

DENTAL PRACTICE OWNER PANEL QUESTIONS AND ANSWERS - 3/19/2024

THE PRACTICE OWNERS



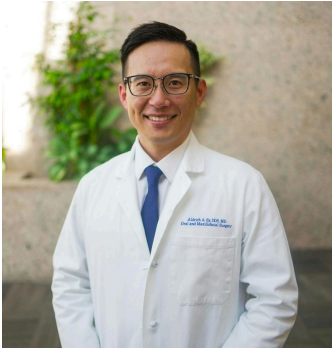
Dr. Andrew Dela Rama is a Bay Area native who received a Bachelor of Science in Exercise and Sport Science from University of San Francisco. After completing a Post Baccalaureate program at the University of California San Francisco, he received his DDS from Creighton University School of Dentistry in 2005. After graduation, Dr. Dela Rama was a former Assistant Clinical Professor at UCSF School of Dentistry in the pre-clinical simulation lab as well as on the clinical floor. After completing continuing education course curriculums in TMJ disorders, cosmetic & implant dentistry, Dr. Andrew moved his focus to orthodontics. He currently holds certifications in clear aligners from the American Academy of Clear Aligners, as well as in full bracket orthodontics from Progressive Orthodontics. He owns & operates out of 2 general dentistry practices in South San Francisco and Millbrae, where he focuses his practice on Temporomandibular Joint Disorders and orthodontics.



Dr. Hibret Hailu Benjamin is the founder & owner of Marina Tooth Fairy Dental and Benjamin Dental Consulting Company. Dr. Benjamin was born and raised in Ethiopia until she moved to San Francisco at 13 and never left. She attended George Washington High School, USF, for her undergraduate work in Biology, then UCSF for her Dental education in 2002. She has run a private dental practice in San Francisco since 2005 and has been an assistant clinical professor at the School of Dentistry since 2015. She worked in a practice in San Francisco as an associate for two and a half years before purchasing her own in 2005. She has served on several boards relating to organized dentistry throughout the years. She currently serves on the board of AAUCSF and the Dean's Council. She is a Faculty advisor to the Student National Dental Association. She is working with UC at large on a special task force created by President Drake to increase Diversity, Equity, and Inclusion. She leads Spear Dental Study Group in San Francisco to stay engaged with evidence-based dental advancements and mentor recent graduates. She is passionate about treating patients with dental fear and full mouth rehabilitation.



Dr. James Han was born and raised in San Francisco and is a graduate of Lowell High School. He attended the University of San Francisco on a full scholarship, earning a B.S. with Honors in Biology while competing in NCAA Division-I athletics. In 2011, he graduated from UCSF's dual DDS/MBA program, and then completed his pediatric dental residency at NYU. Now in his 11th year in practice, his career has spanned group practice & DSO associateship, and former faculty at UCSF. He founded his own start-up practice in San Francisco in 2015 and serves on the hospital staff at CPMC. Dr. Han is a Diplomate of the American Board of Pediatric Dentistry and a Fellow of the American Academy of Pediatric Dentistry.



Dr. Aldrich Sy, DDS, MD is a Board Certified oral and maxillofacial surgeon in Daly City. He completed dental school at UCLA in 2009 and upon graduation, he worked for one year for the Native American Tribal Health Center before accepting a resident position at UCSF Oral and Maxillofacial Surgery. While there, he received his medical degree, anesthesia, general surgery and maxillofacial surgery certification. Dr. Sy is skilled in all facets of oral and maxillofacial surgery and his scope includes dentoalveolar, implants, bone grafting, sinus lifts, office-based intravenous sedation, trauma, pathology and non-surgical cosmetic alternatives such as Botox. In addition, Dr. Sy maintains hospital privileges, works as a facial trauma surgeon for San Mateo County and lectures throughout the Bay Area.

Dr. Julia Ma is a San Francisco native and went to Lowell High School. She did her undergraduate studies at UC San Diego and studied abroad in Japan and China. She received her Doctor of Dental Surgery from the University of California, San Francisco (UCSF). She also received a Global Health Fellowship from UCSF and created a curriculum for oral hygiene for a rural part of southern China. She completed a residency program in Advanced Education in General Dentistry with comprehensive training in implant and restorative dentistry at UCSF. Dr. Ma is a member of the American Dental Association and the Academy of General Dentistry. Currently, she teaches part-time at UCSF as an associate professor and loves interacting with patients and students. In her practice, she always emphasizes the importance of preventive oral care. During her free time, she enjoys spending time with her family and three goofy kids.

PANELIST QUESTIONS & ANSWERS

DISCLAIMER: Please note that most of these answers were created by summarizing notes taken during pre-panel interviews and were *paraphrased* from the panelists' original verbal answers. These answers are therefore not verbatim quotations and may be subject to error. Please reach out to the OCPD directly if you observe any errors that may have occurred during this process so that we can make the necessary corrections.

1. How many years did you work as an associate or resident before starting your own practice? What opportunities should students seek to prepare for dental practice ownership?

Dr. Benjamin

During my time at UCSF as a 2002 graduate, many students went straight into starting a practice after graduating or had bought their own practice within 3 years of graduation. At the time, however, they were also doing more advanced procedures in school and recruited many of their own patients, so they were graduating with more clinical experience. Because I wanted to learn more about business skills prior to starting my own practice, I associated for 2.5 years and then bought a small practice. New graduates must have realistic expectations of their skills and what they can or can't do, before buying a practice. They should be aware of the procedures done by the senior dentist, if they will be leaving, and should have a plan for who will do those procedures going forward, as the value of the practice will be based on that. There is always a danger of biting off more than you can chew. Students need to spend enough time as associates that their skills can mature to the level of the practice that they are buying. They need to have a lot of clinical experience and competence.

For current UCSF students looking into practice ownership, a residency in AEGD or GPR is a must. While in dental school, try to get as much extra practice time as possible, and really take the initiative to develop your hand skills. After residency, take a minimum of 1 year, but ideally 2-3 years if you have not worked in a dental practice, to learn more about clinical and business skills. This will help you learn how to communicate with your staff and manage finances better. Ultimately, the goal of associating is to learn how to do the basics efficiently and learn about running a practice.

One way to gain additional experience is by shadowing dentists. Early mentorship is essential, as it can help you figure out where to start and give you a sense of your best personality match in terms of specialty. From there, deciding where to take your career and making connections becomes easier, as you can demonstrate to dentists that you would be a seamless addition to their practice. Seek mentors who are willing to be vulnerable with you about their failures, not just their successes, as well as their own struggles and imposter syndrome. There is no such thing as perfect, and it is easy to be hard on yourself, but learning about the struggles of more experienced dentists will help you to know and accept the mistakes you can correct and to proceed with humility. Patients respect it when you can communicate your own limitations clearly.

Dentistry can be very lonely when you practice by yourself, so it is good to have others you can call to ask for help and consult with, e.g. a study group. In the study group I run, we engage in interdisciplinary treatment planning and share our struggles with each other, including everything from staff issues to how to become a better leader. When we work through our failures and challenges together, we are able to build community, and it is always a relief to get that extra support. Consider building your own community by creating a new grad study group when you graduate, but make sure that when you do, you leave your ego at the door.

2. What are the advantages and disadvantages of group vs private practice?

Dr. Ma

As a new graduate working as an associate dentist, there is always an advantage because there's more of an opportunity to learn. You can learn how different offices run, work with diverse populations, increase the speed of your treatment planning, and learn how to use new materials and instruments. You can also experiment with different types of schedules, e.g., 1 column vs. 2-3 columns of patients. There is also a greater opportunity for mentorship because you will be supported by other dentists and learn from them, which will make you more aware of all your treatment options.

Group practice is a great option for team players who would prefer not to do as much administrative work. People who do best in group practice can compromise, go with the flow, and adapt to the people around them. In group practice, you are not the ultimate decision-maker, which makes it a lot harder to make changes. As the more junior team member, it might also be harder to voice your opinion because all the other team members know that you are still learning. Some practices are smaller, too, so they will be more like private practice, in which case you may get the chance to begin learning the business aspect.

When deciding when to go into private practice, there are a variety of factors to consider, but ultimately, you need to be both technically competent, which can take a few years, and also confident in your own dental and decision-making skills. Ultimately, there will always be things you need to refer to a specialist, but you need to be confident enough to speak comfortably with patients, which is harder if you are shy because you may feel overwhelmed or be questioned more often by patients. You need to be a leader who is able to manage the staff and problem-solve, including hiring and firing and overseeing the HR component of the job. The office manager may help you, but you have the ultimate decision-making power, and you need to be able to stand your ground if necessary.

Dr. Sy

There are advantages and disadvantages to both, so it's important to do some self-reflection and base your decision on your personality. If you're a Type A go-getter, my way or the highway type person, then that is probably not going to fly in a group setting. In a group setting, you have to go along to get along, and it is more of a team effort. The advantage of going solo is doing what you want, when you want, but it is also harder to, for example, go on vacation, as the office does not stop and half your mind is always on it. If you engage in the venture on your own, all the income is yours, but so are the headaches, too. During the 5 years I had a partner, it was nice to bounce ideas off of someone. If you do choose to work with a partner, you need to find someone likeminded who you get along with well, since you may be spending more time at work than with family during the workweek itself.

3. For those considering parental leave, are there any special considerations?***Dr. Ma***

Unfortunately, there is always a disadvantage for women practice owners in terms of taking maternity leave, given the need for physical recovery. After having a baby, someone needs to be running the office, and it is normal to need at least 2-3 weeks or up to a month for the physical recovery alone, as well as up to 2 months given the care needs of your newborn. Even though you will want to be there for your child, your staff will also need income during that time. In my case, I had just taken over the office, so the previous owner of the practice covered for me for a few months until they retired, so I was able to take a full 2.5 months off. You can also use daycare or choose to work part-time, so long as your staff is alright to work part-time, or you can find another dentist to cover for you, but it may be hard to find someone new who your patients will trust. You need a solid backup person who you know well, and having a partner or an associate there is very helpful, as you cannot simply close your office. Planning your maternity leave well in advance and speaking to other female practice owners about their experiences can be helpful. For men, there is no recovery period, so you can

choose to work part-time if you want to take additional time to care for your newborn. In contrast, in a group setting, it is normal to take a full 4 months off, as there will always be someone there to cover for you. In a corporate setting, maternity leave can be even longer—sometimes even 6 months.

Dr. Benjamin

In my case, I had staff and bills to pay, so my search for someone to cover me during my maternity leave started with my former classmates. I had 3 different people cover my maternity leave for 4 weeks after my C-section. There are many factors to keep in mind as a new mother, e.g. when you'll be pumping. Keeping your business going is all about finding the right people who will continue to support your practice.

4. Where do you start? What made you choose to start your own practice? Did you ever feel "ready"?

Dr. Han

One way to identify if you feel ready is by identifying the breakpoint point at which you do not want to be an associate anymore. You might feel that you are being overworked in relation to how much you are being compensated, or you might realize that you're at a point of clinical competence and confidence where increased autonomy is the main remaining route to increased growth. Your income cap will directly correlate with your debt, also, so that can be a deciding factor.

Dr. Dela Rama

Everyone has their own reasons for wanting to start their own practice. Almost every practice owner I've ever talked to felt that they were ready to take the next step and have more freedom, but most importantly, assume more responsibility in their office, especially with the managerial aspects: HR, business management, the office's lease, etc. If you're not ready to handle those responsibilities, then hold off. I think the right time to begin is 5-10 years out of school, to ensure you have confidence and efficiency in performing basic and complex procedures, as well as your chairside manner.

Personally, I would do "a day in the life" of the owning dentist on your day off, and see what it entails. What strings are they pulling behind the scenes that no one sees? These "strings" ensure that the office runs smoothly and without a hitch. Are they always working on the business in their downtime? If so, what are they working on? Are they sitting in their office drinking coffee? How did they get to that point?

Where do you start? The most successful offices are organized using basic corporate structure. I use the analogy of a business owner being the head coach of a pro sports team. There are so many moving parts to make that team successful, so you have to surround yourself with the best players and assistant coaches: not just assistants or hygienists, but 2 key managers: 1) a business manager to file your insurance claims and track your payments, and 2) a clinical manager: someone who keeps track of your supplies, your patient flow, and makes sure your cases are in the office ready to go. When you're first starting, you might have all three jobs. But as you grow, you need to start delegating these responsibilities to other players.

To fill out your team, you also need real estate brokers, attorneys, accountants, supply reps, repair contractors for dental and non dental, and equipment suppliers. You use these players as you need them. Some may play a lot, some may play sparingly. If you're buying a practice, a lot of these positions may already be pre-filled in.

If you're starting from scratch, you need all this AND an experienced "quarterback," or point guard, or team captain. They are someone who can guide you when building out and maybe even help you fill out your team. I still keep in contact with my quarterback from 15 years ago, and he still helps me with projects today. Your team is a dynamic fluid thing: don't be

afraid to make changes to your team if something doesn't feel right. The #1 reason dentists make changes to their team is cost (they can get a cheaper price elsewhere). Approach this with caution, as sometimes less upfront costs lead to more headaches. "You get what you pay for."

Did I feel ready to go out on my own? Absolutely? Looking back, was I truly ready? No, but hear me out. I love owning my practice. You get to do your brand of dentistry your way and set your own schedule, which is great. But for every business owner, getting from the starting line to the finish line will have its ups and downs regarding so many things: your patient flow, equipment, supplies, staffing, business systems, clinical confidence and especially, how much money you have in the bank. So, in my opinion, "being ready" is 1) acknowledging that this winding journey of ups and downs lies in front of you, and 2) having the courage to take that first planning step and begin building your team. Bottom line: it is going to be hard work, there will be bumps along the way, but a majority of your reward is in the journey, not the destination.

5. What was your process and what resources (i.e., websites, connections, etc.) did you use for buying or starting a practice?

Dr. Han

You will need to speak with different lenders to figure out what your build-out budget would be and to set parameters. You will also need to speak with practice design consultants/equipment reps and learn about how those all interplay together. You can also speak with direct mentors from school. Finally, you will want to define your referral base, e.g., co-treating specialists and folks who can offer direct referrals. Your contact base will include former friends and faculty, older classmates, social media groups, and an accountant. I relied on the SF Dental Society, used social media, spoke with mentors, and committed a lot of time to research in advance.

6. Did you have mentors who helped you throughout your career leading up to this, and how did you connect with them?

Dr. Dela Rama

One of your early mentors will be the practice owner you work for. Given that you will be a recent graduate from dental school or residency, this practice owner will be your first exposure to "dentistry in the real world," and possibly the business aspect as well. Not every mentor has to give some awe-inspiring insight about how to reach dental nirvana. A lot of my mentors helped me by telling or showing me what *not to do*, as they had learned from their past clinical or business mistakes. We learn more from our failures than from our successes, so don't be afraid to make mistakes. Learn from them, don't repeat them, and move on.

It's essential to find good mentors in various areas. You'll need a dental mentor—someone who you work for, or whose practice you admire, or someone you share a dental philosophy with as well. Your dental philosophy is: "how do you approach your dentistry in X situation?" What is your position on amalgams, periodontal surgery, endo, OS, 3rd molars, when to use fixed vs removable, do you place your own implants, TMD? Are you going to treat these, or refer?

If you want to do any of these, you need to further your education with CEs, and that is where you'll find mentors: "When the student is ready, the teacher appears." This shapes your dental philosophy & ultimately how you treatment plan for your patients.

I've found mentors at every stop of my journey, starting with just getting into dental school, then once you're in school. After I got out, I found dental mentors in TMD philosophy, full bracket ortho, then clear aligner.

7. How did your student loan repayment burden affect your timeline in terms of starting your own dental practice? What advice would you give about managing loan repayment and personal finances in dental school?

Dr. Han

It's essential to have both a good accountant and a good attorney. Once you realize your loans are a very expensive mortgage, it makes it really hard to take on literal mortgages or large costs. It can be hard to predict life in increments of 5-10 years. Your means of employment will dictate how you're going to manage your loan. I felt a sense of great urgency that led me to open my own practice, as I wanted to be super aggressive in terms of paying off my loans. I chose to raise my income potential by becoming an owner for a variety of reasons. I didn't want to depend on loan forgiveness schemes, and I wanted to be able to work as much as I wanted so that I could have full autonomy and more quickly gain financial independence.

Some advice I would give to students is to pursue the path of least financial resistance to reach the same outcome, i.e., to get into a residency that pays you, even at the cost of prestige. Also, a lot of luck has to do with timing that you can't control, so loan rates matter.

Dr. Sy

When I graduated, interest rates were super low at the time. This was seven years ago, and I was offered 1.9% refinance with First Republic. I had a 500K loan, so just a few thousand dollars a month to pay back. You'll have 30 years if it's from the federal government, so more flexibility in terms of repayments, but with refinancing, you have a much shorter time frame to pay it back in. I would recommend seeing if you have multiple loans that are high interest, and to refinance the higher interest ones first, then to see what you can afford in terms of the repayment plan for the others. For the lower ones, I would keep on the 30-year plan.

It's also essential to live frugally and explore different repayment options, for example, income-based repayment. I would also look into dental student loan repayment options on Lending Tree.

I bought in at a practice, and the practice owner carried the loan for me initially. You might have to work for a few years first and build up your credit. With interest rates the way they are now, I would recommend living as frugally as possible. Try listening to the White Coat Investor for more stories of clinicians working to rein in their finances.

8. How did you navigate insurance companies and your fee schedule when starting your practice (in-network vs. out-of-network)?

Dr. Sy

One big decision you'll make is whether to be an in-network or out-of-network provider. If you are an in-network provider, your fee schedule will be dictated by the insurance company. You can negotiate these rates or find companies to argue on your behalf to negotiate these rates for you if you already have the buy-in agreement, which can help you get more commensurate reimbursement. If you are in-network, the companies will not pay as much as your patients would if you were out-of-network, but you will get advertised automatically by the network, which takes some marketing out of the equation.

9. How do you budget for and manage equipment cost and the amortization cost of upgrade amongst other expenses without overextending your finances?

Dr. Benjamin

When deciding whether to invest in new technology, you should analyze the return on investment and your own learning curve. There always has to be a cost-benefit analysis, especially for early adoption of new technology, and you need to consider both your own skills and the cost, so whether you will finance the technology through a bank with interest or pay out of pocket. Speaking with your CPA regarding whether the item will cover itself or whether paying out of pocket is better can be helpful. On the one hand, it can slow down procedures if you need to refer patients out of the office to use a particular piece of equipment, but on the other, you will have less to worry about in terms of finances. It is often better to wait until you can afford the full cost of a new piece of equipment and then consider whether it will pay for itself in terms of usage and how much you will charge the patient.

10. How did you learn the business skills of starting your own practice? Did you take outside courses in accounting or management before owning a practice?

Dr. Dela Rama

A great place to start is the ADA website, and if you're practicing in CA, the CDA website. Search for Practice Support or New Dentist Resources and you have it all at your fingertips. If you want someone to help you, there are business coaches out there specific to dentistry, but they are pretty expensive for someone just starting out. I instead read a lot of books and other resources I found on the ADA/CDA website and Amazon, both dental and non-dental, to develop my "business philosophy" on how to manage your money. I recommend reading Profit First, which suggests what is essentially an envelope-based budgeting system but with bank accounts. To use this strategy, you'll need to find a flexible bank and build relationships, building your "team."

Another great one is "Be Our Guest," which is Disney's book on customer service. It has nothing to do with dentistry, but if you've ever been to a Disney park, every employee greets you with a smile and exceptional customer service. It's something that they stake their reputation on, as it goes back to Walt's core values. I loved it so much I gave a copy to every one of my staff. I have plenty of books like this on leadership, running a small business, corporate structure, financial planning, etc.

I took a lot away from my non-dental friends. Friends that are in management positions in finance or tech careers know about corporate structure, which is one of the first things a dental coach will talk about. Your dental office is no different from Amazon or Apple. You don't have the CEO handling all the tasks—they delegate responsibilities. This references back to my earlier question about having a good "team," as it's who you delegate responsibilities to. It's important to understand your hierarchy of responsibilities, because it means the difference between you running your business and *your business running you*.

Some of my friends who are business owners in other areas have given me so many business pearls [of wisdom], or times they've crashed and burned over the years, and even though we're equals in business, I consider them to be mentors. What I've found by talking with everyone is that *business is business*, the only thing that changes is the product. Instead of dentistry, they're selling chiropractic services, gym memberships, CRM platforms, water filtration units, etc. We all have the same issues: HR, OSHA, payroll, taxes, profit margins, overhead, etc.

11. Do you have an accountant to help with your taxes?

Dr. Sy

Definitely get a specialist to help you with your accounting. I work with an accountant that only deals with the dental profession and is therefore uniquely qualified in what you can and can't pay off. This is expensive but worth it, as you want someone good in case you ever get audited.

12. How did you learn your own limitations, i.e., when do you keep procedures in-house versus referring them out?

Dr. Benjamin

The key question here is not whether or not you can do the procedure but rather whether you can do it as well as a specialist. As dentists, we have made a commitment to do no harm, so if someone else can do the same specialized procedure better, we need to refer out. Keep procedures in-house when you feel reasonable justifying yourself if something goes wrong—if a dental specialist would reasonably side with you in a court of law. Err toward the side of caution and make sure to educate yourself on any new procedures thoroughly.

Some questions to ask yourself when making this decision are the following:

- Am I doing the procedure because I am skillful in it, passionate, and prepared?
- Can I complete this procedure at the same skill level as a specialist?
- If I were the patient, would I choose to go to me for this particular procedure?

From there, you can use that information to make an ethical decision based on your own level of competence and confidence in that area.