The 10th Dimension

The Case For ... and Against

CHARGING FOR FAILED APPOINTMENTS

Generally speaking, most patients are fundamentally decent people and appreciate the excellent service they receive from you. Unfortunately, every practice has some dental patients who have an attitude problem. They sincerely believe that their time is more important than their dentist’s, and this therefore gives them the right either to cancel appointments at short notice, or even not to attend at all. Perhaps this is still a residue from the days when patient dental charges within the NHS were only a fraction of the total cost; unfortunately, even a large fraction did not come to all that much, and people tend to value things by what they have to pay for them.

In a very busy practice operating on short appointments, a patient not attending may bring a sigh of relief as it gives the dentist an opportunity of either dealing with emergencies, catching up on running late or tending to urgent calls or correspondence. It acts as a stress-breaker. In other circumstances however it may be the exact opposite, a stress-creator. Few things are more annoying to a dentist (especially with in the private sector) than a patient with an appointment of an hour or longer who phones to say they have been detained in a business meeting or at court or anywhere which is obviously frightfully important and we should be grateful to have such important patients.

What should we do: bite the bullet, or charge them? (like a fee, not like a rhinoceros, although that is what we might consider very appropriate...). If we charge a fee, we risk upsetting and possibly losing the patient; if we don’t, we stand to lose many things: we may lose our temper, we certainly lose our money, and we ultimately risk losing our self-respect.

Let’s consider the following scenario A: “Hello, its Mrs Mum speaking. I’m really sorry I can’t keep my appointment today, but my three-year-old is ill and I can’t leave him alone.” Charge, or no charge?

- Compare this with the following scenario B: “Hello, it’s Mr Buzysman’s secretary speaking. Mr Buzysman has been called in to a meeting at the last minute and can’t keep his appointment today.” Charge, or no charge?

Or scenario C: patient Mr Shifty simply does not arrive, but later says he was kept late at the doctor/in court.

Three vastly different reasons but the outcome is the same; a lost appointment.

Whatever road you choose, one thing is very important: consistency of approach. If your policy is no charge, that’s easy, do nothing every time. If your policy is charge every time, prepare your receptionist on how to deal with the patient in such a way that they are most likely to understand your position, but even if they don’t charge anyway. You could of course spend time with every new patient and explain your practice policy of charge every time before they get the opportunity of failing or cancelling late.

This however is hardly likely to make the patient want to come back. The third way is to be flexible, to charge for scenario B and C but not for scenario A. Or for C only but not for B and A. Unfortunately this places the entire onus on the patient to decide which are legitimate reasons and which are not, and might also include enjoyment of exciting design or décor.

In my next article I will discuss how goodwill is evaluated.

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When does one need to evaluate the worth of one’s (or another’s) practice?

- prior to buying or selling the whole or part of a practice
- when setting up a partnership or expense-sharing associate-ship
- as part of preparing the balance sheet segment of your annual financial statements
- for estate planning purposes... when, pursuant to divorce proceedings, assets must be divided
- when planning for retirement

So, what’s your practice worth?

- Part of its worth is the value of fixtures, fittings and equipment, the tangible assets.
- The bad news is that this diminishes every year by anything from 15 per cent (say for your dental chair) to 50 per cent (computers). Part of your expenses for each year should include money set aside for this diminishing value so that you will be able to replace outdated or defective equipment when required.

- Another part of its worth could be an increase in the value of the property if you own it, or increased value of the lease.

- Most of the value of the practice is in its goodwill, an intangible but very real value. Goodwill is the intangible value of a practice which a potential purchaser would be willing to pay to enjoy the use of your list of patients. In a few cases it might also include enjoyment of exciting design or décor.

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Are you for or against dentists charging for failed appointments or late cancellations?

E-mail jury@dentaltribuneuk.com and let us have your views.