



## MGE Power Client Livestream!

*With Sabri & Jeff Blumberg*

### The Future of Private Practice and Opportunities in the Years to Come!

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NOTE: This presentation is being provided as a suggestion and idea from which to improve your office. This is not to be taken as a guarantee that the information provided is appropriate to your practice. Each practice is individually responsible for ensuring that any system implemented complies with the applicable federal, state and local laws, rules and regulations governing the place in which your practice is located. These suggestions do NOT constitute legal advice. You should seek advice from your own legal advisors as to what is appropriate to implement in your practice, prior to implementation. MGE: Management Experts, Inc. is not responsible for any claims, real or otherwise, associated with this document or any part thereof.

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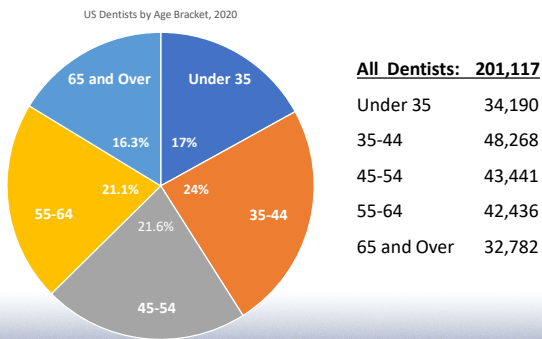
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### Practicing Dentists by Age Bracket, US 2020



Source: American Dental Association, Health Policy Institute analysis of ADA masterfile.

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## The Future

1. Total US Dental School Enrollment, 2019-20: **25,807**.
2. Average US Dentist's Retirement Age: **68.2** for 2020, peaked at **69.1** in 2018.

Sources: American Dental Association, Health Policy Institute, 2019-20 Surveys of Dental Education. ADA Health Policy Institute analysis of ADA masterfile, Distribution of Dentists survey, Survey of Dental Education, Survey of Dental Practice.

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## Do the Math...

- **Practicing Dentists and Dental Specialists, 2020**

Under 35	34,190
35-44	48,268
45-54	43,441
55-64	42,436
65 and Over	32,782

All Dentists: 201,117

- **Add 25,807 over next four years** (does not include relicensed or unretiring dentists).
- Factor in average **retirement age of 68.2**

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## US Population

Current Population

**May 2021:** 330,271,000

Projected Population

**2024:** 335,710,000

**2025:** 337,150,000

Sources: Census.gov, Statista.com

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## Economics

“ADA projections show a 38% reduction in the dental industry overall for 2020 and up to a 20% reduction for 2021...”

Source: Fortune Magazine, October 27, 2020, Inside American dentistry's identity crisis

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## Economics

### Current Economic Conditions:

As of April 12, 2021,

- **58.1%** of dental offices are open and business as usual.
- **41.5%** are open with lower patient volume than usual
- **.4%** were closed.

Source: ADA COVID-19 Economic Impact - State Dashboard

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## Economics

### Current Economic Conditions:

As of April 12, 2021,

- **35.9%** Collected more than 95% of what was typical.
- **64.1%** Collected 95% or less of what was typical, **with 31.5% collecting 76-85% of or less of what was typical.**

Source: ADA COVID-19 Economic Impact - State Dashboard

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## Economics

“Consumer confidence in returning to the dental office hit a new high in April, with **94% of typical dental patients indicating that they are ready to go back or have already been back to the dentist**, according to a poll jointly conducted by Engagious, the Sports and Leisure Research Group and ROKK Solutions.”

Source: ADA Health Policy Institute, week of April 12, 2021

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## Where Does this Leave Us?

1. For MGE Clients, the current operating environment presents *amazing* opportunities for **growth** and **expansion**.
2. The expansion opportunities might include building a large, busy primary practice, acquiring multiple locations (or both).
3. Key in this process would be maximize growth, efficiency & profitability in these offices while at the same time proofing them against economic turbulence, inflation, staff turnover and other random/unplanned events!

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## 7 Post-Pandemic Focal Points

1. **The End Game:** Have a clear idea of WHERE you're going.
2. **Staffing:** Adjustments for the post pandemic labor market.
3. **Staffing 2.0:** Limited Outsourcing?
4. **Plan participation:** Is it time to opt out?
5. **Fees?** Where do you stand?
6. **Revenue/Procedure Blend:** Maintain a healthy practice.
7. **Multiple practices:** MGE Clients can do it better!

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## Fees

When reviewing fees for major services, Sabri estimates that 90+% of new Power Clients are 15-20% *below* UCR for their zip code! We recommend:

1. Reviewing ALL of your fees against the Wasserman Guide.
2. Adjust up any that are below the 60<sup>th</sup> percentile for your zip code (do what's real to you here).
3. Adjust fees every November with an effective date of January 1 of the following year.

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## Revenue/Procedure Blend

High-end procedures (implants, all-on-fours or sixes, etc.) are fun, great for the patient, your practice and for your personal career satisfaction. That said, these procedures should be built on top of a healthy, sound practice foundation. No matter what else is happening, ensure that:

1. Your Hygiene Department is ALWAYS expanding,
2. That the volume of your basic "bread-and-butter," procedures grows along with your practice - don't sacrifice these to chase other high-end procedures. You may need an associate.
3. Lastly, do a thorough review of what you're referring out. You may benefit from bringing in part-time specialists (you may want to avoid Ortho).

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## Multiple Practices

If you're interested in the multiple practice route, you have an INCREDIBLE opportunity right now.

Don't worry about "competing with corporate". You have an almost unfair advantage and truthfully, you're both looking for something *completely different*.

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## Corporate Dentistry

While corporate dentistry *has* expanded its market share (per the ADA approx. 10.4% of dentists were affiliated with a DSO in 2020), there are a few points to consider:

1. Generally, corporate does not consider practices collecting **less than \$1.2 Million/Year** a valid acquisition target (usually more).
2. And beyond adding specialists, corporate has not historically been able to dramatically scale individual practices.

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## Multiple Practices

We recommend picking up smaller (3/4/5-chair, \$200-\$300K/year) practices, and scaling them. This has many advantages.

1. Tons of upside,
2. Low cost of acquisition,
3. Low months are not “catastrophic,”
4. There are a ton of opportunities and
5. No one knows better how to grow/scale a practice than an MGE Power Client! And this is where you have an “unfair” advantage.

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## Average US Dentist Gross Production

*The average gross annual billings per dentist for owner dentists in 2019 were:*

### GPs (676 respondents)

Solo: \$782,490 (\$65,166 per month)

Nonsolo: \$667,640 (\$55,636 per month)

### Specialists (296 respondents)

Solo \$1,147,930 (\$95,660 per month)

Nonsolo \$ 901,930 (\$75,160 per month)

Source: American Dental Association, Health Policy Institute, 2020 Survey of Dental Practice. Copyright © 2020 American Dental Association.

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