Using risk identification and credit granting to build your practice

By Paul Zuelke

In 1980, when we took our first dentist as a client, almost all dental offices were routinely granting credit to their patients. If a patient/parent needed a few months to pay for his/her clinical treatment, a payment plan was usually allowed. Thirty years later, things have clearly changed. Dentists today rarely grant credit because they don’t want to assume the risk. Patients are pushed to pay in full or to use third-party financing.

In fact, many of the practice management consultants who are active today are recommending their dental clients be “cash only” and only provide third-party financing (finance company, bank, credit card) for their patients.

The result is simply horrible rates of case acceptance, postponed/phased treatment, more single-tooth treatment than ever in the past, significant increases in failed appointments, a reduction in the number of new patient referrals and a net reduction in production per dentist hour worked in many practices.

This defensive behavior is unnecessary because credit granting, internal credit granting, is safer and more productive today than it has ever been in the past!

While choosing not to grant credit, to be a cash-only practice, solves some delinquency and cash flow problems, that policy often makes other problems worse. Failed appointments do not improve, and often become worse, because when money is tied to appointments, patients often find good reasons to postpone or cancel the appointments and, in more serious cases they simply become a “no show.”

Although collection rates are good, actual cash flow does not improve because of the single biggest problem with being a cash-only practice, weak case acceptance.

If your patients are not having you perform the work you have diagnosed, or if they only accept work covered by insurance, your production will be down and cash flow will be down as well. Ultimately, being a cash-only practice contributes to the biggest problem of all: poor referrals and weak new patient flow.

Let me note that there is no legal, ethical or moral reason why any dentist needs to grant credit. The only reason to grant credit is the obvious and practical one: You will have more patients who will accept more of your diagnoses.

It is not a coincidence that during the last three years, while our economy has been less than stellar, practices that routinely allow their patients monthly payments for their treatment have experienced significantly less of an impact from the economy than have the cash-only practices.

Appropriate credit granting is often the answer to building a consistently growing, productive and profitable practice. Of course, “appropriate” is the operative word.

While you cannot afford to have your great patients postpone their treatment because of your financial policies, neither can you afford the financial loss and other problems associated with granting credit to the wrong patients.

Obtaining credit reports on patients was the answer to this dilemma in 1980, and it is still the answer today. The difference today is that learning a patient’s potential risk to the practice is much less expensive, less intrusive, less time consuming and much more accurate than it has even been.

The Zuelke Automated Credit Coach (ZACC) is a Web-based tool available from DentalBanc that has been specifically designed for the dental profession. ZACC evaluates stability, maturity and credit integrity in exactly the same fashion as a bank loan officer, but ZACC does it in a few seconds.

Once ZACC has evaluated your patient/responsible party, ZACC grants or denies credit based on the patient’s potential risk to your practice and allows you to make a knowledgeable decision about whether to grant credit.

Now, if your patient is at “No Go,” ZACC offers a “No Go” report, which includes a detailed analysis of why they were rejected, so you can quickly determine whether or not to allow credit.

If your patients were “in the gray zone,” ZACC offers a “No Go” report, which includes a detailed analysis of why they were rejected, so you can quickly determine whether or not to allow credit.

Using ZACC, you don’t have to be a financial expert or devote any time to learning about credit evaluation. Just enter the patient’s name and social security number, and ZACC will provide you with a credit report in seconds.

The Zuelke Automated Credit Coach (ZACC) and the Zuelke Automated Credit Coach (ZACC) are available from DentalBanc, Inc. at 800-795-7000, or visit www.dentalbank.com.
assigns a credit grade and even makes a recommendation regarding the most liberal financial arrangement that you can safely offer the patient.

Although ZACC reads and interprets every line and every column on a credit report, a ZACC inquiry does not affect a patient’s credit score nor does a ZACC inquiry show up as an inquiry to your patient’s other creditors. You can grow your practice with safe and appropriate credit granting. Take a look at ZACC at www.getzacc.com.

Paul Zuelke is president and founder of Zuelke & Associates, Inc., a management consulting firm specializing exclusively in teaching credit management and accounts receivable control techniques to health-care practices.

Zuelke’s extensive professional background in lending and corporate finance, combined with 30 years of experience with more than 1000 client practices located throughout the United States, Canada and Australia, position him as the leading authority in using effective credit management to build a quality health-care practice.

The Fender Way: fast and safe

Directa AB — a leading Scandinavian dental manufacturing company located in Stockholm — dedicates itself to introducing innovative, high-quality and cost-effective products into the dental market, is probably best-known for its Luxator® extraction instruments and polycarbonate crowns.

However, a new Directa product is now creating quite a buzz in the dental world.

Many dental practitioners are already familiar with Directa’s FenderWedge®, which separates and protects adjacent teeth during preparation for a Class II restoration.

This product is a combined wedge and protective stainless steel plate, or “fender.” FenderWedge pre-separates teeth and protects the adjacent tooth during preparation.

Research has shown that damage to the adjacent tooth occurs in more than 60 percent of cases during preparation unless it is adequately protected.

Now, FenderWedge has a complementary product: FenderMate®. A one-piece sectional matrix and wedge specifically designed to allow dentists to complete a composite restoration quickly and efficiently with a tight contact and cervical margin, FenderMate may be utilized either from the buccal or lingual aspect.

*Continued, ‘The Fender …’
Velopex’s air abrasion unit fits many occasions

There are many uses of the Velopex Aquacut Quattro Fluid Air Abrasion Unit. Here are some of them:
- minimally invasive and cosmetic dentistry,
- patient-friendly stain removal and cavity preparation,
- fast, efficient cutting and cleaning,
- ideal for repair of composites.

The Aquacut Quatro will give you greater control and flexibility than any other piece of equipment you own. Some of its other benefits include:
- no vibration, turbine noise, heat generation or smell,
- greatly reduced need for local anesthesia,
- a handpiece that creates a fluid curtain around the powder medium,
- a triple-action foot control that speeds treatment by allowing cut, wash and dry operations through the same handpiece,
- no chipping or stress fracturing,
- minimal loss of sound tooth material.

Mouth pain can occur at any-time throughout the day, and treating the problem while away from home isn’t always convenient. The best products provide a tailored solution to localized pain, but can be difficult to use on the go.

Kank-A® Soothing Beads™ provide two benefits: effective, comfortable relief for all-over mouth pain and a form that is easy to carry and discreet to use.

Kank-A Soothing Beads are comfortable, smooth balls that melt in the mouth to deliver maximum strength medication (15 mg benzocaine per five-bead dose). Kank-A Soothing Beads can be rolled around the mouth for all over relief or held in one spot for concentrated treatment. Each five-bead dose is individually packaged on a perforated card (like many over-the-counter caplets), making it easy to leave some at home, work or in any other location that’s handy throughout the day.

They beads are designed to deliver effective relief without excessive numbing and are ideal for use on gum irritations, mouth burns, canker sores, orthodontic appliances and dentures.

With a suggested retail price of $5.49–$7.99 for each 15-dose pack, Kank-A Soothing Beads will be available in May 2010 at food and drug stores nationwide.

Kank-A® offers a full line of products designed to provide solutions tailored to specific oral pain needs. Each product offers maximum strength benzocaine in contact with the anesthetic in the mouth, especially between teeth and around braces. Kank-A Softbrush retails for $5.49–$7.99.

Professional Strength Kank-A Mouth Pain Liquid has received the ADA seal of acceptance for its effectiveness in the relief of canker sores and has long been the ideal treatment for pain caused by canker sores and other mouth sores. Kank-A Liquid provides a maximum strength medication for a liquid or gel (20 percent benzocaine), while forming a long-lasting film that protects sores from further irritation.

The protective coating holds the anesthetic in contact with the sore and acts as a barrier against further irritation. Designed for precise, convenient dispensing, Kank-A Mouth Pain Liquid has a built-in applicator, allowing consumers to easily place the medication where it’s needed. Kank-A Liquid retails for $5.49–$7.99.

For additional information about Kank-A products, visit www.Blistex.com.