Group Dental Practices: What They Mean to the Future of Dentistry
Research Methodology

This report analyzes the results of the online survey of dentists titled "Perceptions & Attitudes Surrounding Group Dental Practices." The report includes the answers from all of the dentists who took the survey between July 15, 2015 and August 17, 2015. A total of 977 completed responses were submitted to the survey during this time.

How We Define A Group Dental Practice

For the purpose of this report we follow the example of the American Dental Association’s Health Policy Institute and classify a group dental practice as referring to “two or more dentists that are somehow affiliated with each other.” In practical terms, this classification includes:

- Dentist owned and operated group practices
- Dental management organization affiliated group practices
- Insurer-provider group practices
- Not-for-profit group practices
- Government agency group practices
- Hybrid group practices (ones which do not clearly fit and of the above categories)

Why Do Group Dental Practices Matter?

Group dental practices — or dental service organizations (DSOs) — represent an important shift in the way dentistry is practiced. In 1991, 91% of all dentists in the United States owned their own practice and 67% of them worked as solo practitioners. By 2012, the number of dentists owning their own practice dropped to 84.4% and only 57.5% were solo practitioners. Conversely, the number of group dental practices operating ten or more locations grew 530% between 1992 and 2007 and the number of offices operated by these firms increased from 157 to 3,009. The ADA reports that “the trend toward larger, multi-establishment dental practices is expected to continue, driven by changes in the practice patterns of new dentists, a drive for efficiency and increased competition for patients.”

The ADA also notes that between 2002 and 2012 total receipts accounted for by dental firms with 20 employees or more increased from 15.7% to 20.1%. During the same period the percentage of total receipts accounted for by the small practices (0 to 4 employees) fell from 19.9 % to 16.0%.

Between 2002 and 2013, the number of dental employees employed by dental firms grew from 750,129 to 873,172 — a 16.4% increase. The growing popularity of group practices among practitioners can be tied to a variety of financial and lifestyle factors which we will look at in greater detail later in this report.
Executive Summary

This nationwide survey covered a range of topics, including reasons dentists decide for or against pursuing careers with group practices, why they remain with or leave groups, whether dentists would sell their private practice to a group, the effect groups are having on solo practices, and tactics solo practitioners use to compete with groups.

The findings revealed several interesting trends — first and foremost, the majority of dentists are very comfortable with group dental practices as either an employer or a potential business rival. This was rather unexpected due to the fact that group practices are often portrayed in a negative light by commenters on industry bulletin boards. In fact, many dentists see group practices as the ideal venue to begin their career, supplement their income, or earn capital to pay off student loans or start their own private practice. The appeal of joining a group practice is primarily tied to three factors: compensation, work/life balance and the desire to focus on dentistry instead of practice management.

While group practices are widely accepted by many dentists, they are not seen as an attractive long-term career opportunity by all. The majority of dentists in our survey who have actually worked for one left their employ within five years of starting. This move was typically driven by the desire to be owners of own their own business. Others would not consider a career with a group practice due to concerns about not having control of the business of the practice.

Key Findings:

- 54.48% of dentists do not see group practices as a threat to solo practices.
- The top three reasons why dentists actually join group practices are:
  1. Compensation
  2. Work / Life Balance
  3. Prefer to focus on dentistry instead of practice management
- The majority of dentists who have worked at a group practice leave within five years.
- The primary reason dentists have for leaving a group practice is that they would rather be owners of their own business.
- 60.19% of dentists who have not worked for a group practice would not consider joining one.
- Not having control of the business is the #1 reason why dentists don’t join group practices.
- The majority of dentists who own their own practice would not consider selling it to a group practice.
- 61.22% of the dentists surveyed are in direct competition with group practices and have lost patients to them.
- The #1 reason patients give for leaving a solo practice for a group is “insurance related.”
- The three most popular strategies solo practitioners use to compete with group practices are:
  1. Accepting Greater Range of Insurance Plans
  2. Adding New Equipment or Technology
  3. Extending Office Hours
Demographics

The online survey was open to all dentists nationwide. Participation was solicited through email requests, newsletter promotions, and Facebook ads.

Respondents represented various levels of experience within the profession. The largest group consists of senior level professionals who have been practicing dentistry for 21 or more years. The remaining respondents are split fairly evenly between recent grads (5 years or less experience), intermediate (6-10 years), advanced (11-15 years), and veterans (16-20 years).

The respondents provide a telling multi-generational portrait of who is practicing dentistry today. The two largest cohorts represented in the survey graduated from dental school between 2000-2009 (24.77%) and 1980-1989 (24.67%) respectively while the smallest group represented (0.31%) graduated prior to 1950.
Equally diverse is the estimated gross income of the respondents’ practices. The largest cohort of dentists (24.08%) reported that their practices earned between $1,000,000 and $1,499,999 annually. This was followed by 18.92% who reported gross earnings of between $750,000 and $999,999. The remaining groups of respondents were pretty evenly distributed between five income levels with the smallest cohort (7.49%) reporting earnings of under $300,000 a year. 17% of survey respondents chose not to answer this question.

In regards to the gender of the survey participants, 72.13% of the respondents were male and 27.87% were female.

The majority of respondents (87.22%) report that they currently own their own practice. It’s worth noting that approximately 25% of the survey’s 977 respondents elected to not answer this question.
Employment Experience With Group Practices

To begin, we asked dentists “Have you ever worked for a group dental practice?” A clear majority of dentists (57.22%) reported that they had. This finding — surprising on its face — may have been influenced by the fact that approximately 60% of survey respondents graduated from dental school since 1990, a period which coincides with the rise of large group dental practices. It may be that these professionals simply took advantage of an opportunity that wasn’t readily available to earlier generations of dentists.

Next, we asked those dentists who have worked at group practices “how long were you employed there?” Over 45% report that their tenure lasted between two and five years. The next largest group (32.38%) spent five or more years working for a group practice. 22.22% report one year of experience with a group practice.
What motivates a dentist to pursue a career with a group practice? When we asked dentists to list all of their reasons for joining a group practice their top five answers broke down into two categories: Financial and Lifestyle. The number one reason dentists join according to 38.31% of respondents is “Compensation.” Coming in at a close second at 34.67% is “Work/Life Balance.” The next most popular reason reported by 28.93% of respondents is that they prefer to focus on dentistry instead of practice management. Rounding out the top five reasons were “Pay Off School Loans” (21.84%) and “No Other Job Opportunities in Your Area” (21.65%).
Approximately 12% of respondents chose to answer this question “Other” which afforded them the opportunity to write in an answer of their own choosing. Their responses provide interesting insights into the career paths and aspirations of dentists in 2015. Several dentists reported that they were immigrants who saw working at a group practice as a stepping stone to a dental career in the United States. Others viewed working at a group practice as a way to earn “extra money” or “pick-up part-time hours.”

Some dentists saw group practices as a good employment option for professionals dealing with major life events, such as closing a private practice, waiting for the construction of a new office to be completed, or keeping their career on track when a spouse’s job requires frequent transfers. Still others see group practices as a good venue for gaining professional experience. The number one most reported “Other” reason dentists choose to work at a group is to earn capital to open their own private or group practice.

Of the 522 respondents with group practice experience, 61.49% of them no longer work at one. The top five reasons respondents cited for leaving are “Rather Own My Own Practice (66.67%), “Opened Own Practice” (49.68%), “Compensation” (27.88%), “Position Did Not Meet Expectations” (24.68%), and “Corporate / Office Policies” (24.68%).

**What was your primary reason for leaving?**

- Rather Own My Own Business
- Opened Own Practice
- Compensation
- Corporate / Office Policies
- Position Did Not Meet Expectations
- Quality of Dentistry
- Lack of Clinical Autonomy
- Staffing Issues
- Lack of Equity Position
- Other (please specify)
- Retired
- Franchise Fees
Once again, the “Other” option provided a fascinating look into the professional lives of dentists. Among the more interesting reasons that led dentists to leave group practices were boredom, too much red tape, becoming a consultant, relocation, high overhead, facility closures, and “shot gun litigation” (i.e. when one dentist gets in legal problems, it drags all others into it).

We then followed up with those dentists who said that they would not consider a career with a group practice. The number one reason reported by 73.20% of respondents was because they would have “Less or No Control on Business of the Practice.” This was followed by “Quality of Dentistry” at 60.40% and “Quality of Colleagues’ Work Reflects on You” at 49.20%. “Reputation” and “Less Clinical Autonomy” rounded out the top five reasons at 45.60% and 42.00% respectively.

Among the more interesting “Other” reasons dentists would not consider a career with a group practice were concerns over quotas, loss of professional independence and the lack of patient relationships due to rotating assignments.
Dentists Considering Careers With Group Practices

Next, we followed up with those respondents without direct experience working for a group dental practice to see if they would ever consider seeking employment with one. A clear majority (60.19%) said they would not.

We then turned our attention to the 39.81% of respondents who were open to working for a group dental practice. Our question to them was “What would be your primary reason for joining a group practice?” Their top five responses were tellingly different from those cited by dentists who have actually joined a group practice. The number one most appealing aspect of joining a group practice according to 55.90% of respondents was “Work/Life Balance.” The second most popular reason (48.45%) was “Prefer to Focus on Dentistry.” Next up was “No Administrative Responsibilities” at 44.72%. Coming in fourth was “Lower Overhead” (37.89%). “Benefits Package (group health insurance, 401k, etc.) rounded out the top five at 36.02%. Interestingly, “Compensation” came in as the sixth most commonly reported response, one that was cited by 31.68% of respondents.
After getting a better sense of the appeal of working for a group dental practice, we wanted to learn what's keeping more of the subset of 152 interested dentists from "pulling the trigger" and pursuing a career with one. Our next question asked them "What has prevented you from pursuing a career with a group dental practice?" The number one answer was “Less or No Control on Business of the Practice” (35.53%). The next three most popular responses created a virtual dead heat between “Quality of Dentistry” (26.97%), “Less Clinical Autonomy” (26.97%), and “Salary” (26.32%). The fifth most commonly reported response — “Lack of Local Opportunities” (25.66%) — indicates that a significant number of dentists would be willing to align themselves with a group practice if and when the opportunity arises.

*Other* category responses to this question like “I would like to be the boss” and “I do not want to be beholden to a set schedule. I take off when I want since I am in private practice” reinforced the appeal of being a solo practitioner.
Group Practices, Solo Practitioners & The Future Of Dentistry

What do dentists think about group practices and their impact on solo practitioners? Their answers were clear and somewhat surprising. As previously noted the majority of respondents (87.22%) report that they currently own their own practice. When asked “Would you consider selling it to a group practice?” the majority of those with an opinion (59.06%) said “No.” This may indicate either the reluctance of former group practice dentists now in private practice to rejoining a DSO or a strong commitment on the part of practice owners to continuing the tradition of independent solo practitioners in the face of the rise of group practices.

With this in mind one might expect to find that the majority of dentists would view group practices as a serious rival for the business of solo practitioners. Our survey found this was not the case. When asked “Do you see group practices as a threat to solo practitioners?” only 42.52% said “Yes.”
Opinions vary on the nature of the threat group practices pose for solo practitioners. The most common concern, voiced by 70.02% of respondents, was “Bigger Marketing Budgets.” This was followed by “Lower Fees” (63.64%) and “Expanded Office Hours” (62.16%). “Accepts Greater Range of Dental Insurance Plans” and “Quality of Dentistry” were called out by 56.27% and 34.64% of respondents respectively.

“Other” responses to the question “What is the primary nature of the threat?” identified some very interesting, practical concerns. Among them were “patients prefer to get all of their work done at one office,” “lower costs due to economy of scale” and “focus on same day treatment.”

61.22% of respondents report that they are currently competing with group practices in their local market. The picture is unclear when it comes to just how much group practices are affecting the business of solo practitioners. When asked “Have you lost patients to group practices in your market?” a very slight majority of respondents (51.73%) replied “Yes.” The most common reasons given for leaving solo practices given by patients clearly illustrate the nature of the challenge group practices pose. The primary reason listed
by 61.62% of respondents was “Insurance Related.” This was followed by “Lower Fees” (50.00%) and more convenient hours (27.82%).

Once again, “Other” responses to the question “What reasons have patients given for leaving?” shine a light on key differences between group practices and solo practitioners. Among the reasons cited were “did not get along with doctor,” “changes in the office that long-term patients are not accustomed to and do not do well with change,” and “group practice would tolerate repeated broken appointments.”

We then want to learn how solo practitioners are addressing the business challenges posed by group practices. Responses to question “What steps are you taking to compete with group practices?” indicate that solo practitioners are taking aggressive measures to stem the loss of patients to DSOs. 34.61% of respondents said that their practices now accept a greater range of dental plans. The next most popular strategy was to “Add New Equipment or Technology” (33.64%). 30.31% of respondents have extended office hours and 28.10% have opted to specialize in niche dentistry. A significant number of respondents (19.59%) are taking no steps to compete with group practices. Interestingly, only 9.43% of respondents indicated that they “Lowered Fees.” Other “Other” responses to “What steps are you taking to compete with group practices?” show that a strong trend among dentists to use excellent patient care and strong customer service to differentiate themselves from groups. Other popular answers included increased advertising and promoting specialty technologies and treatments — specifically CEREC, Six-Month Smiles, Invisalign, and implants. The one standout answer for us was “Be Awesome.”
Conclusions

Our final question and perhaps most important was “Do you think solo practitioners have a long-term future in dentistry?” An overwhelming number of respondents (76.52% to 23.48%) said "Yes."

Answered by both career solo practitioners and dentists with extensive experience working for group practices, this should be seen as a heartening endorsement of the healthiness of dentistry’s classic practice mode.

That being said, it is clear that group dental practices are here to stay. The appeal of joining a group practice is easy to see. For recent dental school graduates with upwards of $300,000 in student loan debt, the prospect of opening a solo practice must feel — at least temporarily — out of reach. The task becomes even more daunting when you consider that the cost of purchasing the necessary facilities and equipment can easily run $750,000. For experienced dentists, the costs and headaches associated with doing business can be a driving force behind their decision to join a group practice.
About Futuredontics®

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Sources

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