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A Resource from Health
Assurance Plan

Table of Contents

1. Why Dental Practices Are in Trouble
2. Patients Are in Pain Too...
3. Why Dentists Are Missing the Mark
4. Who Are Your Underserved Patients?
5. Why Customized Health Assurance Dental Plans Are the Answer
6. Case Study: A Health Assurance Plan in Action
7. Questions and Answers About Health Assurance Plan

Why Dental Practices Are in Trouble

The chances are, if you're here reading this, you're looking for some kind of solution to boost your dental practice. There are countless practices out there that are in the very same boat—needing to grow, needing to increase their revenue, or even struggling to retain the patients they do have.

For some, they really are in trouble. Life is not as they pictured it when they graduated from college with the keys to a “fulfilling career.” Struggling financially and stressing over how to keep the practice open was not meant to be part of the plan.

So why are so many practices stuck in this conundrum? There are a multitude of circumstances that are coming into play, including the fact that many have seen no real revenue growth since prior to the Global Financial Crisis of 2007 - 08.

As a needed service, you'd think that we'd all have thriving practices once people recovered even slightly from the economic crisis, but that just hasn't been the case. Here are just a few reasons why we're seeing dental practices in trouble:

At the Mercy of Government Budgets

Our own story comes into play here. We lost a third of our revenue almost overnight. Our practices are in Illinois, a state that has not had a budget approved for a very long time. Being in the capital of IL, 35 - 40% of our patient base have the state dental program, run through an insurance company that we have a contract with.

This would normally be a nice, reliable source of business for a dental practice, but not when the state fails to make its share of payments to the insurance company. This meant that we found ourselves in the position where the insurance company was not going to pay us for work done, yet we were still contractually obligated to carry it out. These patients were still paying their share of premiums and should expect care for it, but we were not being reimbursed.

You might think that, at this point, we should cancel our contract with the insurance company, but this would have meant losing all of our patients who were privately insured with the same company.

Other practices in Illinois felt this same burn, and while it may seem like an isolated state incident, it's really just another example of a wider problem for dental practices everywhere—being restricted with what they can do because of insurance companies.

The Restrictions of Dealing With Insurance

Dealing with insurance companies is a fact of life for any dental practice, but it doesn't make it any easier. To begin with, there are the factors that directly impact revenue, such as the suppression of your fees or declining revenue.

Insurance has a tendency to be confusing, opaque, and inconsistent for both the practice and the patients. Their reimbursement (or shall we say, lack of reimbursement) practices are a frequent source of stress for patients and a cause for the erosion of trust with their dentist. If the long-term relationships with your patients are threatened, then you're at risk of

churning more patients than you retain.

Of course, while we're on the subject of insurance, there's also those low annual maximums that they impose, guaranteed to put a halt to needed treatments for patients. This means that patients go without necessary work for extended periods, delaying their path to good health or even causing regression. Insurance is dictating the level of their care.

Top all of this off with common occurrences like claim loss, claim denial, and overly cryptic contracts, then pretty soon you're spending more on hiring people whose sole job is to deal with insurance. So not only is your revenue suppressed but your costs of administration goes up.

Missed Patient Opportunities

How many times have you seen patients abruptly leave over "in network" issues? What about retirees who can no longer afford insurance or

millennial workers whose employer doesn't cover dental?

There are multiple groups of uninsured people who need and would love to get good dental care, but have found no mechanism to get it that is affordable to them. These are the ones who will show up only when there's already an emergency, such as for a patch, pull, or root canal, and then not to be seen again for years. The frustration is that they're bound to have other dental issues already that should be treated, it's just that they can't afford the ongoing care.

Increasing Overheads

Another factor contributing to the pain of dental practices is that, within this environment of stagnant (or declining) revenue and increased costs associated with dealing with insurance, the overheads for running the practice are still increasing.

It's really the same complaint that ordinary consumers have had over the last few years: "My bills are all increasing but my wages have stayed the same." You've got all the overheads associated with running the business, including those extras you might need to pay in hiring people to navigate

the complicated insurance world.

Ancient Business Models

How many other professions do you know where business is still being done the same way as it was in ancient Babylon? Patients are often scared to come in!

It's not just the obvious fears about experiencing pain, but trepidation over exactly what they're going to be in for when the bill arrives. You could liken it to any time you walk into a restaurant where the prices aren't on the menu. If price is an important consideration to you, it's downright scary!

Whichever business model a practice is following, there's often another problem that doesn't help matters: a lack of business training among dentists. Your goal is always to provide the best possible care to your patients, but you have to deal with "business stuff" too—and talk of

revenue, pricing, and profits just isn't your forte.

A combination of all of these things, either in our own practice or observed in others lead to the conclusion, "There has to be a better way." We built [Health Assurance Plan](#) at first for our own practices to streamline how they operated, provide reliable recurring revenue, and maintain transparency and trust with patients.

We're going to look into this further later in this book.

Patients Are in Pain Too...

So, we know that dental practices are often feeling strain, but an important consideration is that so are your patients. People *want* to get the care they need without having to think twice about it. But in practice, dental care is often not a priority when economizing.

It becomes a sudden and urgent need when there's an emergency, often leading to costly treatment and an overall negative association with dental care. This is where you will see patients come into your practice, only to disappear again once the urgency is mitigated.

Successful practices understand the pain-points of their patients and do what they can to smooth out the experience. This is at least a good start for building long-term relationships with patients who stay with you.

Common patient pain-points include:

They Can't Afford (or Can't Get) Dental Insurance

There are multiple groups of people who don't have dental insurance through an employer and can't afford to get a plan themselves. For example, retirees, self-employed individuals, "gig" employees, senior citizens, or others whose employers are dropping the benefits that they pay.

For these people, getting dental care can be a struggle. They're the ones

who are unlikely to turn up for regular hygiene appointments because they wait until something really goes wrong. If there are those among them who

are trying to get their own insurance, they often struggle to find a policy to suit or have wait periods of a year or more.

Dental insurance was really designed to be sold to large groups of people, so buying it as an individual can be a real challenge. Currently, 115 million Americans do not have dental insurance at all—that's around a third of the population.

The Insurance They Do Have Sucks

Have you noticed how many insurance policies out there just plain suck? Patients are often paying high premiums with low annual maximums. Then to add to their pain, the policy has all sorts of "fine print" clauses with things that are not covered. They end up paying more every time because their policy doesn't cover very much.

A quick perusal of reviews on dental insurance policies will often turn up comments such as "unspeakably awful", "poor at best," and "just shoot me now." With policies often having annual maximums around \$1,000, it takes very little to be maxed out and facing a hefty bill. Why bother paying those large premiums again?

All of this is not helping the relationship that the patient has with the dentist. Obviously it's not the dentist who is setting the insurance policies, but they are the face that is physically present, the one who is "so expensive" and "costing extra money." Patients naturally become leery of agreeing to treatment plans and uptake of those becomes low for practices.

They're Sick of "Salesy" Dental Practices

Some practices, in an effort to get more revenue coming in, have resorted to the kind of "used car salesperson" tactics that are best left to the dude with the greased back hair.

There are the intensely quota-driven corporate dental offices that patients are visiting because they are in-network for the plan they do have. The problem is that when they get there, dentists and staff are pushy and

salesy. Instead of taking the time to understand the patient's needs, they're heavily pushing for treatments so the practice can hit its daily production goal..

You've also got the "too good to be true" deal where the practice issues a direct mail coupon for hygiene just to get the patient in the door. Uninsured patients want to go and get a cleaning but all of the x-rays, exam fees, neon cancer detecting lights, and other extras add up. "Dude, I just wanted my once-in-a-decade cleaning!"

Everything is Too Complicated

There are thousands of complicated a la carte codes in dentistry. The patient comes in wanting a straightforward solution to their toothache, then finds that while $1 + 5 = 6$, $3 + 3$ somehow ends up at 9 and forget it if you need a combination of 4 and 2.

It often seems like the more the patient needs, the less their insurance will actually pay and the more complicated it all becomes.

Lack of transparency is a key issue that leads to patient mistrust of dental practices and often the forgoing of necessary treatment. Unless a patient has quite deep pockets, they *always* want to know upfront how much a course of treatment is going to cost them. The problem is that with insurance complications, the practice often can't give them an exact number.

They Never Get Preventive Care

Most people *know* they should be visiting their dentist for regular check-ups. They wouldn't mind doing so either, except for all of the pain points mentioned above. This means that patients are often lingering with treatable conditions for much longer than necessary, often leading to something more serious (which is the point when you'll see them come in).

This all adds up to the patient never actually getting to a state where care is just preventive. Their only experience of dentistry is pain, both physically

and for their wallet.

We have to do something more to meet with patients and address those pain-points, because at the moment, there is a huge disconnect.

Why Dentists Are Missing the Mark

You may be facing constraints brought about by dealing with insurance companies, but the fact is that many dental practices need to step up what they're doing as well. There is often a disconnect between what we are offering and what our patients actually need, which is where you should be assessing your business.

Fewer American adults are visiting their dentist, citing cost and lack of transparency as some of the primary reasons. When they're doing their budgeting, a visit to their dentist gets put into the "luxury" or "nice to have" column because, while they know they should visit, it doesn't seem like an urgent need right now. This is especially true for the large number of people who are uninsured, but it happens with insured patients too. Their low annual maximums keep them from coming in for needed work.

The problem with this is that, of course, by the time a patient decides their dental needs are urgent enough to make an appointment, they most likely need an emergency solution that is exponentially costly and may be dramatically debilitating with long term health consequences.

By nature, dental disease is chronic. It can't be cured, but it can be managed through regular professional support. Great, so we're part of an environment that is actively putting people off doing something that is in their best interests.

“Fast Dental”, Slow on Value

All of the circumstances previously mentioned are adding up to an environment where dental care is consumed in short-term, low-value, impersonal transactions. We're skirting dangerously close to imitating the fast-food industry with a “get 'em in and out” mentality.

I wrote a book, *Dr Fries With That*, that outlines how fast, low value, and impersonal consumption is infecting dental practices. I'm not picking on the fast-food industry, but in a profession where you spend the better part of a decade and hundreds of thousands of dollars just to get qualified, the stakes are much higher. Both dentists and patients should expect more.

Dental practices are often operating as if on a production line, with nameless shuffling of patients through procedures and back out the door in an effort to hit productivity and revenue targets. The thing is, if you're operating like this, how do you develop the sorts of relationships with your patients that encourage them to return again and again?

If you need dental work done, you'd like to feel that the person poking around in your mouth is actually concerned for your well-being for the long run, right? No one likes to feel as though they're another number or means to a paycheck.

This kind of situation also reduces dentistry to another commodity that's easily switched out with a different option. If you want a burger, you've probably got a lot of choices locally, from McDonalds to other chain options. Then there's the neighborhood joint, the one that fosters loyalty amongst customers because they offer something a bit different, even if that's a serving of personalization with your burger. This is the business that people come back to and tell their friends about. People are willing to wait thirty minutes because they get a superior meal.

What's that about? It's the extra value the customer gets. They don't feel that this is easily replicated at any old joint because the next one doesn't have “their” person.

Building a successful dental practice takes the dedication to delivering unique value that can be found in a popular neighborhood business. It's not quick or easy, but it also goes beyond coupon offers and appeals directly to the pockets of underserved patients.

About Those Coupon Offers...

You've probably either done it yourself or at least seen many dental practices out there promote coupon offers just to get patients in the door. However, most of the time these offers do not result in long-term patients who are now booking regular appointments with your practice.

Why not? Well, it's that commoditization aspect again. The patient is looking for a quick fix at a low cost so your coupon is a "shiny object" to that end. When they discover that in fact, they need significantly more work done to get to a state of health than what is covered by the coupon, they back out and look for the next "deal."

People have become so accustomed to free shipping and instant gratification that it's disappointing when they walk into a "traditional" business like dentistry and can't get a quick fix.

Dental care needs to move from its current status as an advanced disease repair model, to a model that is focused on health maintenance. In an ideal world, all stakeholders would be incentivized toward achieving health and working together to stay there over time. This does not mean coupons and discounts, but gets back to delivering unique value and creating a personalized experience over time.

It means reaching out to patients who may have previously been underserved and meeting them on their own grounds.

Who Are Your Underserved Patients?

There are a number of groups in our communities that are either missing out on dental care altogether or getting very minimal care. Traditional models of insurance and pricing just do not serve these people well, so there is a disconnect going on.

Take a look at the demographics around your practice. Are there underserved patient groups who you could perhaps do more for to ensure they have a path to care? This will be the case for almost every dental practice, so it's worth sitting down and identifying what those groups look like in your area.

Here are some groups that are typically missing out:

Senior Citizens or Retirees

This group of people may have had an employer dental plan for their entire working life, but once they retire, they find that they don't have many options for dental insurance.

We know that aging can naturally take a toll on teeth, yet seniors are struggling to find care that is accessible to them. An [American Dental Association](#) analysis found that the struggle is particularly painful for

low-income seniors. More than a third who had incomes below 200% of the

federal poverty level had untreated tooth decay.

If they are on traditional Medicare, dental isn't covered, while on Medicare Advantage care is often minimal. Purchasing private dental insurance is often out of their reach because either it's too costly, or they are given the runaround with long wait times by insurance companies.

Our senior citizens are often just putting up with uncomfortable or painful oral conditions because they are forced to skip regular dentist visits. Most dental practices will have this underserved group in their immediate community.

"Gig" Employees

The life of a freelancer or independent contractor might sound kind of glamorous. Working in your pajamas? Check. Setting your own hours and terms? Check. Yes, there are many positives that go along with being your own boss. But unfortunately, access to good dental care is often not one of them.

Consider for a minute that the number of freelancers in America has already reached 55 million ([35% of US workers](#)), many driven to freelancing because of a trend among employers of not wanting to hire permanent staff. "Gig" workers are often doing so out of necessity, if not purely by choice because they've had to create employment opportunities for themselves.

A large number of freelancers are younger millennials, with 47% of 18 - 24 year old workers freelancing in some capacity. It's not just the domain of younger people though, 28% of Baby Boomers are also gig workers.

With this style of employment comes many challenges. Income can be irregular and it's a common occurrence that freelancers end up stiffed by clients. [Seven out of ten](#) freelancers have reported non-payment by clients, a concern that makes even the most basic bills for living difficult to afford, let alone dental insurance or care.

These workers may find themselves in the same boat as seniors, trying to

buy themselves insurance but finding it too expensive or having ridiculously long wait periods.

Self-Employed Individuals

This is a similar story to the gig employees. Self-employed individuals must pay all of their own "benefits" and dental just might not be an option for them. Many are still in recovery mode following the recession, so they're cutting back expenses where they can.

Employed People Without Benefits

That old idea of getting a good job with decent benefits is often just a fantasy for many of today's workers. Employers have cut benefits or don't offer any at all, so the employee has to go out and find their own insurance.

This puts them in that same boat as others, where they're trying to buy into a dental insurance program that was designed for groups. They might not be able to afford the cost at all, or they're forced to wait for a year or more before they can get the insurance.

Immigrants or Those With Limited Literacy

For new immigrants or those with limited literacy, navigating the US system of insurance can be a highly confusing experience. They may have language or cultural barriers to accessing dental care, or the whole thing just feels like too much to try to unravel. This is another group of people who may fall through the cracks until they turn up with a dental emergency.

For dental practices needing to grow their business, opportunity can lie with meeting the needs of underserved patients. What can you be doing to expand your client base, get them coming back, and be the practice that provides them with the help they need? This is where breaking the "traditional" mold comes in: What if you could provide customized options that are easily managed?

Why Customized Health Assurance Dental Plans Are the Answer

Under current systems of dental care, patient needs are often not being met and dental practices are also not meeting the revenue and growth targets that they need. The dental office becomes like a repair shop, with a focus on treating conditions once they're already presented as an emergency rather than creating a long-term pathway to health.

Where traditional models aren't serving the practice or the patient, something needs to be done to break the mold. The short term, transactional disease repair model is obsolete for all sides in the care setting.

When we found our practice down by a third of our revenue, we did an assessment of how our practice did business and who our patients (or underserved patients) were. Had we been able to meet their needs under traditional practice? The answer was no, we were missing a whole lot of patients who couldn't see a way to getting the regular dental care they need.

The solution for our practice was building a membership program with a bias toward health for all parties, called [Health Assurance](#). This allows us to offer something of value to uninsured patients, something that is

transparent and that they can afford.

Customized Plans

Health Assurance is a plan where patients pay a monthly subscription fee to belong. In return, they get the dental care outlined in the chosen plan and access to special rates for any procedures that are not included in the plan.

How is this different from regular insurance? It is entirely transparent. Both the practice and the patient will always know in advance how much something will cost and what the patient is going to need to pay. No third party meddling in the agreement.

Thinking about those various groups of uninsured (or underinsured) patients, Health Assurance Plan allows dental practices to create different

types and tiers of plans to suit the particular patient group. For example, a patient in need of a number of procedures to bring them to a good state of health might start out on a higher tier. Once the work has been completed and they are healthy, they might drop down to a lower tier for regular maintenance.

The dental practice controls what the plan includes and the pricing of the plan. This means that you can assess your own practice and decide what is possible without being dictated to by an insurance company.

Advantages for Patients

A Health Assurance Plan doesn't disclude patients who have pre-existing conditions, a blight that is frequently encountered with insurance. The aim is always to take the patient from whatever condition they are in right now to a state of health that they are able to maintain.

This means no more hanging around with painful conditions untreated and more of a chance to keep dental costs down by keeping up a regular maintenance program. In addition, patients are often able to save money because the dental practice isn't restricted by insurance requirements with

their pricing. We were able to offer discounted rates in many cases, which saw more uptake of treatment plans for us and lower costs for patients. It's a win/win.

Another major advantage for patients is transparency. There are thousands of CDT codes with attached fees involved with dental insurance, most of them absolutely indecipherable to the patient. (Hey, do you know all of them yourself?!). No one likes the nasty surprise of something costing much more than they expected—it erodes trust and can be just plain stressful. With Health Assurance Plan, they know exactly what to expect.

Advantages for Dental Practices

Most of us are really tired of constantly being at the whim of insurance companies. We're sick of seeing patients miss out on the care they need because an outdated system forces them away. Health Assurance Plan

offers a solution that can widen the patient base of the dental practice and put the control where it belongs—with dentist and patient.

Besides a broader, happier clientele, there are other advantages for dental practices. For one thing, you have steady, predictable monthly revenue allowing you to budget accurately and plan ahead in your business.

Secondly, you can charge what you need to for your business. Dental insurance has restricted reimbursement maximums at 1970's levels while our cost of doing business has risen substantially. Health Assurance Plan means you are not beholden to the insurance companies.

Thirdly, maintenance and administration of Health Assurance Plan is simple. It's all managed from your central dashboard with no complicated codes or requirements from external parties. This can help with your overhead costs, because you don't need to devote as much time to administrative tasks.

Instead of being built to satisfy a third-party insurance company, Health Assurance Plan is created by your practice to satisfy both practice and patients.

Case Study: A Health Assurance Plan in Action

As mentioned previously, between our two practices in Springfield, IL, we lost a third of our revenue overnight when the state-backed dental plan stopped reimbursements for care, while we were still contractually obliged to provide it. We couldn't just quit the contract, as this would cost us all of our patients who were privately insured through the same company.

With overheads increasing and the traditional, outdated model of dental practice at the behest of insurance companies (as most are), something needed to radically change.

Health Assurance Plan was born when we realized that we were missing large, growing groups of potential patients under current models—the underserved and uninsured. With this accounting for around a third of the US population, we are no different to other practices in that there is plenty of need in our local communities.

What made us choose this subscription model of care? The bottom line was that it was a solution that made sense to our practice and to our patients. The patient *knows* they need regular dental care, but by necessity they are very price-driven. They *need* the security of knowing that X dollars per month will definitely cover Y treatments.

Our practice needed a better way to attract new patients, we also had an overall goal of getting away from the short term, impersonal patching and fixing and instead providing patients with a comprehensive opportunity for health. It was at least worth testing out Health Assurance Plan to see if it would work for us.

Results for Our Patients

How many patients do you have who might turn up once every three years or so? They come in only when a condition has become acute and must be dealt with immediately. This usually involves immense trepidation over the costs they are going to face.

Once we implemented Health Assurance Plan, we were able to change that whole proposition for patients. They were offered affordable solutions for

their immediate problem as well as being engaged with a more comprehensive care plan to stabilize their health.

Before offering Health Assurance memberships in our practice, uninsured patients had no choice but pay our regular fee for all care. Patients routinely declined care that was clearly important in preventing disease—comprehensive exams, sealants, fluoride, and so much proactive restorative care. By making health prevention services assured, simple, and straightforward for the members, we reduced complexity that previously held patients back in our practice. Our randomly chosen 212 Health Assurance members saved 32% off the cost of regular fees in our practice.

As well as cost savings, member patients were incentivized to move from emergency resolution to regular, preventive, and maintenance care. Patients who maintain better health are certainly a whole lot happier overall!

Results for Our Practice

Introducing Health Assurance Plan took us from worry over lost revenue, to a bottom line of increased patient base, increased revenue per patient, and overall increased revenue across both practices.

Our annual per-patient revenue for Health Assurance members was 78% higher than the average per patient revenue in our practice. Patients were incentivized to invest more in themselves, so our revenue was boosted too.

Like most dental offices, much of our overhead is fixed. By our calculation, roughly 70% of the increased revenue realized in this program fell directly to the bottom line as profit. Additionally, growing the Health Assurance membership makes our practice more financially resilient by adding diversity to our revenue stream.

Here's another bonus result: a much happier practice team! Health Assurance Plan made it much easier for everyone to do their jobs without the daily hassles of insurance. No billing, no EOB's, and no angry financial

calls for our administrators. No pre-existing issue clauses, no arbitrary narratives, and no "lost" claim submissions to contend with. Health Assurance allowed our phone team to have a different, yet valuable conversation with potential new patients who were uninsured and cost-conscious.

This plan has been a real differentiator for our practices too. We could explain things simply and with transparency, without having to use the word "estimate" (an inherently mistrusted word among patients).

Health Assurance allowed us the creativity to personalize a program for the people we aimed to serve. We had an offer for seniors who now had an option that makes sense with a fixed income. Emergency patients now had an "easy to navigate path" for moving forward. We now had a uniqueness that could appeal to a whole group of relatively unserved and underserved people in our community.

This led us to the point where we would like other practices to have the opportunity to create their own solutions with Health Assurance Plan. You can take a look at what we offer [here](#).

Questions and Answers About Health Assurance Plan

Practices tend to have all sorts of questions for us about using Health Assurance Plan themselves, so let's take a look at a few FAQs we get:

Will Health Assurance Plan be a good fit for my practice?

We feel that Health Assurance Plan can be a great differentiator, particularly for any practice that is looking to grow revenue and expand their client base. A customized plan can attract patients who you may have only otherwise seen when they came in with an acute condition.

Can we create our own plans?

Yes! Everything about Health Assurance Plan is customizable, which is one differentiator between us and other monthly plan options. You can create your own packages and pricing, designed to suit the needs of your practice and to be attractive to the group of patients you are wanting to target.

You can offer a single membership tier or a three tier choices to your patients. Payments can be programmed monthly or yearly. You can also offer individual, family, and group membership plans of any size. Want to create incentives or discount codes for a given membership? Health Assurance allows you that freedom as well.

How much administrative work is involved?

Setup of your own Health Assurance Plan is managed very easily through a central dashboard. We include step-by-step instructions to keep it simple to follow. Because patients can sign up on your website all on their own, it costs your team very little time to welcome a new member. The Health Assurance Plan Software takes care of recurring payment automation which further saves time. Our practice simply logs in once a week and reconciles recurring payments with the associated patient charts.

How do we get started with Health Assurance Plan?

To begin, you will need to own the domain (website address) that you want to use for your practice. Most practices already have a website, and Health Assurance Plan can simply be added as a sub-domain (e.g.

<http://yourpractice.healthassuranceplan.com>). To get started creating your own plan for your business, [go here](#). Once you've signed up, you can access our free online setup and training guide for Health Assurance. This on demand training can be accessed by any member of your team at a time that's convenient in your schedule.

Do you offer support with setup or any kind of ongoing support needs?

Health Assurance is fully supported by a technical support team to help your team should any issues arise during setup or beyond. Remember, we are using Health Assurance in our practices so you can be assured the program is being properly maintained and improved now and in the future.

What are some best practices for implementing Health Assurance Plan?

The best way to make Health Assurance a success for you and your patients is to engage the energy of your team. Health Assurance has tangible benefits for every team member in every department of your practice. Even better, as your team starts to embrace a membership

culture, the emphasis on customer service becomes a benefit to every member of your practice whether they are a Health Assurance member or a conventionally insured patient.

To get started with Health Assurance Plan and create your own practice plans, [register here](#).