

New patient data that should be analyzed include where the new patients came from and treatment acceptance rate, which is calculated by taking the number of new patient starts by the total number of new patient examinations. A healthy practice should have a treatment acceptance rate exceeding 70%.

Keeping track of new contracts per month helps determine what pipelines are servicing their practices and building the contracts receivable balance. Starts should be divided into phases I, II, full treatment, and Invisalign. This allows the dentist to determine the average contract fee per treatment plan, which can be compared with local average orthodontic fees. Contracts receivable is the amount of money the owner expects to collect by fulfilling the treatment plans of current patients. It should be about 50% of collections, unless the orthodontist collects a large down payment from patients.

OTHER CONSIDERATIONS

Once the proper KPI reports are available, the dentist and his or her advisors should develop a monthly or quarterly report to compare KPIs across time, which identifies any trends that are present. The KPI report should be consistent for every period and supplement the monthly or quarterly profit and loss statement.

Another key metric is normalized overhead, defined as the profit of the practice before the dentist's compensation is removed.

Considering this factor along with the others helps dentists understand the true profitability of the dental practice. The normalized profit should be in line with industry overhead benchmarks in a healthy practice. If it is not, further analysis and adjustments are needed.

Clinical Significance

Dental practices are not just clinical offices but also must be run as businesses. Analyzing the data on production, collections, and other KPIs helps dentists and their advisors keep in touch with the business side of the practice. With careful consideration of all the data that the practice generates, the dentist can see trends in production, patient population, collections, and other factors; compare them to industry benchmarks; and better understand the health of their practice.

Nadaud MJ: Key performance indicators: Management by statistics. *Dent Econ* 109:34, 36, 38-39, 2019

Reprints not available

PROPERTY LIABILITY

Dealing with property damage



BACKGROUND

Property damage to a dental office can cause lost time at work and inconvenience patients who require dental treatment. The goal becomes minimizing downtime and returning to work as soon as possible. The process of handling property claims and the role of subrogation in that process were explained. In addition, actions the dentist should take to prevent the loss or destruction of critical evidence showing the cause of the damage were detailed.

THE PROCESS

The claims process itself is fairly straightforward. The dentist should notify the commercial property insurer, as well as the police if the incident involves a crime. The insurer will walk the dentist through the process from that point forward. Components include filing a claim, having the case evaluated and a determination made, having a check sent for covered damages, and closing the case. Behind the scenes it's not nearly as

straightforward, with one important aspect being determining who is responsible for the damage.

SUBROGATION

Subrogation is the legal right of one party to recover monies from a responsible party. The process usually takes place between 2 insurance companies. For a property damage case, the insurance company takes on the case of the dentist and seeks to recover from the responsible person money paid by the insurer to repair the dental office. If the dentist is responsible, the insurance provider doesn't subrogate against the dentist.

For subrogation to work, the responsible party needs to be identified. Often the problem isn't simple. For example, if the water supply line to the cavatron springs a leak, was the cause defective tubing or connections, was it improper assembly or installation of the unit, or was the failure caused by a broken water pressure regulator in the building? In cases of fire, the cause may be recent electrical

work, installation of new equipment, or a careless employee. Determining responsibility is at the heart of subrogation.

ACTIONS THE DENTIST SHOULD TAKE

Practice owners can help the claim and/or subrogation process go more smoothly by keeping any damaged or defective items until the claims representative instructs them to dispose of them. Dentists may inadvertently get rid of this evidence so they can allow a vendor or contractor to replace the damaged equipment. Retaining such equipment allows it to be evaluated for potential subrogation recovery. Not retaining it can delay payment or lead to a denial of the claim.

In addition, dentists are responsible for notifying the insurance company immediately. The report should include any injuries and the names of witnesses. Dentists should also refrain from offering to cover losses suffered by neighbors or other parties. Practice owners should never admit fault or speculate to others about why the event occurred.

Practice owners should also take reasonable steps to prevent any safety risks or further damage. Property such as windows, doors, or roofs should be secured as needed. Not only the police should be notified in the event of a crime, but any banks or credit card companies should be alerted to any missing debit or credit cards. Dentists can photograph damaged property before it is repaired.

In addition, the dentist should keep accurate records and receipts for what was spent either repairing or securing the property. Any items that could be cleaned or repaired rather than replaced should be separated from those needing replacement.

Clinical Significance

When a fire, a burglary, or some other event causes property damage occurs, the dentist should carefully follow the instructions of his or her insurer and document whatever is altered. In addition, dentists need to contact patients to reassure them and make arrangements for their treatment, should that be necessary. Taking the needed steps to smooth the course of the claim will help to get the practice up and running more quickly so it can return to serving patients.

TDIC Risk Management Staff: Whodunit? Subrogation determines responsibility in property claims. *Calif Dent Assoc J* 46:589-590, 2018

Reprints not available

REFERENCE CHECKING

Avoiding making a hiring mistake



BACKGROUND

When looking to hire someone for a dental office, dentists need to carefully look into the references that applicants supply. People who are less than honest about their backgrounds know that dental offices are great places to look for employment because they conduct superficial and often easily defeated background checking. For a fee, certain websites will supply references that help people who have tainted pasts pass reference checks. Those who have criminal pasts aren't rare—in fact about a quarter of US adults have a criminal record. The prevalence of falsifying résumés or padding them has been estimated to exceed 50%. Hiring mistakes can be overcome by taking some important steps when checking references.

REFERENCE CHECKING TIPS

1. Check each applicant's photo identification and some other institutionally issued cards or IDs carefully. Using someone else's name is a common way to hide a criminal past.

2. Speak to every former employer of the applicant over the previous 5 years. Character references aren't really that important.

3. Contact and talk with every work reference listed for the previous 5 years. Written reference letters are too easy to fake or forge. All work references should be contacted by phone.

4. Never call a phone number that the applicant has given you. Instead, find the phone numbers independently and ensure that you are speaking to the right former employer.

5. Ensure that the office being called is a real business. Dentists are all registered with the state board, so it should be easy to verify that the office is a dental office. The site ratemds.com also offers patient reviews for nearly every dental practice. If the reference isn't to a dental office, there may be a website to check. Equifax also maintains listings on nearly every legitimate company.

6. Make sure you are speaking to the right person. If the place is a dental office, speak to the practice owner first. He or she may