Optimum Care,
Insurance Care,
Patient-Financed Care:
Increasing Treatment Acceptance

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For the Independent practice, optimum patient care far exceeds the limitations dictated by insurance companies. As a result, the level of care regularly exceeds insurance coverage, and the difference must be borne by the patient. But how?

The answer is patient financing. You probably know and understand the need for patient financing as a marketing tool. No doubt you also understand it's not feasible for your practice to bear the costs of patient financing; using an "outside billing service," as it is called in the Dental Concierge program, is more affordable than in-house financing. But have you made sure your financial options are consistent with your overall practice philosophy? Are they consistent with the clinical care you want your patients to accept?

Just as the well educated cosmetic dentist understands the subtle differences of a functionally esthetic smile, and those who lack an ongoing education might miss them, the same goes for utilizing patient financing as a marketing tool: There are subtleties in patient financing tools differentiating partial treatment acceptance from more comprehensive treatment acceptance.

Consider an example. Office managers frequently say they like to offer "12 months interest free" financing to the patient. On the surface, "12 months, interest-free!" may sound good to patients and even increase treatment acceptance. But many practices are missing the subtlety of the potentially negative impact of this kind of program. I'll explain.

Let's assume the patient needs $4,500.00 worth of care. (I am using this number only to keep the math simple.) Let's also assume the patient wants the care—we have long since overcome the mind-set of doing only what insurance will cover—so now we just need to make it affordable. So we have completed Step 1, closing on the *care*, not the value of insurance coverage.

We'll also assume the patient is credit-worthy but can afford a payment of only $100.00 per month. Therefore, over a period of 12 months, the patient could afford only $1,200.00 worth of care ($100.00 x 12 months = $1200.00). On the other hand, if you offer an extended payment program with a competitive convenience fee (60 months at 12.9% interest rate), the patient could afford the full $4,500 plan plus the financing costs.

Yet if you offer both, you raise the value of the patient financing over the care—just as you didn't want to do with insurance. Here's why: The patient will typically take the 12-month program because the funding rate is so attractive, thereby limiting the treatment to

only a portion of the prescribed care. Your next step, Step 2, close on the care not the value of the patient financing.

It is strongly recommended that you use no-interest, short-term programs only as fallback strategies, but do not print them on a formal financial options information sheet. They can be effective for larger cases where the patient is affluent and the idea of free money is attractive, but in most cases these same patients will take advantage of the 5% accounting reduction for payment prior to treatment.

Bottom line: The 12-month program will inspire acceptance, but it can also prompt tooth-by-tooth care. Some practices may have a different point of view, but I would strongly recommend that you compare your numbers of diagnosed care vs. accepted care and see if you are prompting smaller treatment acceptance. You want your business to run at the same level or better than the clinical care you provide; in both instances subtlety and finesse are important. Raise the value of care over the insurance limitations and raise the value of care over short-term patient financing programs.