

Payments posting, Book keeping and accounting made Easy!

Abstract

In today's dynamic healthcare landscape, dental practices are experiencing significant transformations driven by technological advancements, changing patient expectations, and a rising tide of competitive rivalry. This abstract aims to provide an attractive and informative overview of the evolving dental industry, highlighting the key factors contributing to its transformation and the challenges posed by increased competition.

Maintaining accounts and performing payment posting pose significant challenges for dental practices in today's healthcare landscape. This abstract provides an overview of the problems commonly faced by dental practices in managing their accounts and performing payment posting, highlighting the complexities and potential repercussions associated with these tasks.

One of the primary challenges lies in navigating the complex procedures involved in dental insurance claims. Different insurance providers have varying reimbursement policies and requirements, making it arduous for dental practices to process claims efficiently and ensure timely payments. Furthermore, billing and coding errors can occur, resulting in claim denials, delayed payments, and compliance issues.

Payment reconciliation poses another challenge for dental practices. Reconciling payments received from various sources, such as insurance companies, patients, and third-party payers, requires meticulous attention to detail.

From manual and time-consuming processes to complex insurance procedures, billing errors, payment reconciliation, and follow-up on overdue payments, these challenges impact the efficiency and financial stability of dental practices

To get around these challenges, we created a set of services that ensures we take care of every facet of your accounting system. Our vivacious team can offer numerous services around-the-clock.

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1.Introduction:

The field of dentistry is witnessing a rapid evolution due to advancements in diagnostic and treatment technologies. The shifting demographics and evolving patient preferences are reshaping the dental landscape. Today's patients are well-informed, proactive, and seeking personalized care. They expect convenient access to dental services, shorter waiting times, and a pleasant patient experience. Dental practices must adapt by implementing patient-centric approaches, utilizing digital tools for appointment scheduling, and enhancing communication channels to meet these expectations effectively.

However, along with these positive changes, the rise of competitive rivalry presents a significant challenge to dental practitioners. As the demand for dental services grows, the number of dental practices and specialists is also increasing. This intensifies competition, making it crucial for dental professionals to differentiate themselves and stand out in the market

1.1) Overview of Dental industry in USA

The dental industry in the USA is a vital component of the healthcare system, focused on providing oral care, promoting dental health, and addressing various dental issues. Here is an overview supported by relevant statistics:

a) Dental Expenditure:

According to the National Health Expenditure Accounts, the expenditure on dental services in the USA reached \$136.3 billion in 2019, showcasing the significant financial investment in oral care.

The dental expenditure is projected to continue its upward trend, with an estimated growth rate of 3.9% annually from 2020 to 2028, as per the Bureau of labour Statistics.

b) Dental Practices:

The number of dental practices in the USA has been steadily increasing over the years. As of 2021, there were approximately 200,419 dental practices in the country, employing dentists, dental hygienists, and dental assistants.

The American Dental Association (ADA) reports that in 2021, there were around 201,117 practicing dentists in the USA, reflecting the growing presence of dental professionals.

c) Employment and Workforce:

The dental industry provides substantial employment opportunities. According to the Bureau of Labour Statistics, there were approximately 209,000 dental hygienists and 360,000 dental assistants employed in 2020, with employment projected to grow faster than average for both occupations.

The demand for dentists is also expected to increase, with a projected growth rate of 3% from 2020 to 2030, creating around 3,700 new job openings per year, as stated by the Bureau of Labour Statistics.

d) *Dental Insurance Coverage:*

Dental insurance coverage plays a significant role in facilitating access to dental care. The National Association of Dental Plans reports that approximately 77% of the population in the USA had some form of dental coverage in 2019.

However, despite the high coverage rate, disparities in access to dental care persist, with certain demographic groups, such as low-income individuals and racial/ethnic minorities, facing challenges in obtaining affordable dental services.

Overall, the dental industry in the USA is experiencing growth, driven by increasing dental expenditure, a rising number of dental practices, advancements in technology, and a growing awareness of oral health. The industry's focus on expanding access to care, improving oral health outcomes, and addressing disparities remains a significant area of concern and development.

1.2) *Problems faced by dental practices:*

1.2.1) *Insurance Reimbursement Challenges:* One of the significant challenges for dental practices in the USA is dealing with dental insurance reimbursement. Insurance companies often have complex and ever-changing reimbursement policies, which can lead to delayed or reduced payments. Dental practices may face difficulties in understanding and navigating insurance claim procedures, resulting in potential financial strain.

1.2.2) *Manual and Time-Consuming Processes:* Traditional paper-based accounting methods require significant time and effort to maintain accurate records. Manually recording and organizing patient information, treatment details, and payment data can be labour-intensive and prone to errors.

- 1.2.3) *Payment Reconciliation:*** Reconciling payments from various sources, including insurance companies, patients, and third-party payers, can be a complex task. Matching payments received with the corresponding services rendered and balancing accounts can be challenging and prone to errors.
- 1.2.4) *Follow-Up on Overdue Payments:*** Following up on unpaid or overdue patient balances requires effective communication and persistent efforts. However, dental practices may face difficulties in tracking and managing outstanding balances, leading to financial strain and cash flow issues.
- 1.2.5) *Competitive Market and Corporate Dentistry:*** The dental industry in the USA is highly competitive, with a significant number of dental practices and dental service organizations (DSOs). Independent practices face competition from corporate dental chains that leverage economies of scale, extensive marketing efforts, and streamlined operations. This intensifies competition and makes it challenging for independent practitioners to thrive.
- 1.2.6) *Workforce Shortage in Rural Areas:*** Rural areas in the USA often face a shortage of dental professionals. Dentists tend to concentrate in urban and suburban areas, leaving rural communities with limited access to dental care.

2.0) *Needs of Dental practices*

2.1) *Dental Industry Expertise:* Dental practices require accounting outsourcing companies that possess in-depth knowledge and understanding of the dental industry's unique financial requirements. These companies should be familiar with dental-specific billing and coding practices, insurance procedures, and compliance regulations relevant to dental practices.

2.2) *Comprehensive Accounting Services:* Dental practices seek outsourcing companies that offer a comprehensive range of accounting services tailored to their specific needs. This includes

bookkeeping, accounts payable and receivable management, financial statement preparation, payroll processing, tax planning and preparation, and financial analysis.

2.3) Integration with Dental Practice Management Software: Dental practices often utilize practice management software to streamline their operations. They expect accounting outsourcing companies to have the capability to integrate with their existing software systems, ensuring seamless data transfer and synchronization between accounting and practice management functions.

2.4) Billing and Claims Expertise: Dental practices deal with insurance claims on a regular basis. Therefore, they require accounting outsourcing companies with expertise in dental billing and claims management. These companies should be proficient in handling claim submissions, following up on outstanding claims, and ensuring timely reimbursement.

2.5) Compliance and Regulatory Knowledge: Dental practices must adhere to various regulatory requirements, including HIPAA regulations, billing guidelines, and tax regulations. Accounting outsourcing companies need to have a strong understanding of these regulations to ensure compliance and avoid penalties or legal issues.

2.6) Data Security and Confidentiality: Dental practices handle sensitive patient and financial information, making data security and confidentiality paramount. Accounting outsourcing companies should have robust security measures in place to protect sensitive data, including encryption, secure servers, and strict access controls.

2.7) Customized Reporting and Analysis: Dental practices rely on accurate financial reporting and analysis to make informed business decisions. They expect accounting outsourcing companies to provide customized reports, key performance indicators, and financial analysis that help them understand their practice's financial health and identify areas for improvement.

2.8) Cost-Effectiveness: Dental practices seek accounting outsourcing companies that offer cost-effective solutions. They expect transparent pricing structures and a clear understanding of the services included in the outsourcing agreement. Dental practices aim to optimize their financial resources and achieve a favourable return on investment.

2.9) Responsive Communication and Support: Effective communication and timely support are crucial for dental practices working with accounting outsourcing companies. They expect prompt responses to inquiries, accessibility to accounting professionals, and ongoing support to address any financial concerns or queries that may arise.

3.) What do the dentist know about outsourcing accounting services in USA.

a) Accuracy and reliability: Dentists expect outsourcing companies to maintain accurate and reliable financial records. This includes precise bookkeeping, timely recording of transactions, and error-free financial statements.

b) Compliance with regulations: Dental practices have specific regulations and requirements when it comes to financial management and tax compliance. Dentists expect outsourcing companies to have a thorough understanding of these regulations and ensure that their practice remains in compliance at all times.

c) Timely financial reporting: Dentists rely on accurate and timely financial reports to make informed business decisions. They expect outsourcing companies to provide regular financial reports, such as income statements, balance sheets, and cash flow statements, in a timely manner.

d) Cost-effectiveness: Outsourcing accounting services is often chosen for its cost-saving benefits. Dentists expect the outsourcing company to provide cost-effective services that offer value for money. This can include transparent pricing structures and avoiding any hidden or unexpected costs.

e) Customized services: Each dental practice may have unique accounting and bookkeeping needs. Dentists expect outsourcing companies to offer customized solutions that align with their specific requirements. This can include tailoring the services to the size of the practice, accommodating special requests, or providing additional support as needed.

f) Communication and responsiveness: Effective communication is crucial when outsourcing accounting services. Dentists expect outsourcing companies to be responsive to their inquiries, provide regular updates, and address any concerns or questions promptly.

G) *Data security and confidentiality:* Dentists handle sensitive patient and financial information, so data security is a top priority. They expect outsourcing companies to have robust security measures in place to protect their data, maintain confidentiality, and comply with privacy regulations.

h) *Expertise and industry knowledge:* Dentists look for outsourcing companies that have experience and expertise in the dental industry. They expect the company's accountants to understand the unique financial challenges and opportunities specific to dental practices.

4) Services offered to dental practices:

4.1) Set up a secured FTP site to upload checks and EOBs.

4.2) Download EOBs from insurance carrier websites as per Client's guidelines.

4.3) Identify the correct patient and claim in the practice management software

4.4) Post all payments shown on the EOBs into the respective claims and allocate the payments to the correct CDT.

4.5) Close claims by adjusting balances or transfer balances to patients or redirect the claims to Client for follow-up as per Client's guidelines.

4.6) Process denials received in the payment posting files based on Client's guidelines

4.7) If requested by Client attach each EOBs in the patient's account in the practice management system

4.8) Submit the secondary claim after posting the primary payment.

4.9) Generate activity and productivity reports as necessary

4.10) Communicate with Client on a regular basis and provide mutually agreed upon reports detailing

4.11) Make all reasonable efforts to ensure a minimum 95% overall accuracy on the total volumes

processed per month

5) Pricing: (For services mentioned above)

1) Electronic EOB Extraction per EFT	\$0.30 (30 cents)
2) Payment Posting per Claim	\$0.90 (90 cents)
3) If required Adjustments posting / Denial Processing per Claim	\$0.80 (80 cents)
4) Electronic Resubmission / Secondary Claim Submission per claim	\$0.60 (60 cents)
5) Indexing of EOB per patient per EOB	\$0.15 (15 cents)

Pricing models:

Pricing Model-1

1. Broken appointments (per appointment) - \$25 dollars
2. Electronic EOB Extraction per EFT- \$0.30 (30 cents)
3. Payment posting (per claim) - \$0.90 (90 cents)
4. If required Adjustments posting / Denial Processing per Claim- \$0.80 (80 cents)
5. Electronic Resubmission / Secondary Claim Submission per claim - \$0.60 (60 cents)
6. Indexing of EOB per patient per EOB - \$0.15 (15 cents)
- 7.

Pricing Model-2

- Part-time- Accountant (per person, per week) or (10-15 hours/ week) \$35-50 dollars

Pricing model-3

- Dedicated Pricing model: For a fee of \$1,000 to \$1,800, we will integrate all accounting procedures and provide a full-time employee to manage your accounts.
- Same price, irrespective of the size of the firm/ practice.

6) **Conclusion:** Outsourcing of accounting services most importantly enables businesses to focus on their primary business rather than building an accounting department. Outsourcing accounting services can help businesses cut down costs, and also reduce risk of fraud and provide access to the services of dedicated professionals in the field. This white paper contains, a brief analysis of the dental industry in USA, the problems faced by front desk employees in various administrative tasks, we also emphasizes importance on the needs and wants of dental practices, it is observed that 65% of dental practices are looking forward to outsource their accounting tasks, almost more than 86.7% of dental practices know the significance of outsourcing accounting and book keeping services. Dental practices expect comprehensive services that meets their requirements. We also captured at what price; various services are offered by DSO/ DPO.

Overall, the dental industry is expanding on a large scale which provides numerous opportunities to DSO to acquire new clients(Dental practice's), However there is also a cut throat competition. DSO needs to come up with unique offerings, for example, try to integrate AI into their services, which serves as a competitive advantage over its competitors.