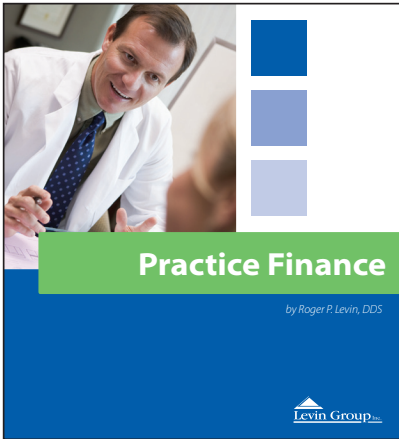


EXCERPT

From Dr. Levin's Book **Practice Finance**



Learn how to positively affect every aspect of your practice's financial health. This book provides strategies to help increase collections, calculate and grow profit per hour, analyze the profitability of the hygiene department, and much more.



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Practice Production Formulas

Every dentist wants to deliver quality patient care—that's a given. However, the business side of the dental practice also plays an important role in practice success. A central business goal of any dental practice should always be to maximize practice profitability.

Here are two examples from the dozens of practice formulas discussed:

Total Adjusted Production

Definition

Total adjusted production is the practice's entire production less deductions for insurance participation, discounts, professional courtesies and any other fee reductions.

Concept

Because the total adjusted production represents all proceeds the practice expects to collect, it is important to use total adjusted production figures when analyzing the office's income. If the practice uses the overall production figure instead of the total adjusted production figure, the office's income will be unrealistically inflated. Total adjusted production is a more realistic representation of the practice's income because it takes into account discounts and fee adjustments. Use the following formula to calculate total adjusted production:

$$\text{Total Adjusted Production} = \text{Total Office Production} - \text{All Fee Adjustments}$$

Goal

Obviously, the goal is to have the highest possible total adjusted production. To achieve this goal, it is necessary to increase the number of cases performed and decrease the number of deductions and fee adjustments.

Application to Your Practice

Calculate total adjusted production for the last three months. Create strategies to increase treatment procedures and minimize deductions.

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Hygienist Production per Operating Hour

Definition

Production per operating hour is the average amount of hygiene production accumulated during the total hours the hygienist works.

Concept

Hygienists often use production figures or collections statistics to assess their productivity. However, these do not reveal a hygienist's true productivity like production per hour. Unlike other statistics, production per hour provides a more accurate picture of how the hygienist's time is spent.

For example, a hygienist who produces and collects \$100 in one hour is twice as productive as a hygienist who produces and collects \$100 in two hours. Although the dollar amount of each hygienist's production and collections are the same, it is clear to see that the first hygienist is more productive. Use the following formula to calculate production per operating hour:

$$\text{Hygienist Production per Operating Hour} = \frac{\text{Individual Hygienist Production}}{\text{Total Hours Worked}}$$

Goal

The goal is for production per hour to continually rise. If the hygienist's production per hour is not rising, the practice will need to look for ways to improve this statistic, such as increasing marketing efforts or reevaluating fees.

Application to Your Practice

Analyze each hygienist's production per operating hour for the last three months. Is it increasing, decreasing, or staying about the same? If it is decreasing or maintaining, develop strategies for making each hygienist more efficient.

*Reading, understanding, and applying the information in Practice Finance can make all the difference in your own productivity as well as your staff's. Do not let the opportunity to become a financially secure and profitable practice pass you by. Take advantage of the formulas presented in this book, and your practice will be on its way to financial success! **Retail Price \$149.00.** Order your copy today at <http://store.levingroup.com> or call 888.973.0000.*