Enough is enough

Having too many patients on your books can be just as detrimental to your dental practice as having too few, says Simon Hocken

Clients often ask me about key numbers they should monitor in their practices every month in order to effectively manage and monitor the success of their practice. One such critical number, and one which is rarely mentioned, is the size of their patient list (and that of their associates).

I believe that large patient lists are counter-productive and restrict practice profits, and might lead to one or all of the following situations:

- Patients are unable to make an appointment for treatment
- New patients have to wait weeks to get a new patient consultation
- The practice profits fall consistently year on year
- The dentist gets bored of having to carry out relentless check-ups
- A decision is made that means some of the patients should only receive a check-up every 12 months or, worse still, every 18 months.

Strangely, the full-appointment book scenarios above are likely to make the dentists feel more secure, which is ironic, as they should really be sounding the alarm! All of these situations will reduce the effectiveness of the practice and potentially reduce the profits.

How it goes wrong
I was working with a client recently who is a very capable and ambitious restorative dentist. We were looking at the average daily production (gross) that he earns for every day that he works. Despite having a (private) practice focused on restorative work, he was shown to be grossing around £1,000/day. This is not enough gross to allow his practice to create the 'right' profit for him so, together, we analysed his situation. We looked at factors such as:

- Were his fees high enough?
- Was he charging for items of treatment or for his time?
- How much discount was given?
- Was he experiencing high 'no-show' rates?

All of these variables looked fine, so we considered his patient-list size and what follows is the source of his low profitability:

This dentist works a four-day week. He likes to take around eight weeks holiday every year, and he needs at least a couple of weeks to fulfill his desire to learn new clinical and business skills. So, this leaves him 42 weeks to actually practice dentistry and run his business, (this is made up of 168 days doing clinical dentistry and 42 days running his practice).

He looks after 1,250 adult patients who he sees twice a year for a 'check-up', which takes 20 minutes. His fee for this appointment is £52. He therefore spends 815 hours a year doing these 'check-ups' on his patient list which for a 2.5 hour clinical day adds up to 111 days a year. He is therefore spending the equivalent of 111 days, or 96 per cent of his clinical time doing check-ups, grossing the equivalent of £877 a day.

In his remaining 57 clinical days per year, he has to do all the restorative dentistry and push his gross high enough every day to compensate for 111 days grossing too little! Unsurprisingly, he is finding this a thankless and exhausting task.

Consider the situation

Let's look in more detail at the dentist, who is, for example, looking after 1,200 adult patients. If his fee for a 'check-up' is £50, he will spend 80 days a year earning £900/day. In our client’s practices, we find that the average surgery has a taxed cost (outside of London) of around £450 a day. This therefore creates £450 a day profit, the equivalent of an annual taxable income of £78,200. However, if this dentist is an associate on a 50 per cent contract, then when they are performing 'check-ups’, the associate and the owner will receive £450 each: A good day’s pay for the associate, but a day with no profit for the principal.

Too much responsibility
I apologise for all the ‘suns’, but I think you can see now that attempting to look after too many patients is bad for your profit. I believe that private practitioners should consider the following:

1. Maximise their patient list at 1,000 adult patients
2. Monitor this monthly, patients will be leaving the list all the time and list size will demonstrate how many new patients they need in order to replace the leavers
3. Zone their diaries so that they do a maximum of 1.5 hours ‘check-ups’ per day
4. Zone their diaries so that every clinical day has a ‘New Patient Consultation’ included
5. Consider instigating ‘check-ups’ lead by their hygienists for their patients who are dentally fit and stable
6. Decide that once their list grows in excess of 1000 patients either:

A. Employ an associate to see the new patients
B. Allocate a substantial number of their list of patients to an associate for them to maintain and for the principal to see the new patients!

Creating the right patient list size per dentist in your practice and monitoring this on a monthly basis, is essential to creating an effective practice that makes a satisfying profit. Remember: too many patients per dentist can actually become just as big a problem as too few.

About the author

Dr Simon Hocken, founding partner of Breathe Business, has a wealth of experience as a successful private dentist and business coach, helping clients recognise developing trends, increase turnover and find the perfect balance between their personal and professional lives. Breathe Business is a unique leading coaching and consultancy company which specialises in working with dental principals and their teams in order to develop and grow their practices. For more information, contact Dr Simon Hocken and the Breathe team by calling 0845 299 3209 or emailing info@breathe.co.uk.