

How Are Your Billing Ratios?



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Quite often when I speak to groups of dentists I talk about ratios in a dental practice. Today I am writing about Billing Ratios so that you can compare your practice to them.

First to set some of the parameters:

- 1) The ratios are difficult to use for new practices and specialty practices.
- 2) Ratios may be very different when comparing small towns to Toronto.
- 3) Ratios are not perfect but should give a good indication of where your practice sits relative to other practices
- 4) The ratios assume that the provider is working forty eight to fifty weeks per year

A) Billings per day: Doctors

Experienced doctors should be able to bill \$100,000 per day of the week that they work. That is to say if a doctor works four days per week his personal billings should be about \$400,000 per year. This would include the hygiene examination fee. I have seen dentists doing \$150,000 per day of the week that they work but these are the exception to the rule.

What can go wrong to not achieve these results?

If there is a limited patient base, the practitioner's income could be much lower as his or her time is expanded to fit the patient load.

B) Billings per day: Hygienists.

Hygienists have three levels of production,

- 1) *Limited soft tissue management program* would have 5% to 15% of the adults in the practice with periodontal appointments. Billings, excluding the doctor's examination fee, would be about \$800 per day or about \$40,000 (per day of the week they work) over the course of a year. In other words if a hygienist

works three days one would expect billings of (3 X 40,000) \$120,000 per year. This is net billings after missed appointments etc.

- 2) *Moderate soft tissue management patients* would have 25% to 45% of the adults in the practice with periodontal appointments. Billings, excluding the doctor's examination fee, would be about \$1,000 per day or about \$50,000 (per day of the week they work) over the course of a year. In other words if a hygienist works three days one would expect billings of (3 X 50,000) \$150,000 per year. This is net billings after missed appointments etc.
- 3) *Strong soft tissue management patients* would have 50% to 70% of the adults in the practice with periodontal appointments. Billings, excluding the doctor's examination fee, would be about \$1,200 per day or about \$60,000 (per day of the week they work) over the course of a year. In other words if a hygienist works three days one would expect billings of (3 X 60,000) \$180,000 per year. This is net billings after missed appointments etc.

What can go wrong to not achieve these results?

- a) The hygienist has too many last minute cancellations which cannot be filled. This would have a negative impact on achieving the desired results. To overcome this problem reduce the Hygienist's hours so as to not use all of the patient base the do the original bookings, thus there would be patients available to fill in the openings as cancellations cause holes in the schedule.

Not charging the current fee guide can certainly have a negative impact. To overcome this problem meet with the staff to set a new direction to better reflect the current fee guide.

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