Solution: increased case acceptance and greater profits

By Marla Merritt

For years dental offices have sent patients seeking higher dollar procedures to third-party companies for financing. While this solution provides an option for patients that could otherwise not afford treatment, it presents several challenges.

Challenges presented when using third-party financing

- Third-party finance companies charge as much as 10 percent to the practice. These high fees result in lower profit margins and have left many dentists unwilling to accept anything other than cash up-front for treatment.
- If it sounds too good to be true, it probably is! Third-party finance companies offer attractive “same as cash” or “no interest” options to patients. While these sound like great deals, one late payment will result in retroactive interest charges as high as 24.99 percent. This scenario can leave patients with ill feelings toward the practice.
- A growing number of patients may not qualify for third-party financing. Historically, when our nation enters a downturn in its economy, lenders tighten credit criteria resulting in more credit declinations. Dental practices will likely feel the crunch in the form of lower case acceptance as patients struggle to come up with cash before treatment.
- A lack of staff resources for billing and payment collection. Resolving these two objections allows a practice to have an office payment plan that answers patients’ needs and provides a new revenue stream to the practice.

It’s time for a paradigm shift

Dental practices have avoided office payment plans for two reasons:

- Fear of non-payment.
- A lack of staff resources for billing and payment collection.

Now, let’s explore options for an office payment plan. By offering patients the ability to pay over time, a practice opens up new opportunities for case acceptance. Based on credit levels, an office may choose to stretch payment plans over six, 12 or even 24 months to offer a solution that makes costly treatment affordable to a greater number of people. But how much extra work will this create for the staff and how does a doctor know that the staff will stay on top of the collection process?

Many companies are now using automatic drafting to insure payments are received on time every month. These auto-debits can be set up through various software packages or can be outsourced to a payment management company. These options require varying degrees of hands-on staff time. The goal should be to find a solution that requires minimal employee time so they are not burdened with the payment process.

Increase case acceptance and profitability!

With a little research and a shift in thinking, a practice can become much more profitable by putting more patients on the books without losing up to 10 percent of the treatment fee to third-party finance companies. Since the nation’s credit crisis has made it more difficult for consumers to receive financing, this could be the solution to maintaining or growing the level of business for the practice during a time that many businesses are suffering. By assessing risk and keeping management costs low, a practice can offer an office payment plan that is a win-win solution for the patient and the dentist.

Marla Merritt is the director of sales and marketing of DentalBanc, a payment management solutions provider. She can be contacted at (888) 758-0584, ext. 8304 or by e-mail at mmerritt@orthobanc.com.

Well connected.

Connect with a leader.

- CAMLOG’s implant-to-abutment connection gives superior stability and strength
- User-friendly system
- Place, twist, and seat—it’s that simple

Contact your Henry Schein Dental Sales Consultant to learn more about the CAMLOG® Implant System, or call CAMLOG directly at 1-877-537-8862.

www.camlogimplants.com