

MAKING DENTAL MEMBERSHIPS BETTER

A GUIDE TO CREATING AND MAKING THE MOST OF
YOUR DENTAL MEMBERSHIP PLAN



DENTAL HQ

DENTALHQ.COM

THIS IS A GOOD THING YOU'RE DOING.

Not only is a dental membership plan the best thing you can offer your patients, it's going to make the business side of your practice so much more predictable.

It's also going to make it larger.

In this Guide, we'll look at the following:

Why you should have a membership plan

How to plan... your membership plan

Creating your membership plan

Learning your membership plan

Selling your membership plan

Tracking your membership plan

Excited yet? You should be.

MAKING THE MOST OF YOUR DENTAL MEMBERSHIP PLAN

SO, WHAT'S IN THIS GUIDE, ANYWAY?

1. Why a plan?

- a. Is it really a benefit to my patients?
- b. Will this really make me more money?

2. Plan your plan

- a. Regulatory
- b. Target market
- c. What do they need?
- d. What do they want?

3. Create your plan

- a. What plans will you offer?
- b. What will each plan include?
- c. What would full price be?
- d. What will YOUR price be?
- e. Terms & Conditions

4. Know your plan

- a. Train your staff

5. Sell your plan

- a. What are we selling?
- b. Why are we selling it?
- c. Keep it simple
- d. What objections might they have?

6. Track your plan

- a. Treatment
- b. Accounting

MAKING THE MOST OF YOUR DENTAL MEMBERSHIP PLAN

WHY SHOULD I CREATE A MEMBERSHIP PLAN?

That's a great question, glad you asked. We've got two very compelling reasons why you should create a membership plan:

1. A membership plan is a fantastic opportunity for your patients

- Patient pays less for a membership than private dental insurance in most cases
- Patient comes to your office more, thus getting the care they need
- Patient receives a discount (that you determine) on additional necessary treatments with no cap

2. A membership plan is all benefits for you

- Increased cash flow
- Decreased dependency on insurance
- Direct relationship with your patient

If your patient's dental care is not subsidized by an employer (and sometimes even if it is), there's little chance that patient is better off without a membership plan. A membership plan will provide not only predictable and manageable costs for savings on routine preventative care, it will provide, in most cases, a discount on additional needed treatments without caps and without a mandatory waiting period. When their teeth hurt, your membership plan will make them happy.

A MEMBERSHIP PLAN WILL INCREASE PATIENT RETENTION, TOO. THEY'VE JOINED YOUR CLUB. THEY CHOOSE YOU. DECISION MADE.

So, about the cash flow thing...

Put simply, your best patients (especially the ones without dental insurance) don't schedule their preventative care exactly every 182.5 days. A serial gambler would put money on every 200+ days, effectively making them 13-month annual patients.

By automating the *payment* alone, you not only make more money, you give the patient more incentive to schedule every 183 days. And they have more incentive to purchase the care they need because they get a discount.

And don't forget - a membership plan will increase patient retention, too. The chance of a patient shopping around for a cheaper "New Patient Special" is dramatically reduced when they're a Member at your office. They've joined your club. They choose you. Decision made.

Membership plans are win-win-win-win-win-with-a-bar-over-it.

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MAKING THE MOST OF YOUR DENTAL MEMBERSHIP PLAN

PLAN YOUR PLAN

FIRST THINGS FIRST: REGULATORY.

Good news – it's not that bad. Our attorneys have thoroughly vetted the regulatory requirements throughout the USA, and most* of you won't have any problems implementing a membership plan. However, always check with your local Dental Society for regulations and requirements in your state.

** Common state requirements include clear indication that your plan is not dental insurance, and a 30-day refund policy.*

LET'S LOOK AT YOUR TARGET MARKET:

To whom are you most likely to sell a membership plan? Is it a healthy family of five? Is it someone who might receive state-subsidized care? Is it a minor whose parents' plan doesn't cover them?

Know who your buyer is. Pretty important.

WHAT DOES YOUR TARGET MARKET NEED?

Write down your ideal package of preventative care services for your target market and try not to be distracted by current reimbursements and the like. In this step, we simply want to do the right thing.

For the "standard" preventative care plans at DentalHQ, we suggest the following:

- 1 basic cleaning every 6 months
- Oral cancer screening with cleaning
- 1-2 exams per year
- X-rays as determined necessary
- 1 emergency exam with X-ray per year
- 1 fluoride treatment per year (for children ages 13 and under)

**KNOW WHO YOUR BUYER IS.
PRETTY IMPORTANT.**

WHAT DOES YOUR TARGET MARKET WANT?

You've heard it before: "Sell them what they want, give them what they need."

Every market is different, but there are a few things you can universally count on. For instance, who doesn't want a discount?

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MAKING THE MOST OF YOUR DENTAL MEMBERSHIP PLAN

PLAN YOUR PLAN (CONTINUED)

Write down a list of what your target market might want, and we'll make sure your plan accommodates in the next step. Here are some suggestions:

- Discounts on additional treatments
- Payment options (credit/debit card, ACH, check/cash, etc.)
- Monthly payment option
- Payment plans for non-covered treatments

MAKING THE MOST OF YOUR DENTAL MEMBERSHIP PLAN

CREATE YOUR PLAN

WHAT PLANS WILL YOU OFFER?

You're about to dive in to a world of freedom like you've not known before. It's exciting, but with great freedom comes an even greater responsibility... to keep it simple. Too many options will confuse your patients and other potential members.

We recommend offering three "standard" plans: Adult, Child, and Perio.

If your target market would respond well to a "Whitening" plan or similar, go for it, but keeping track of 4+ plans is quite a job on its own, and more offerings aren't likely to gain you more patients.

WHAT WILL EACH PLAN INCLUDE?

In step 3 of the previous section, you made a list of preventative care services for your plan. Does your list look similar to ours?

You'll notice we're not specific about the type of X-rays, or an exact number of exams, etc. This is by design and allows you some freedom when working with many different scenarios. Is it a pano, or is it a bitewing? The answer can always be "Yes".

**YOU'RE ABOUT TO DIVE IN TO
A WORLD OF FREEDOM LIKE
YOU'VE NOT KNOWN BEFORE.**

You may be tempted to not include a limited exam with your membership plan, but we recommend it. Offering a limited exam and X-ray as part of the package is a great additional perk that, in our experience, has only a 2% utilization rate, and is a great option to offer new patients who contact your office with a dental emergency.

For your Perio Maintenance Plan, we recommend swapping the prophylaxis with the perio maintenance, and increasing frequency to 3-4/year, whichever you think is more common in your patient base. If you choose to include three cleanings per year in your Perio Maintenance Plan, you could offer a discounted rate on the fourth for those patients that require it.

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MAKING THE MOST OF YOUR DENTAL MEMBERSHIP PLAN

CREATE YOUR PLAN (CONTINUED)

WHAT WOULD FULL PRICE BE FOR EACH PLAN?

Write down your UCR for each service, the number of times that service is included in the plan and perform the calculation. For example:

| | | | | |
|-------|----------|-------|---|----------|
| D1110 | \$ _____ | x2 | = | \$ _____ |
| D0120 | \$ _____ | x2 | = | \$ _____ |
| D0274 | \$ _____ | x1 | = | \$ _____ |
| D0140 | \$ _____ | x1 | = | \$ _____ |
| D0220 | \$ _____ | x1 | = | \$ _____ |
| | | Total | = | \$ _____ |

NOW LET'S COME UP WITH THE PRICE FOR WHICH YOU'LL SELL YOUR PLAN:

Wouldn't it be nice to get full price? You probably already get full price from a number of your FFS patients, so, logically, discounting your membership plan is opening the door for existing patients to simply pay less, right?

Nope.

Often, recall appointments are not made every 182.5 days, and even a one-month delay in renewal can add up to hundreds of dollars in lost revenue over time for each member. Add to that utilization rates and reduced attrition and you'll find that you can significantly reduce the price of your membership plan while actually increasing your bottom line. Everyone wins.

"SO HOW MUCH SHOULD I SELL IT FOR?"

We're seeing annual standard Adult plan revenue in the \$300-\$400 range. Some lower, some higher – totally up to you, and of course varies between markets. A good marketing strategy would be to provide at least \$100 in savings so that your savings look good on paper.

You might also consider providing incentive for annual payments over monthly payments (assuming you're offering a monthly payment option). We often recommend "comp-ing" a month for an annual payment. For example, if your monthly price is \$30, price your annual option at \$330. It's a little incentive to pay for the year up front.

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MAKING THE MOST OF YOUR DENTAL MEMBERSHIP PLAN

CREATE YOUR PLAN (CONTINUED)

TERMS & CONDITIONS

Now that you've got your plan ready to roll, you've got to spell out the Terms and Conditions for your members. This is an often overlooked step, but will be crucial to your success when your member base starts to grow. We recommend either utilizing the DentalHQ platform where this is included, or hiring an attorney to draft your terms and conditions. If you're a true DIY'er, though, don't forget to include things like everything your plan includes, cancellation and refund policies, verification of compliance, how you process payments, etc.

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MAKING THE MOST OF YOUR DENTAL MEMBERSHIP PLAN

KNOW YOUR PLAN

Let's learn this thing inside and out. Questions are much easier to answer when you know the answers...

And YOU know the answers – you came up with the plan – so you need to train your staff.

A few things you'll want to make sure everyone knows:

- What's included and for how much
- BENEFITS to both the member and your office
- Terms and conditions
- Your process for enrolling a member

We also recommend reviewing your specific “pitch” with your team. If everyone is answering the question “What is this membership plan all about?” the same way, you'll have fewer issues with miscommunication and misunderstandings, and your team will be more comfortable communicating the plan with your patients. We'll go over this more in the next section.

**LET'S LEARN THIS THING INSIDE AND OUT.
QUESTIONS ARE MUCH EASIER TO ANSWER WHEN YOU KNOW THE ANSWERS.**

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MAKING THE MOST OF YOUR DENTAL MEMBERSHIP PLAN

SELL YOUR PLAN

The dreaded “S” word. We understand. Selling your plan will be easy, though. You only need to know what you’re selling and why you’re selling it.

WHAT YOU’RE SELLING

Your entire team needs to know the details on your membership plan. Which X-rays are covered? Do we have an activation fee? Do our members get a discount on additional treatments? Can they use the plan with insurance? What do we do when a member’s payment is late?

WHY YOU’RE SELLING IT

Why do consumers buy anything? The answer is simple – *benefits*. Understand the benefits of your dental membership plan – to both the member and your practice – and you’ll build your member base faster than you can say “this is awesome and everyone is benefitting”.

Some benefits of a dental membership plan include:

- More cash flow for the office
- Affordable payment options for the member
- Neither party has to deal with an insurance company
- No waiting period or cap on benefits

Homework (team assignment): brainstorm and write down ALL possible benefits of a dental membership plan. Don’t hold back. Benefits make the world go ‘round. And gravity.

MAKE ‘EM AN OFFER THEY CAN’T REFUSE

Remember to keep this simple. What are the benefits to the member? We suggest something like this:

Our membership plan is a great new way for you to make monthly or annual payments for preventative care. You get discounts on additional treatments, and neither of us have to deal with an insurance company!

Have each of your team members actually practice saying this (or some variation thereof) out loud.

**UNDERSTAND THE BENEFITS OF
YOUR DENTAL MEMBERSHIP PLAN
AND YOU’LL BUILD YOUR MEMBER
BASE FASTER THAN YOU CAN SAY
“THIS IS AWESOME”.**

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MAKING THE MOST OF YOUR DENTAL MEMBERSHIP PLAN

SELL YOUR PLAN (CONTINUED)

TANGIBLES

You need office displays and brochures. We recommend larger displays to draw attention to smaller informational cards that your patients can take with them. Use clean, eye-catching headlines on each, and include plan information and pricing on the smaller informational cards. These displays and brochures are the best and easiest ways to start the conversation with your patients.

Dedicate some space on your website, preferably "above the fold." You want your patients to join your membership plan, so make it one of the first things they see on your website. If you really want to make an impression, create an online enrollment form and include that on your website for your membership plan. This is one of major benefits of using software to automate your membership plan.

Send direct mailers. The same marketing channels you use for your practice in general can come to life with a low monthly payment option...

Hype the plan on social media. Keep it very simple here. There's a ton of noise on social media already – give your people something clean and refreshing to brighten up their newsfeed.

Also look into print ads, community fairs and social events, word of mouth, and more. You'll always find people that want to know about affordable dental care.

BUT WHAT IF...

Objections are a fact of life. Best to know what they might be beforehand, and plan your response.

An easy way to know what objections might come up is to ask your patients what they think about the idea of a dental membership plan. Be prepared with some basics so you can answer their questions, but take note of any hesitations they might have.

MAKING THE MOST OF YOUR DENTAL MEMBERSHIP PLAN

TRACK YOUR PLAN

Whew.

You've come a long way. You've brainstormed this beauty from the ground up, your team is all in, and you're selling plans like crazy. What now? **Time to document it all.**

One of the most common hurdles we help our partner offices overcome is tracking the membership plan in the various practice management systems. It's really quite simple, but accounting has a way of being complicated no matter what, so we've put together this guide to help you get started.

The key to tracking membership plan treatments and payments is separating the two. Because tracking a Member's treatment is non-negotiable, and the charge for the membership plan has no correlation to the services rendered under the plan, you need to start thinking about the two as separate processes.

TRACKING TREATMENT

With your membership plan, there are two types of treatment/services:

- **Included services** are those that are "included" with the membership plan payment (exams, prophylaxis, X-rays, etc.).
- **Additional services** are everything else.

THE KEY TO TRACKING AND ACCOUNTING WITH A MEMBERSHIP PLAN IS SEPARATING THE TWO.

When you enter treatment information for **Included Services** on a Member's chart, simply create an adjustment to bring their account balance back to zero (\$0). We recommend creating a specific adjustment type for your membership plan (i.e. "Membership Adjustment").

The chart would look something like this:

| | |
|------------------------|------------|
| Adult Prophylaxis | \$110 |
| Periodic Exam | \$60 |
| (4) Bitewings | \$50 |
| <hr/> | |
| Total for Services: | \$220 |
| Membership Adjustment | (\$220) |
| Patient Balance | \$0 |

Treatment is tracked, and all is well with the world.

For **Additional Services**, you don't need to change a thing – track them as you always have. If your plan includes a discount, you may wish to create a Membership Discount line item to account for that.

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MAKING THE MOST OF YOUR DENTAL MEMBERSHIP PLAN

TRACK YOUR PLAN (CONTINUED)

TRACKING PAYMENT

You've got options, and every practice is different, but we suggest keeping this simple. Since DentalHQ is keeping track of every payment made by everyone at all times,

You do not need to track every payment on every Member's chart.

You can easily find and print historical payment data on every Member's account, and the receipt will include the plan name so you shouldn't have any issues with HSA validations or similar.

To balance your books with the deposits made by our system to your bank account, we recommend creating a Membership Plan ledger in your practice management system. When a payment is received, you can record it one of two ways:

Easiest

Create an EFT for the amount of the deposit.

Thoroughest

Create a charge for the total GROSS amount (shown on your payout report), create an EFT for the amount of the deposit, and create adjustments for the total payment processing and DHQ mgmt. fees.

The easiest method will ensure against false reporting of production revenue that really isn't, but the account balance on your Membership Plan ledger will forever be nonzero.

The thoroughest method will balance and track all fees and everything, but you might end up showing production revenue that isn't really production.

With either of the above methods, your Members have the data they need, and your practice management system matches your bank deposits.

We like it when the numbers match.

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MAKING THE MOST OF YOUR DENTAL MEMBERSHIP PLAN

ONWARD!

Reading this guide is a great first step, but it won't make your membership plan happen on its own.

If you're ready to rock & roll but don't want to start from scratch, and you like the idea of a management portal, an online member enrollment form, customized in-office marketing materials, and personalized support, hop on over to dentalhq.com and click "Enroll Practice" to get started.

Takes about 15 minutes to fully implement,
and will revolutionize your practice tomorrow!

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