



Practice Optimization Analysis

Practice Name: EXAMPLE PRACTICE

Date: March 1st, 2022



Dynamic Dental Advisors



Dynamic Dental Advisors (DDA) would like to thank you for allowing our team to learn more about you and your practice. We know every dentist and practice is unique and may be at different stages in their career, which is why we strive to meet you wherever you are in your journey, personally and professionally.

Over the past several weeks, our team has performed a thorough analysis of the data provided. We measured your information against industry benchmarks and best practices to develop this Practice Optimization Analysis Report. Your customized Practice Optimization Analysis provides your practice:

- A dental fee analysis, which identifies areas of opportunity for revenue improvements.
- A high level overview of code utilization opportunities, which identifies a range of revenue opportunities without changing your existing fee schedule--working smarter, not harder.
- A overhead expense reduction analysis, which identifies a range of expense reduction opportunities.
- An overall financial impact and opportunity outline, which identifies the total dollar amount your practice can obtain.
- A financial benchmark (P&L) analysis and comparison. We identified how your practice's financial performance compares to best practices and benchmarks

We are committed to building true, trusting relationships with each practitioner we work with. If you choose to move forward and partner with DDA, we want to make it as easy and risk-free as possible. We guarantee you will be satisfied with the relationship and results or you can exit our agreement within 30-days..The information we have obtained from you so far has provided us with some great insight on the current state of your practice.

After today, if you would like a more comprehensive plan for your practice, we would contact you to coordinate a follow up meeting to discuss your individual goals and the goals for your practice in more detail.

Again, we thank you for giving us the opportunity to learn about your practice and look forward to continuing to build a collaborative partnership with you to help you optimize your practice and achieve your goals.

We're here for you, every step of the way!

Sincerely,

Meghan Conger

Meghan Conger
Chief Executive Officer



FINANCIAL BENCHMARKING SUMMARY

PROFIT & LOSS STATEMENT REVIEW

The following P&L summarizes the projected current year, as well as, the proposed growth in the next fiscal year based on the opportunities in this report.

INCREASE PRACTICE PROFITABILITY

\$97,910

EXAMPLE PRACTICE

Practice Optimization & Benchmarking Analysis

	2021 Full Year	2021 Projected Ratio	Proposed Growth 2022	Proposed Benchmark Ratio
Total Production	\$997,240	-	\$1,106,055	-
Total Adjustments (% of Total Production)	\$75,953	7.6%	\$84,241	7.6%
Collectible (Net Production)	\$921,287	92.4%	\$1,021,814	92.4%
Total Income Collected (Revenue)	\$922,906	100.2%	\$1,023,610	100.2%
Total Operating Expenses	\$616,256	66.8%	\$619,050	60.5%
Net Income (Practice Profitability)	\$306,650	33.2%	\$404,560	39.5%
Increase in Practice Profitability 2021 to 2022			\$97,910	32%

*This takes into account add'l operating expenses from the new proposed production.

P&L DEFINITIONS

Due to accountants utilizing different terms on profit & loss statements, the table below provides definitions of the terms above to provide clarity.

Term	Definition
Total Production	Total Production or Gross production is the total amount of dentistry produced and billed out by your practice for the year, before any discounts or adjustments.
Total Adjustments	The dollar amount written off due to participation in PPOs, patient discounts, refunds, membership plans, etc.
Collectible	Collectible or Net Production is the dollar amount your practice can collect based on the difference between Total Production & Total Adjustments
Total Income Collected	The Total Income Collected or Revenue is the actual dollar amount your practice received from patient and insurance payments for services provided
Total Operating Expenses	The Total Operating Expenses is all expenses to run your practice including supplies, lab, staff, rent, insurance, etc.
Net Income	The Net Income or Practice Profitability is the difference between the Total Income Collected and Total Operating Expenses before any Owner Compensation. The Net Income represents the potential take home amount for practice owners.



DENTAL FEE ANALYSIS EXECUTIVE SUMMARY

PURPOSE & METHODOLOGY

The data used for this analysis is the NDAS Comprehensive Fee Report. Your fee schedule and production are compared to the NDAS report and the percentiles were adjusted based on your zip code prefix. The purpose of the analysis includes:

- Understand how you compare to your peers in the same area
- Provide insight to explore new opportunities for revenue to build financial stability (Fee Adjustment Opportunities)

THE RESULTS

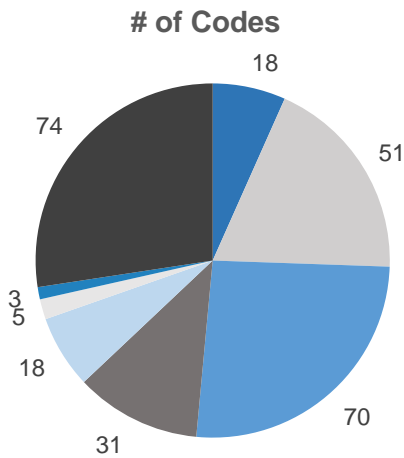
of Codes Analyzed

629

Average Percentile

52%

PERCENTILE BREAKDOWN



Percentile	# of Codes	%
<40%	16	3%
40%	67	11%
50%	338	54%
60%	185	29%
70%	20	3%
80%	1	0%
90%	0	0%
95%	2	0%

TOP-10 HIGHEST CODES

Code	Production Qty	Current Fee	Total Production	Current Percentile
D6057	0	\$1,029	\$0	95%
D0365	0	\$435	\$0	70%
D3910	0	\$282	\$0	70%
D6055	0	\$3,602	\$0	95%
D0364	0	\$401	\$0	70%
D0366	0	\$415	\$0	70%
D0367	0	\$419	\$0	70%
D0417	0	\$242	\$0	70%
D4265	0	\$662	\$0	70%
D5937	0	\$865	\$0	70%

TOP-10 LOWEST CODES

Code	Production Qty	Current Fee	Total Production	Current Percentile
D4346	257	\$199	\$51,143	40%
D2392	82	\$278	\$22,796	50%
D2740	146	\$1,339	\$195,494	50%
D1110	1322	\$109	\$144,098	50%
D0120	1240	\$61	\$75,640	50%
D0210	301	\$157	\$47,257	50%
D0274	558	\$79	\$44,082	50%
D0150	368	\$106	\$39,008	50%
D4910	149	\$161	\$23,989	50%
D4341	77	\$302	\$23,254	50%



DENTAL FEE ANALYSIS EXECUTIVE SUMMARY (continued)

PURPOSE & METHODOLOGY

Below shows the top-10 opportunities to create the most impact on gross production by increasing low percentile fees

**Potential Increase in
Gross Production**

\$15,609

Code	Current Fee	QTY	%	Current Production	New Fee	%	New Production	Increase
D4346	\$199	257	40%	\$ 51,143.00	\$ 199.60	50%	\$ 51,297.20	\$ 154
D2392	\$278	82	50%	\$ 22,796.00	\$ 284.85	60%	\$ 23,357.70	\$ 562
D2740	\$1,339	146	50%	\$ 195,494.00	\$ 1,367.09	60%	\$ 199,595.14	\$ 4,101
D1110	\$109	1322	50%	\$ 144,098.00	\$ 111.33	60%	\$ 147,178.26	\$ 3,080
D0120	\$61	1240	50%	\$ 75,640.00	\$ 63.19	60%	\$ 78,355.60	\$ 2,716
D0210	\$157	301	50%	\$ 47,257.00	\$ 160.48	60%	\$ 48,304.48	\$ 1,047
D0274	\$79	558	50%	\$ 44,082.00	\$ 80.24	60%	\$ 44,773.92	\$ 692
D0150	\$106	368	50%	\$ 39,008.00	\$ 110.33	60%	\$ 40,601.44	\$ 1,593
D4910	\$161	149	50%	\$ 23,989.00	\$ 166.50	60%	\$ 24,808.50	\$ 820
D4341	\$302	77	50%	\$ 23,254.00	\$ 312.94	60%	\$ 24,096.38	\$ 842
Projected Increased Revenue							\$ 682,368.62	\$ 15,609

PURPOSE & METHODOLOGY

- Periodic Fee Schedule Evaluation
- Communicate Charges to Staff (They have insights into patients)
- Underwater on Any Codes? (Expenses > Fees)
- Round Up (To Next Dollar or Ten Dollars)
- Understand your Patient Mix (PPO vs. FFS)
- Build a Strategy & Cadence (Goals, KPIs, etc.)

2021 ADA CODE UPDATES

In 2021, the ADA created 28 new codes, revised 29 codes/descriptors, and deleted 4 codes. Please see below for a summary. For specific details on each change, please visit: <https://dynamic-da.com/2021-code-changes>. The new codes are listed below by service type.

Service Type	Codes	Description	Service Type	Codes	Description	
Diagnostic	D0604 & D0605	COVID Testing	Maxillofacial Prosthetics	D5995 - D5996	Periodontal Medicament Carrier w/ Peripheral Seal	
	D0701 - D0709	Radiographic Imaging				
Preventive	D1321	Substance Abuse Consult	Implant Services	D6191 - D6192	Semi - Precision Attachment - Placement	
	D1355	Caries Medicament				
Restorative	D2928	Prefab. Ceramic/Porcelain Crown - Permanent Tooth	Oral & Maxillofacial Surgery	D7961	Buccal/Labial Frenectomy	
Endodontics	D3471 - 3473	Surgical Repair of Root Resorption anterior - molar		D7962	Lingual Frenectomy	
		D3501 - D3503		Surgical Exposure of Root Surface w/o apicoectomy	D7993	Surgical Placement of Craniofacial Implant - Extra Oral
						D7994



CODE UTILIZATION EXECUTIVE SUMMARY

CODE UTILIZATION BENCHMARKS

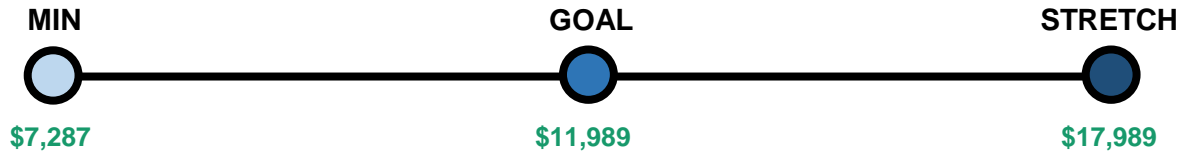
This potential is based on management of code utilization. No increase to your existing fee schedule is included in the potential outlined below



KEY PERFORMANCE INDICATOR	RATIO	BENCHMARK	MIN	GOAL	STRETCH	COMMENTS
X-Ray Utilization @ Recall	39%	50%	\$3,365	\$9,296	\$15,227	Bitewing X-Rays to be taken 1x/year during recall
Periodic Exams @ Recall	83%	100%	\$0	\$6,792	\$15,952	100% Great, 70-100% Good, <70% Needs Impr.
Patient Emergency Coding	10%	75%	\$14,274	\$23,127	\$31,980	>75% Great, 50-75% Good, <50% Needs Impr.
Perio Utilization	16%	15-30%	\$14,812	\$32,890	\$50,968	>30% Great, 15-30% Good, <15% Needs Improv.
X-Ray Utilization w/ New Patients	82%	100%	\$0	\$9,112	\$21,624	
TOTAL OPPORTUNITY			\$32,451	\$81,217	\$135,751	

3 & 4 SURFACE RESINS

This potential is based on crown utilization versus 3 & 4 surface resins.



	QTY	FEE	CONVERSION	MIN	GOAL	STRETCH
3-Surface Resins	44	\$340	33%	\$4,332	\$8,664	\$14,295
4-Surface Resins	4	\$401	100%	\$2,955	\$3,325	\$3,694
TOTAL OPPORTUNITY				\$7,287	\$11,989	\$17,989

FEE & CODE UTILIZATION TOTAL OPPORTUNITY

Below summarizes the potential increase in gross production and collectible income based on the code utilization analysis and fee schedule analysis



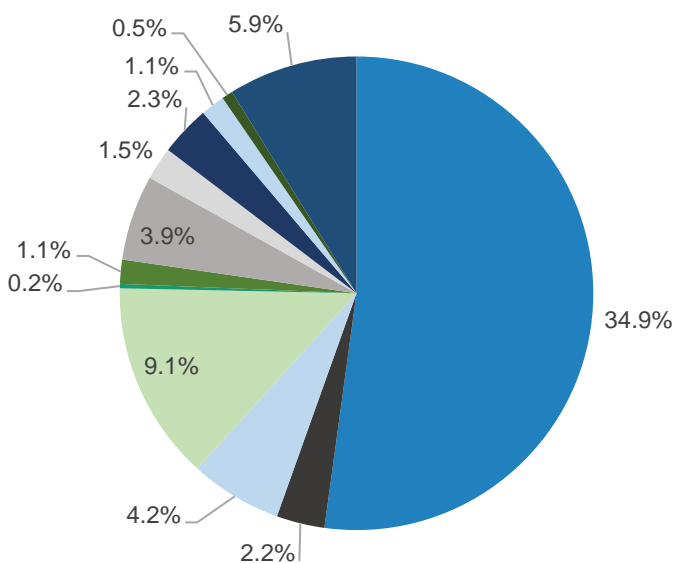
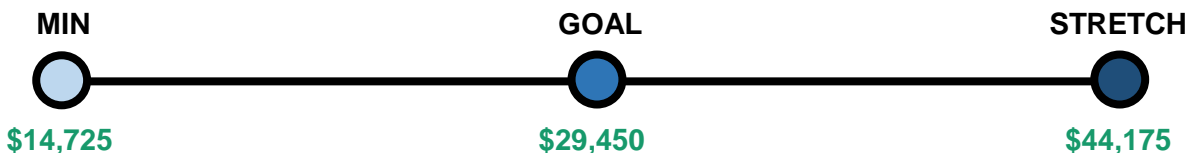
Opportunity	Min	Goal	Stretch
Top-10 Code Opportunity	-	\$15,609	\$39,022
Code Utilization Opportunity	\$32,451	\$81,217	\$135,751
3 & 4 Surface Resins	\$7,287	\$11,989	\$17,989
Total Production Opportunity	\$39,738	\$108,815	\$192,762
Collectible Income	\$36,712	\$100,527	\$178,081



EXPENSE REDUCTION EXECUTIVE SUMMARY

EXPENSE MANAGEMENT OPPORTUNITIES

Below reviews various overhead expenses from your P&L versus industry benchmarks and identifies opportunities for cost reduction.



EXPENSE CATEGORY	\$	%
Team Expense	\$321,758	34.9%
Laboratory	\$20,004	2.2%
Building Expenses	\$38,400	4.2%
Dental Supplies	\$83,570	9.1%
Office Supplies	\$2,264	0.2%
Computer & IT Expenses	\$9,852	1.1%
Maintenance & Repairs	\$36,428	3.9%
Recruiting Expenses	\$13,516	1.5%
Insurance	\$20,846	2.3%
Merchant & Bank Fees	\$9,852	1.1%
Uniforms	\$4,980	0.5%
Other Expenses	\$54,786	5.9%
TOTAL	\$774,585	67%

% Column = Expense / Gross Profit

Industry Benchmark is 60% ^

EXPENSE REDUCTION OPPORTUNITY EXAMPLES

Below provides a list of solutions DDA has to offer through their collaborators to help implement practice cost reduction initiatives



5-15% on Credit Card Processing



Loan & Mortgage Refinancing



Marketing Options with Guaranteed ROI



Discounted Equipment & Service



20-70% on Dental Supplies



10-25% on Lab Expenses



Discounted Liability Insurance



Discounted Office Supplies



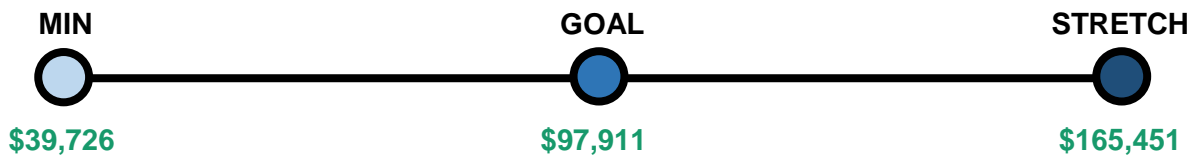
PRACTICE OPTIMIZATION SUMMARY

OVERALL OPPORTUNITY SUMMARY

Below provides a summary of all the opportunities presented on previous pages in cash.

PROFITABILITY INCREASE

\$97,911



OPPORTUNITY	MIN	GOAL	STRETCH
Net Production Increase (Code & Fees)	\$36,712	\$100,527	\$178,081
Cost Reduction Opportunity	\$14,725	\$29,450	\$44,175
Increase in Operating Expense	-\$11,710	-\$32,066	-\$56,805
Total Opportunity	\$39,727	\$97,911	\$165,451

OPTIMIZATION ROADMAP

The following provides a roadmap for achieving the proposed growth in the P&L Review above utilization findings in this report.

Q1	Q2	Q3	Q4
\$24,847	\$29,275	\$28,235	\$15,553
<ul style="list-style-type: none"> Set Production, Collection & Profitability Goals and Benchmarks for the year Implement top-3 Cost Reduction Initiatives Address Fees by code 	<ul style="list-style-type: none"> Discuss team utilization to maximize team expense & productivity Review all expense categories and identify opportunities to lower costs Address coding when submitting services to Insurance 	<ul style="list-style-type: none"> Discuss SOPs for the practice to improve efficiency & increase profitability. Ensure SOPs support profitability goals. Implement SOPs to achieve set goals, Team training. Begin to discuss roadmap for the upcoming year 	<ul style="list-style-type: none"> Review the current year; how well did we achieve our roadmap? Finalize Roadmap for the upcoming year; Fees, Improvements to Office Systems, Operational Goals & Financial Goals Support Owner Doctor with information for Team member Performance Reviews and Benefit & Wage Reviews

Designing the Path Forward, Together.

HOW CAN DYNAMIC DENTAL ADVISORS ASSIST YOU?

Did you see value in this report and are looking for assistance with implementing improvements?

If you are interested in learning more about how DDA can assist your practice, please reach out to Maggie Garrigan at:

MGARRIGAN@DYNAMIC-DA.COM



Dynamic Dental Advisors