entire treatment time, I find it helpful to establish a maintenance fee based upon an hourly rate to be fair to myself and the patients regarding any additional time I spend on their care.

Providing complex treatments must be profitable while, at the same time, fair to the patients. The more you perform complex cases, the more comfortable you become at knowing what fees are appropriate. And, just as in all patient care, some patients' treatments will progress easily and require less time than you would expect, returning greater hourly profits. Others will take longer and you will profit less than you had hoped. The bottom line is that by managing fees correctly, long-term complex interdisciplinary care can be rewarding and profitable.

Sincerely,

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