Beyond PRSI: new directions

Sanjay Hirekodi explains how implementing a practice membership plan is helping his patients to cope with the loss of the PRSI dental scheme

Ever since the McCarthy report was published last year, dentists have had to keep on their toes, speculating what might become of publicly funded dental care.

If truth be told, the writing was on the wall, since the report recommended the abolishment of the PRSI scheme for dental benefits immediately to reduce public sector spending. This was in July 2009. The effects of the 2010 Budget were to all but remove the PRSI scheme for dental treatment.

Many of us find it unpalatable that the scheme is now limited to just covering one dental examination per year, given that eligible persons have been paying into the scheme for years in anticipation of receiving more benefits. I can only surmise what the Government has in store for the GMS dental scheme, but no doubt it will further disgruntle patients and the dental community alike.

What is glaringly obvious is that the public cannot depend on the State for dental care in the way it used to and will have to think about funding their own care and consciously budget for it.

It was at the time the McCarthy report came out that I decided I had to think of a way to allow my patients to budget effectively for their dental care while still providing them with a first class dental service. I contemplated various ideas – discounts for cash, early payment courtesy discounts, retaining the PRSI fees for eligible patients (even though the remainder of the fee could not be recovered), etc.

After carefully considering several options, none of them seemed to produce a 'win-win' scenario. I discussed the situation with my good friend, fellow dentist, mentor and coach, Dr Jane Lelean (www.healthyandwealthy.co.uk). There had to be something we could offer our patients in the light of realising the PRSI scheme was soon to be decimated. Lengthy discussions ensued until a solution was found. Finally, it was decided that the practice would develop a practice membership plan.

There is nothing new with this concept. It is in widespread use in several successful practices throughout the world. Our closest neighbour, the UK, has several companies that provide plans to practices in the UK. There are also several practices running their own 'in-house' schemes in the UK. I could not find any practices in Ireland that had implemented this type of scheme, perhaps due to the fact that not many practices had websites to which I could make reference. I was keen to learn why there seemed to be a dearth of practices offering a maintenance plan in Ireland and thought, perhaps, it might be that Irish law did not permit it. Having enquired with colleagues and the Irish Dental Association, I found there was no reason whatsoever that a practice could not offer a plan.

At this point I just had to get the wheels in motion. The premise of the plan was to supply my patients with comprehensive examinations and hygienist appointments twice a year for a fixed fee per annum. Money could be collected once a year or monthly by Direct Debit. As part of the plan I would offer a discount for services for all patients on the plan as well as other 'privileges'. A separate plan for children could also be developed.

Although I had an idea of what services and privileges I wanted to supply, I had little idea how best to set up the framework of the plan and how to market it. Additionally, having enquired with my bank, I was going to have to stump up a large amount of money as insurance against setting up Direct Debits. Certainly, I did not have this amount of funding. I could have set up Standing Orders for my patients, but this would take a lot of co-operation from the patients and is dependant totally on the patient setting up the facility – not a predictable process. Again, I turned to Dr Lelean for more advice. Things started getting interesting once she had supplied me the name of a contact in the UK who was well used to setting up dental maintenance membership plans. His name was Dr John Barry, interestingly an Irish graduate!

Dr Barry is the operations director of The Dental Plan (www.thedentalplan.org) and a graduate of Cork Dental School, now residing in Scotland. He has been involved in developing practice membership plans for 18 years. I met with John at his offices in the idyllic coastal town of Thurso in the far north of Scotland to see what I could glean from him regarding the plan. I needed to answer several questions with his assistance:

1. Could I set up my own in-house membership plan or was it going to be better done under the 'wings' of a large company?
2. What was I going to offer the members on my plan?
3. What are the logistics of setting up Direct Debits?
4. How would I market the plan?

Thankfully, Dr Barry skilfully guided me on a course, answering these questions through his immense knowledge, experience and willingness to help. Several phone calls and emails later from Dr Barry and Dr Lelean had led me to develop a carefully crafted maintenance membership plan –

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the Absolute Dental Plan. This plan offers my patients regular examinations and hygienist services combined with value-for-money dental treatment; a truly win-win relationship. My patients were assured of continual high quality value-for-money care and several extra benefits of being on the plan, while the practice had the benefit of good cash flow, a known regular annual income and happy patients.

It may be useful at this point to consider some of the figures involved so that the cash flow benefits can be appreciated. The larger the practice, the higher the annual income. Let's say, for instance, that a large practice with 2,000 to 3,000 patients was able to enrol 1,000 patients. Hypothetically, if examinations were €40 and a half-hour appointment with the hygienist was €75, this would give a total annual income of €230 per patient (two exams and two hygienist visits). One would probably round this up to €240 per patient at least, to account for intra-oral radiographs. So if 1,000 patients registered with the maintenance plan, the practice would see a yield of €240,000 per annum. And this before any treatment was diagnosed and charged for!

The ramifications of having a known fixed sum like this are numerous. The practice has good cash flow with other benefits. Because patients have signed up for the plan, the practice also has built-in goodwill and loyalty. In addition, practitioners that were inclined to do so could reduce their hours, secure in the knowledge that money was coming into the practice even before the handpiece was lifted. Investment by the practice into the running of the plan is limited to promotion and monitoring it. Promotion could be as little as a few hundred euros just by sending letters out to existing patients. Monitoring patient numbers on the plan takes some good staff training. Of course, it is easier if the plan is run by a third party.

Having fully realised the benefits of a practice membership plan, a text was sent to all my registered patients on the PRSI scheme informing them that a plan was under development. This was followed by direct mail explaining why the plan was introduced, terms and conditions of the plan, its features and benefits, and an application form for patients to fill in and send back in stamped addressed envelopes.

The practice is in a position to offer a Direct Debit facility from February 2010 onwards, and we look forward now to enlisting any patient who would like to benefit from the newly devised membership plan.

The precise details of what the plan offers will vary from practice to practice, depending on things like the number of PRSI patients, practice overhead and what extra benefits the practice would like to offer. If patients pay by Direct Debit, one could also add a small premium to the monthly cost to cover the administration fees and for the provision of dental insurance. The insurance would cover patients for treatment required due to accidental trauma or treatment needed if they were abroad. Insurance also covers emergency call-out costs should the dental practice have to be re-opened late evenings or at weekends. If patients desired, they could purchase this type of dental insurance as a stand-alone product, giving them valuable cover without being faced with a big bill for repair of accidental damage to their teeth.

Setting up a practice plan requires good staff communication. One has to consider how the practice will 'sell' the idea to the staff. Certainly a venture like this must be presented in detail to the staff, opinions sought and training on implementation planned and executed. If the staff are unaware of any aspects of the plan and then it is implemented in a hazy, haphazard fashion, the patient experience will be poor and may lead to sub-optimal take-up. Done well, the introduction of a membership plan can be a strong practice builder, satisfying patients, practice owner and staff alike.