



DENTAL NEWSLETTER

November 2016

Dentists must tell patients the truth about health insurers

ADA Victoria, recently held a health insurance related meeting at which National President Rick Olive presented an update on ADA efforts. Victorian dentists want a campaign to tell patients to drop ancillary cover.

Lessons from Dental marketing applied to the Health Fund Issue

Overwhelmingly surveys of dentists demonstrate that they get the vast majority of new patients from the personal referral of friends, relatives, work colleagues and neighbours. They get negligible results from letter boxing and local newspaper advertisement results are also disappointing. Once, nearly all dentists acquired websites they cancelled out. These days, practice websites are places that patients who have been referred dial up to find out how to make an appointment. According to the dentists we have surveyed, few new patients come purely from a website visit.

This tells us that patients trust dentists enough to refer their friends. This also tells us that dental patients are far more likely to drop extras insurance if advised to do so by their dentist and their dentists' receptionist. This has far more potency than other methods.

Tactics that won't work

- The ADA may be wasting money on a comparative website of health insurance policies. Few patients will access it and it may get lost in the morass of the internet. It may also get confused with business owned comparator websites. It won't reach enough dental patients.
- Don't waste time talking to big health funds about Codes of Conduct. They are good at kiss-off tactics and such discussions are fruitless.
- Don't waste resources trying to get the public to complain to the Health Ombudsman. Funds are expert at "kissing off" complaints. It is part of their business model.
- Don't have any association with comparators like "iSelect". The business model of comparators involves switching policies for commission.

What will work

We know of many dentists who have successfully persuaded patients to either cancel extras cover with the big insurers or to transfer to one of several small ethical mutual funds which provide patients with better value and who won't restrict the treatment that dentists provide.

1. The only strategy which will have significant success is that of enlisting all state ADA bodies and unifying dentists in a national campaign to inform all dental patients about the abuse by large funds in respect to extra's / ancillary cover. Dentist have to be at the forefront of the campaign advising patients to:-
 - a. Drop extras cover and pay for dental, optical, physio and chiro separately (mostly dental).
 - b. If patients **really** want to retain extras cover then advise them to transfer to one of the small mutual insurers which offer better value.

Refer to our publication via the Synstrat website:
<http://www.synstrat.com.au> entitled: **Dental patients exploited by large health insurance funds Sept Oct 2016.**

Follow the prompts from the home page:- Synstrat Publications
> Dentistry Publications > Dental patients exploited by large health insurance funds Sept Oct 2016.

The term Health Insurance is a misnomer

We insure for big items like the destruction of our homes by fire because for most of us the loss of our home would be catastrophic. But paying large health funds lots of money for extra's cover so they can retain 22 cents in the dollar, and pay out only 78 cents in benefits is not insurance. Basically it's nuts.

Patients need to be made aware that the vast majority of extra's / ancillary members of big funds will be better off paying for their dental bills and replacing their spectacles themselves and saving the extras premium.

Dragging ADA Inc towards reality

President Rick Olive is trying to draw the dental profession together on the health insurance issue but it is difficult because the national body ADA Inc. has been visibly poor at representing dentists on key issues over many years. ADA Inc. made two great strategic mistakes contrary to the interests of ADA members. They were:-

1. They got their dental numbers wrong and lobbied government to open the dental immigration flood gates and build more dental schools. That led to a massive over supply of dentists and hurt many of its members.
2. They were too soft for too long in dealing with the health insurance problem.

Since Synstrat's formation in 1994, we have been warning dentists on both issues initially to our dental clients and increasingly, publically to the dental profession. We realised that the only way effective action could be brought about was for large numbers of dentist to demand it.

Having a National President who recognises the problems, is an important step to addressing the issues. Employing a new ADA Inc. CEO who can be directed to focus their energy on the health fund issue is another essential step. Most of all it is necessary to lead the entire dental profession towards unifying itself and combining to advise patients to:-

1. Drop extras / ancillary cover because of the evidence that it is not in the best interests of fund members, particularly members of the big funds taking 22 cents in the dollar off the top.
2. If patients really desperately want to hang onto their extras cover, advising them to switch to one of the small mutual funds which will offer them better value and won't interfere with treatment option of dentists.

Graham Middleton

Financial Planning and Life Insurance for Dentists

Synstrat is experienced at providing financial plans for dentists. These take into account dental practice profitability and benchmarks, as well as ownership of premises and other family assets and other financial issues. Telephone Graham Middleton, Cameron Darnley or Roger Armitage, each of whom are experienced financial planners, on 03 9843 7777. Cameron can also assist with life insurance. Synstrat Management Pty Ltd holds its own licence. It is not obliged to recommend the products of a particular bank or insurance company.

Feedback Questions concerning Ethics

Can dentists please email your thoughts to jenny@synstrat.com.au

Do dentists who are preferred providers and who take up ADA official positions have a conflict of interest?

Do preferred providers to large funds who are restricted in the treatment options that they can offer patients and who realise that the big funds are skimming .22 cents per dollar off the top of extras cover have an ethical responsibility to their patients to:-

- a. Advise them that there are other funds who will give them better rebates overall and

- b. To point out to most patients that extras cover is not cost effective. Rather they are better off dropping it and keeping the money in the bank to pay for their own treatment.

Pass it on

If you have friends in a dental chat line or a dental study group who are not receiving our newsletter, please email it to them. If they wish to be added to our distribution list, they may contact dental@synstrat.com.au

Everybody's Going Electronic!

Help us to save the planet by electing to receive the Dental Newsletter by email. In addition to the newsletter, information not provided in the newsletter is periodically emailed to dentists on our distribution list. Please email dental@synstrat.com.au to register your email address, and advise the postal address we currently send your newsletter to.

Independent Dentist Network

Dentists who are threatened should seriously consider joining **Independent Dentist Network (IDN)**. IDN will provide dentists with the tools they need to fight predatory health funds.

Contact merv@independentdentist.com.au

Synstrat has no financial interest in IDN other than the fact that many clients are threatened by the health fund insurers, and we wish to see them insulate their practices.

Practice Valuations & Accounting Services

Synstrat is the only accounting group in Australia which maintains an active, continuously updating database of dental practice benchmarking performance. This is essential in assessing features of a practice. As accountants to many dentists we also witness the finalised purchase and sale agreements, and this is a critical tool in assessing the market. Telephone David Collins or Graham Middleton on 03 9843 7777.

Visit www.synstrat.com.au for more information on these topics.

*THE SYNSTRAT GROUP ARE AUSTRALIA'S MOST
EXPERIENCED DENTAL PRACTICE BUSINESS
ADVISERS, FINANCIAL ADVISERS, ACCOUNTANTS
AND VALUERS*

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