



5 December, 2016

COUNTERING HEALTH FUND BENEFITS

I am indebted to Joseph Allbeury, the editor of Australasian Dental Practice magazine for the following comment:-

To Graham Middleton

"What dentists need to do is to directly counter the tactics that the health funds are using, both for existing patients and for new patients.

That tactic, principally, is to offer cheaper dentistry through rebate-only procedures.

The game here is to get "warm bodies" in the chair.

Dentists must accept that in order to do that, certain procedures like exams and cleans are loss leaders - not profit centres.

The amount practices are spending on things like Google AdWords - \$100K a year in some cases - to get new patients will NOT be recouped from the profits of exams and cleans.

Practices should immediately communicate with EVERY patient on their books and offer them a rebate-only scale and clean - because any that are health fund members are already being sent that offer by their health fund.

Every new patient who calls should be offered a rebate-only exam - because if they are in a health fund, that is what is being offered.

All the other things you have said in your December Newsletter are relevant, but dentists must do these things immediately.

Also, hire an hygienist on a fixed salary to complete those clean and scales - that's what health funds do - or hire a dentist on a fixed salary - or pay them a fixed rate for rebate only procedures.

Before you will get a long term patient, you have to get them in the chair first.

Once they are in your practice and in your chair, all the things you state in your December Newsletter kick in and you can start to build a rapport with the patient.

Going to the dentist is scary - in order for the patient to be in your chair, many barriers had to be broken down first"

Joseph Allbeury
Editor
Australasian Dental Practice



Comment:

Joseph makes a good point but dentists should have a medium term objective of getting the large health funds out of their practice. Only dentists can do this on a significant scale.

Elsewhere I have advised all Synstrat dental clients not to sign on with **smile.com.au**.

It is a serious mistake for dentists who have a significant intrusion of a major health fund into their practice to simply accept that the game is over. Advise patients as nicely as possible that they are not getting value for money from the extras insurance of the large health funds. Dentists can choose whether they divert them to a smaller fund which gives them a better deal or advise them to chop out extra insurance altogether.

In the long term, chopping out extras cover all together is the right decision.

Best wishes to all dentists

Graham Middleton

SYNSTRAT SERVICES

Synstrat provides Accounting, Financial Services, Business Advice, Financial Advice and practice valuation services to Dentists.

Contact Graham Middleton or if I am immediately unavailable, Jenny O'Brien on (03) 98437777 who will arrange a time to discuss. We will then contact you to discuss your needs. Obviously if significant services are involved, then charges will apply. These include fees for consultations with Graham Middleton once the need is defined.

We are happy to discuss our charges on contact.