



UNCOMPLICATING DENTISTRY

# DROP THOSE PPOs

## Strategies for Going Out of Network

DentalHQ

Today, dentists are facing a uniquely challenging landscape. When it comes to staffing, supply chains, scheduling and generally running your business, you are being forced to make compromises and stretch yourself, both as a dental professional and business owner.

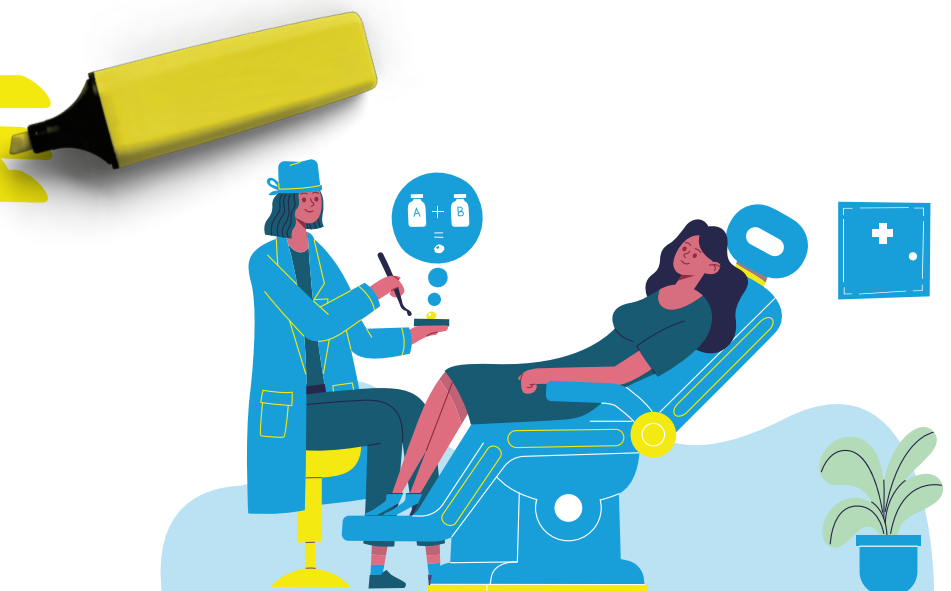
Supply costs are up, but so is patient volume. Insurance negotiations are getting heated. Team members want more from you.

So, how do you run a successful practice – gaining and retaining patients – while providing the best care and making everyone happy? While there isn't an easy fix, there is something that, if done correctly, can drastically improve the financial element of your practice: **going out of network**.

Dropping a PPO may once have been considered a radical move, but today, it is standard for many in the profession. It's time to be objective and look at the real costs of these networks. Certain insurance companies are lowering the rate at which they reimburse you (again) and raising your patients' premiums at the same time (again). That can't be the best option, right?

Still, going out of network can feel scary. Besides, the best choice for you, financially, might not seem like the preferable one for your patients.

But what if we told you it **could** be?



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# How to Know if Your Practice Should Go Out of Network




Going out of network makes the most sense if you aren't seeing a significant return on investment. Is an insurance affiliation bringing you enough patient volume for the fee reductions to be worth it?

Whether or not you're getting that good ROI depends greatly on the dynamics of your location, size, and patient demographics. A dentist who owns a single practice in a small town is likely going to have a very different situation from a group practice owner in a large metropolitan area.

Maybe you're in a small town and have the only practice for miles around. You may not need to be in-network at all - less competition means you may not feel the need to write down your rates to get more patients.

If your practice is located in a town with only a few major corporate employers, being in network with the insurance company that provides coverage to those companies really could be worth the money. This is especially true if your competition in the area doesn't work with the same insurance company - you could end up the preferred dentist for an entire organization or two.

Conversely, maybe your practice has two locations in a large city. You're likely seeing patients from a wide variety of companies. You'll also have competition no matter which insurance companies you're in network with because there are just more dental practices to take up that space. Not to mention, big cities have a much larger population of gig workers who don't have traditional insurance coverage. For you, being in-network might not make much of a difference in your profit margin.



Another factor that should play a role in your decision is capacity. If your practice is regularly at capacity (new patient exams are scheduled two or more weeks out), you'll have more cash flow happening, which will help you manage the transition to dropping a PPO more easily.

**Questions to ask yourself when weighing the pros and cons of going out of network:**

- How many major corporations are located in my area?
- Does the insurance provider I'm in network with service most of these companies?
- How many other local practices are networked with my insurance company?
- How much am I writing on average for each insurance network?
- How many of our longtime patients have out-of-network insurance or none at all?
- Is my practice regularly at capacity?

That final question brings up an important subject you should analyze: patients who have a plan with one of the insurance companies with whom you're in network versus those who do not. What does the split look like?

For example, maybe you know that a local business offers insurance plans from a company with which you are in-network, but you aren't seeing most of those patients come through your doors.

*Is it a marketing issue?* Maybe those patients need to be better aware of your practice.

*Is it because of competition?* If many other local practices are in network with that insurance company for the same reason, maybe it isn't worth it for you anymore.

But of course, that scenario is over-simplified for the sake of example. When you work to determine whether or not your practice is getting the right ROI, and how going out of network could impact it, you've got to consider the full picture.

Our tip?

## Make it a math decision.

Think about this: You're getting less money from the patients who are in-network due to the insurance write-downs (and those write-downs are only getting more severe). So there has to be a point at which the revenue from your full-fee patients make up for the reduced-fee patients, right?

The great thing about this process is that you can make a completely analytical, informed decision that won't cause anxiety later on.

Because it's really just math.

At DentalHQ, we developed an **Out of Network Calculator** that does the work for you.

Whether you use it or not, you'll need to know the following pieces of information :

1. Your fees for a typical preventative care visit
2. Your costs (hygienist costs, supplies, associate dentist salaries, etc.)
3. The insurance company's reimbursement rate
4. How many patients at your practice use plans from the insurance company you're currently considering dropping.



By making it a math decision, you can make a completely analytical, informed decision.

Once you know those four things, you can do the math to see how your ROI will change once you go out of network.

And if you're not a math whiz, you can use the DentalHQ Out of Network Calculator.

So yes, you may have honed in on the "number of patients you need to keep" part, and thought "Hey! I'm going to lose patients!" And it's true - if you drop a carrier or a plan, some patients will leave

because they feel they need to see an in-network dentist. The key, then, is to figure out how to do this without impacting your profit margins.

You might be thinking, "But I don't want to lose any of them"...and we get that! But here's the thing: Sometimes, you have to let go of what seems beneficial to find even greater success.

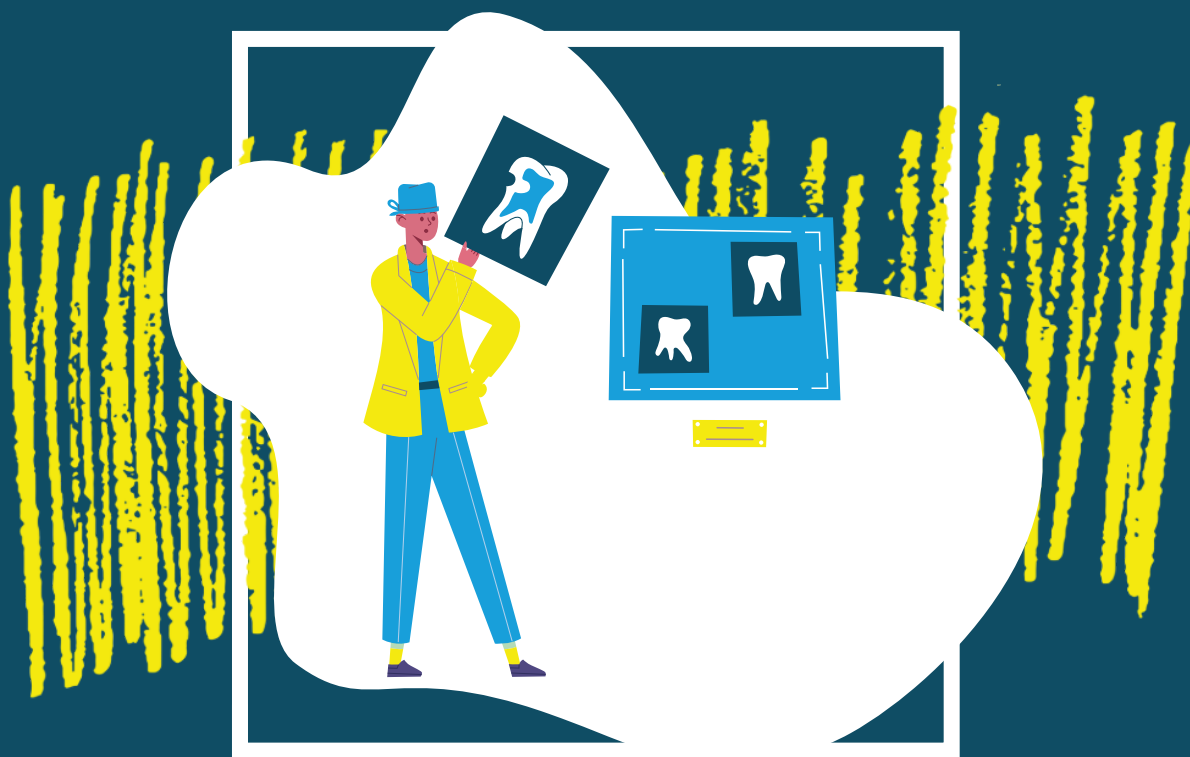
**And this is one of those times.**

It's okay to lose patients because you went out of network. The increase in profit can **more than make up for it.**

Before you send that paper in to notify your insurance company that you'll be leaving their network, be sure to consider all we have mentioned, and DO THE MATH. But, if the ROI calculations make sense, there are so many reasons to take the plunge. It doesn't have to be all that scary, especially when you put a new arrow in your financial quiver.

Let's talk about how going out of network can end up making you **more** money.





# The Financial Secret That's Better Than Insurance

As much as you might now have realized you want to go out of network, it certainly has its stressors. Even if you aren't getting as many patients from that network as you feel you should, you don't want to lose the ones you have gotten. And honestly, that is probably going to happen on some scale no matter how you approach going out of network. There will always be patients who jump ship once their provider isn't in network.

But here's the defining factor: Going out of network opens up your time and resources (bonus: happy team members!) for something that can end up pulling in far more patients than you ever have before - more than enough to make up for the loss.

We're talking about dental membership plans.



# Dental Insurance doesn't define your practice, *you do.*



Because dental membership plans work like subscriptions, you'll be making more money, more consistently. Patients will pay the full amount for the treatment, no insurance involved, and you will receive that full amount in auto-renewing annual or monthly chunks, creating a steady cash flow. Cha-ching!

Dr. Brett Wells, CEO of DentalHQ is a group practice owner who has realized fantastic success with a dental membership plan.

***“If you drop a PPO, you're likely going to lose patients. But even if you lose half of the patients that used that insurance, the 50% you're keeping will now be giving you 100% of their payment. Your cash flow will more than make up for those you lost, right off the bat.”***

Add to the fact that a dental membership plan will undoubtedly bring new patients and open you up to embrace the gig economy with a game-changing payment solution they can manage - you just might find yourself making more than you ever have within a few months.

Now we're going to circle back on that gig economy thing (oooh, foreshadowing...). The rate of uninsured Americans increases year after year. In 2019, around 100 million had no insurance. Today that number is likely much higher.

Even patients who do have insurance often feel like they're getting fleeced, as deductibles get higher and higher and copays increase with seemingly every visit. Imagine how thrilled your patient who pays ultra high insurance premiums will be, when you tell them they can drop their insurance. They can stop paying that monthly premium and instead pay you directly in the form of a smaller monthly payment.

Everyone in this scenario is winning.

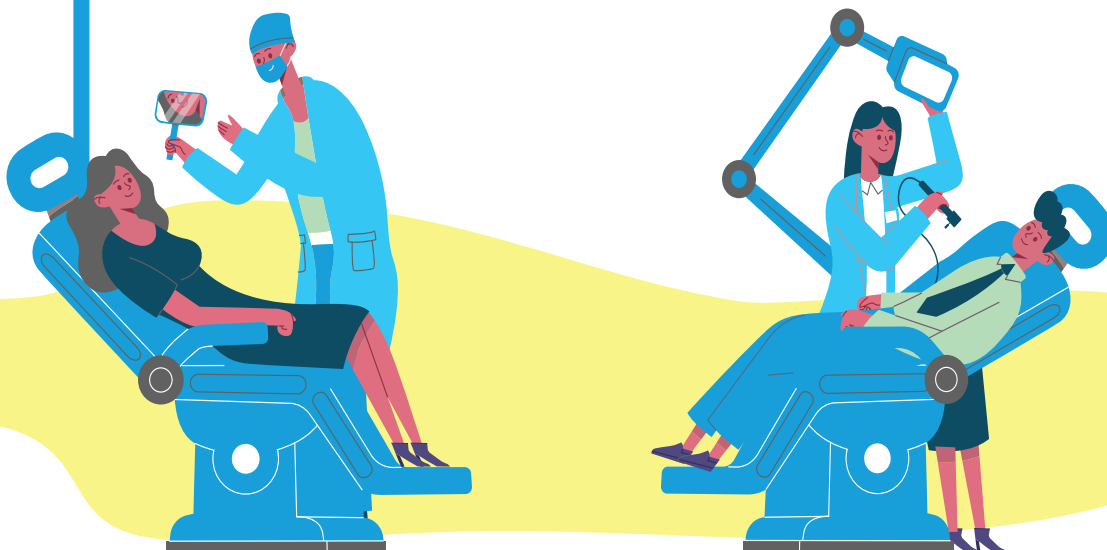
But we digress; back to the uninsured. We all know the gig economy has grown, but let's think about its future growth too. Consider this from a 2020 study by Actuaries Institute:

***“67% of regular, full-time employees said they would leave their current full-time position for a gig. About 49% of them would stay in their jobs if offered a higher salary. Only 29% mentioned more benefits, while 27% wanted more flexibility in scheduling.”***

What does that tell us? Well, 67% is a huge portion to be considering a change. But we see something else here too. Very few of those people are focused on insurance benefits.

This suggests that they are okay with the idea of using increased income to pay out-of-pocket for medical and dental care. It sounds like they would be totally on board with a dental membership plan, doesn't it?

There is even more to consider in this part of the conversation, so let's keep diving a little deeper...





# Incoming Generations Aren't Fans of Insurance

Seriously. They're not. So, this means you'll want to have an enticing alternative. But let's talk about the insights behind that statement.

We've already discussed the gig economy factor, but there's also the Millennial Factor. Members of this generation now comprise a fourth of all Americans and, well, they're kind of intent on bucking the system when it comes to healthcare. As Jean Hippert of PNC Healthcare said in a recent Forbes article, *"Millennials are going to take the wheel and shape the road ahead in health care."*

They more frequently cross-reference professional advice with online anecdotes and articles, and expect you, as the provider, to engage with them in discussing it. At the heart of this insight is a characteristic deep-rooted in the Millennial generation: They demand transparency.

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And if there is one thing insurance companies aren't known for, it's being transparent and clear. Talk to any Millennial about their insurance and you'll realize quickly that they have a serious gripe with the whole concept.

So let's recap for a moment:

Millennials participate in the gig economy more than perhaps any previous generation and that number looks like it will only increase.

Millennials prefer to control their own healthcare stories.

Millennials want transparency.

How can you, the dentist, capitalize on it all and tap into the huge Millennial patient base? Not through insurance, but with in-house membership plans.

**By allowing the patients to see the full cost of treatment and pay for it in a manageable way that doesn't involve premiums, deductibles, copays, etc., you invite them to see the full picture and take control of their finances. This builds trust. And that is the golden ticket to finding loyal, long-term Millennial patients.**

Given the size of their population, that is something to strive for. It also highlights yet another variable in the potential downfall of traditional insurance. Between the rise of the gig economy and the dislike younger generations have toward the established way of doing things, we can expect a major shift in the power dynamic and soon.

In other words, they're reaching the age where dental care will stop being an extra and begin to be a necessity, both for themselves and their children. But many still don't plan to utilize overpriced, deceptive, and dysfunctional insurance plans.

You can be the solution, and start turning a greater profit, by going out of network and creating your very own dental membership plan.

Still, you've probably got concerns about just how you can present this to your patients in a positive and engaging way.

It's not as hard as you may think...

# **“Hey Patients! We’re Going Out of Network!”**



If you provide your patients with insights and clarity on the matter – if you can help them truly understand why the dental membership plan could be a better way for them – you might see far fewer drop-outs than you expected upon going out of network.

Here are a few key points you want to be sure you convey to your patients when going out of network:

- What it means for your patients who use that insurance company (will they pay entirely out of pocket, will the copay just change, etc.)
- Why you’ve chosen to go out of network (of course, we don’t want to be too granular and talk fees here; give it a positive spin, with verbiage like, “in order to better help our patients, we’ve decided to make a change!”)
- How your new dental membership plan works and why it could save your patients money.

When you communicate it with clarity, going out of network doesn’t have to be a scary thing – for you or your patients.

It might just be the best thing you can do for your practice.

We know it can seem like a daunting move to make, but there are ways to predict whether or not it is the right one for your practice and turn it into a financial boon!

Plus, going out of network can be a catalyst for the evolution of your business, as it inspires a shift in thinking that incoming generations appreciate.

# Unlock Your Practice's Full Potential: Go Out of Network with DentalHQ

Dental insurance doesn't define your practice - you do. As PPO reimbursements shrink and operational costs rise, it's time to take control. With DentalHQ, you can transition away from PPOs and create a thriving, independent practice powered by patient loyalty and innovative membership solutions.

## DentalHQ: Your All-In-One Membership Solution



When it comes to managing membership plans, DentalHQ is the leader. Here's why:

- 1. Fully Customizable Plans** - Design plans to match your patient demographics, services, and goals. From add-ons like whitening to perio maintenance, flexibility is at your fingertips.
- 2. Seamless PMS Integration** - Spend less time on admin and more on patient care. DentalHQ syncs with your practice management software for automated billing, patient communication, and plan updates.
- 3. BusinessCONNECT and CommunityCONNECT** - expand your reach by offering membership plans to local businesses and community groups. Market your plans to entire teams or organizations and watch your patient base grow.
- 4. Informative Dashboards & Analytics** - Get a clear picture of your membership plan's performance with centralized data across multiple locations. Track patient retention, revenue growth, and active memberships with ease.
- 5. Universal Member Look-Up** - For multi-location practices and DSOs, DentalHQ allows your team to find member details across all your offices, ensuring consistent care and seamless patient experiences.



## Real Practices. Real Results.

*"I could tell it was quality, and it was started by a dentist who knows my challenges and has solved them himself. Why should I reinvent the wheel when this company has everything I need? DentalHQ is a no-brainer."*

*DentalHQ is actually enabling us to attract new patients as well as do a better job of keeping our existing ones. We can offer a more affordable periodontal plan which makes selling those services so much easier.*

*DentalHQ has totally eliminated our stress. It saves our staff a ton of time and energy selling services, and lets us get back to what we love to do: treat our patients."*

- Dr. Kimber Holmes, Pasadena Family Dentistry

## Your Success Is Our Mission

At DentalHQ, we go beyond software. From day one, our team of former office managers and consultants work alongside you to design, launch, and scale your membership plan. We provide:

- **Tailored Onboarding:** A dedicated Success Manager to guide you through pricing, marketing, and team training.
- **Marketing Support:** Access to flyers, email templates, social media assets, and patient sign-up pages.
- **Member Magic Rewards:** Motivate your team with rewards for signing up new members.



## Ready to Take the Leap?

Stop letting PPOs dictate your practice's value. Join the growing community of dentists who've taken control with DentalHQ. Try our [Out of Network Calculator](#) or [check out a sneak peek into our platform](#) to see how we can help you grow your practice.

**Let's revolutionize your dental practice - together.**



# Actionable Steps for Going Out of Network



## 1. Assess Your Current Situation

- a. Evaluate your patient demographics, location, and competition
- b. Analyze your insurance ROI by calculating write-offs versus patient volume.

## 2. Crunch the numbers

- a. Use the [DentalHQ Out of Network Calculator](#) to predict the financial impact.
- b. Gather data on: typical preventative care fees, overhead costs, insurance reimbursement rates, the number of patients using specific insurance plans

## 3. Identify the percentage of patients you need to retain to maintain profitability

- a. Develop a Membership Plan
- b. Create a customizable in-house membership plan tailored to your patient demographics.
- c. Offer flexible payment options (monthly or annual)

## 4. Communicate Transparently with Patients

- a. Announce your decision positively
- b. Clearly explain what it means for their care, your better solution in a membership plan, and why it benefits them financially and practically.

## 5. Train Your Team

- a. Educate the staff on the benefits of going out of network and how to promote your membership plan.
- b. Use tools like DentalHQ's Member Magic Rewards to incentivize team members for signups

## 6. Market Effectively

- a. Promote your membership plan through social media campaigns, flyers and posters in your office, email campaigns
- b. Leverage tools like BusinessCONNECT and CommunityCONNECT to reach local businesses and community groups.

## 7. Prepare for Patient Retention

- a. Use your PMS software to reach out to patients with clear instructions on how their coverage will change.
- b. Monitor churn rates and identify opportunities to retain patients through personalized outreach.

## 8. Leverage Technology

- a. Use a platform like DentalHQ to streamline membership plan management
- b. Automate billing and patient communications

## 9. Measure Success and Adjust

- a. Track key metrics like recurring revenue, new member sign-ups, and patient retention rates
- b. Stay flexible and adapt based on feedback from your team and your patients.

## 10. Stay the Course

- a. Highlight consistent cash flow and reduced administrative burden with fewer insurance claims.
- b. Celebrate your independence from insurance companies and the improved patient loyalty you'll build over time.