

DOUBLE YOUR DENTISTRY®
A STUDY OF 5 PRACTICES AND THEIR KEYS TO SUCCESS

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As the leading provider of capital equipment to companion animal veterinary hospitals, Midmark Animal Health conducted a study to determine the key ingredients necessary to develop a successful dentistry practice to serve the needs of patients in a small animal hospital. Our goal was to develop a ‘recipe’ for success and provide case studies to support our “return on investment” claims when selling equipment. Midmark partnered with Dr. Cindy Charlier, a board certified dentist, to develop and conduct this study. Our hypothesis was that dentistry and oral surgery is the largest untapped source of practice revenue and patient care in most small animal practices. With the proper equipment, training and tools most practices should see a significant return on their investment in the dentistry portion of their practice. What is possible? What is that untapped potential? We will present our findings, which supported our hypothesis and exceeded our expectations.

The Method

We selected five well managed multiple doctor practices that had an interest in improving their dentistry. They were all performing at or below the industry benchmarks in terms of dentistry as a percent of practice revenue.

Site:	Hospital 1	Hospital 2	Hospital 3	Hospital 4	Hospital 5
Location	St. Charles, IL	Wheaton, IL	Huntley, IL	Syracuse, NY	Tampa, FL
Demo	Suburb	Suburb	Suburb	Suburb	Suburb
Med Inc	\$105,858	\$75,242	\$64,840	\$52,828	\$79,561
Founded	1984	1979	1995	1996	1998
Type	AAHA/Indep	AAHA/NVA	Indep	AAHA/Indep	AAHA/Indep
Size (s.f.)	4,000	3,000	3,000	6,000	5,000
Exam Rms	5	4	5	5	6
Surg Suites	1	1	1	1	1
DVM FTE	5	2.5	3	5.5	3
Tech FTE	4	3.5	3	8	5
Tot Staff	31	14	14	31	18
Patients	8,396	1,965	4,148	5,007	3,343
Ann Rev	\$2.30mm	\$1.28mm	\$1.25mm	\$2.44mm	\$1.56mm
Dent Rev	\$43.8k	\$36.1k	\$59.8k	\$84.3k	\$48.5k
Dent Proc	216	100	233	87	177

Table 1: Profiles of Study Hospitals

As part of the process, we first determined what each hospital was already doing in terms of veterinary dentistry: how they were trained, what equipment they were utilizing, and how they were promoting dentistry services within the practice. Then we installed state-of-the art dental equipment, including digital radiography and high speed dental delivery systems. Dr. Charlier provided comprehensive clinical and practice management training for their staff, and they were given templates, materials and support that would help them promote their dentistry practice and educate their clients.

The Results

The industry benchmarks utilized for the study were the AAHA Fee Reference Guide 7th Edition and Benchmarks 2011 by Vet Economics, Wutchiett & Tumblin Associates. (referred to as “AAHA” and “Top 100” in the tables below) Both of these sources suggest that a well-managed general practice should be generating 3% of their practice revenue from dentistry services. These sources provide median practice revenue for clinics included in their surveys, data on dentistry as a percentage of practice revenue, and dentistry revenue per full time equivalent veterinarians (FTE). Table 2 compares the pre study performance of the 5 practices (the “Midmark” study clinics) to these industry benchmarks.

BEFORE	Gateway	Wheaton	Huntley	Liverpool	CCV	Midmark	Top 100	AAHA
Dental \$	\$43,798	\$36,133	\$59,830	\$84,312	\$48,464	\$54,507	\$47,945	\$34,662
Dental \$/FTE	\$8,760	\$14,453	\$19,943	\$15,329	\$16,155	\$14,928	\$13,318	\$13,331
Dental %/Total	2%	3%	5%	3%	3%	3%	3%	3%

Table 2: Pre Study Data: Total dental revenue, dental revenue / FTE and dental revenue as a percent of total practice revenue

The success of the study is evident in the practice numbers in Table 3 which show a dental revenue average of \$95,000 more per hospital than the median dental revenue for AAHA accredited hospitals and almost three times the benchmarks in terms of revenue per FTE. Other data including increase in the number of dentistry procedures and increase in revenue from dental radiographs will be shared during the presentation.

AFTER	Gateway	Wheaton	Huntley	Liverpool	CCV	Midmark	Top 100	AAHA
Dental \$	\$186,466	\$124,403	\$101,733	\$153,044	\$82,560	\$129,641	\$47,945	\$34,662
Dental \$/FTE	\$37,293	\$49,761	\$33,911	\$27,826	\$27,520	\$35,262	\$13,318	\$13,331
Dental %/Total	7%	10%	8%	5%	5%	7%	3%	3%

Table 3: Post Study Data: Total dental revenue, dental revenue / FTE and dental revenue as a percent of total practice revenue

Chart 1 demonstrates the improvement in productivity measured by dentistry revenue / FTE on a quarter by quarter basis during the 12 month study period. This quarterly improvement can be attributed to doctors and staff becoming more comfortable with procedures and new protocols, the staff being more comfortable educating clients about the importance of oral healthcare, implementation of more ideas, and continuous monitoring of hospital performance as the study progressed.

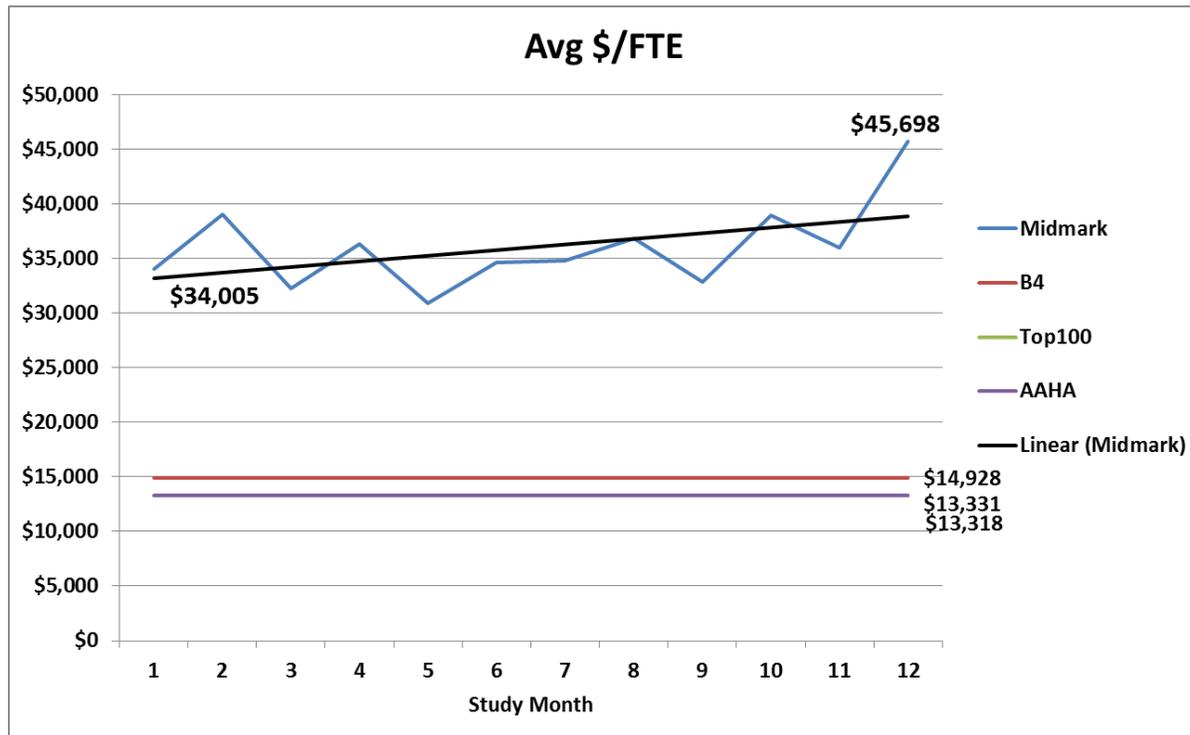


Chart 1: Quarterly comparison of dental revenue per FTE

Using these results, we can calculate the return on investment for the typical dental suite equipment that includes a high speed dental delivery unit like Midmark's VetPro 1000 plus a digital dental radiography unit like Midmark's VetVision Complete. With an initial equipment investment of \$20,875 (at full retail), based on the data from the study hospitals, the payback period would have been as little as 2 months, with an average of a 5 month payback period. Using this same scenario, the return on investment averaged 330%.

Five Keys to Success

1. Owner buy in
2. Proper Equipment (especially digital dental X-ray)
3. Training for the entire staff
4. Client Education
5. Continuous improvement

The results of this study supported the hypothesis that with the proper equipment and training and with an implementation plan, the dentistry portion of a small animal practice can provide the hospital with a new source of patient care and practice revenue and a significant return on investment.