

MyDentalChannel Study Guide for **The GOLD Practice Network**



How to Plug In & Profit With the New Study Group



GOLD Practice Network Study Guide



Managing Risk: Protecting Your Million-Dollar Practice

Contents

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Who doesn't want to have a million-dollar practice? Is that a goal at the top of your list or have you already reached million-dollar status? Regardless of whether you are already there or still working toward that goal, this chapter teaches you how to leverage risk management and patient safety to help you achieve and/or maintain your million-dollar practice.

Dentistry has experienced significant changes in recent decades that have dramatically impacted the delivery of care to our patients. New communication and technology tools offer exciting advancements for patient care, but they also present new risks.

The single biggest fear of any licensed healthcare practitioner is being sued by a patient. But in reality, that is but one of the many risks you face, and when the worst happens, it is often the result of entirely preventable missteps along the way. These very missteps create cracks in the foundation of your practice that little by little erode precious time, energy, and finances until the foundation begins to crumble.

Building a solid foundation for your million-dollar practice

The cornerstone of your practice was put in place during dental school, where you received extensive training in the clinical aspects of dentistry and perhaps even furthered your education by specializing. While dental school prepared you to enter the clinical world of dentistry, after that, it was up to you to enhance and refine your skills level and develop business acumen.

Designing and building a risk-proof practice doesn't happen overnight. It begins with a clear vision of what you hope to accomplish. With your vision in place, you begin with site selection, proceed to develop a set of well-designed blueprints, and finally secure a top-notch builder to direct each detail of the building process.

As much as you'd like to be done with it, we all know the building process doesn't stop once you move in. Ongoing maintenance, periodic performance checks, and routine updates must be performed regularly to protect your investment and keep the office running smoothly. There's still much work that lies ahead.

Do the details of running a million-dollar practice keep you awake at night as you ponder how you will grow and protect this valuable asset? Perhaps you have missed the obvious answer—that is, utilizing risk management as a core operational function to tie all the other vital clinical, business, and financial functions of your practice together.

Traditional view of risk management

In the traditional view of risk management, risks or loss exposures were grouped into four broad categories: property, personnel, liability, and net income. Early risk management strategies employed to protect these loss exposures were insurance driven, focusing upon different types of insurance coverage in an attempt to fully or partially transfer risk. Many dentists still rely heavily on conventional measures to protect assets.

Traditionally, the principles of risk management presented defensive strategies to guard against loss exposures, associating claims reduction and dollars saved versus people (patients or staff) and safety. Even though, risk management has always encompassed risk reduction strategies, the primary focus was how to avoid being sued.

More than ever it is evident that none of the risks you face are isolated. In fact, they are quite interwoven. The reality is that, even if a practitioner is never involved in a lawsuit, the number of complaints filed with dental boards is on the rise. One complaint filed with the dental board can easily cost you as much as \$10,000, which may not be covered by your professional liability policy.

How do you view risk management in your practice? Is it a necessary evil? Something you put into place initially and think about only when you take a required course? Ask yourself, "Is risk management in my practice primarily insurance-based or reactive, or is it well built into the infrastructure of the practice?"

New view of risk management

Just as it is impractical to think the systems and processes of old can propel us toward our desired results, it is impractical to think the old view of risk management can serve us well today.

The new view recognizes that the best defense is a good offense. Successful dental offices are strategically and proactively integrating risk management throughout hiring, team building, financial planning, communication, and documentation practices. Risk management begins in the planning stage and should remain integrated into your systems and processes.

As new risks have emerged, conventional approaches to risk management no longer meet all of our needs. Events such as Y2K, 9/11, the Health Insurance Portability and Accountability Act (HIPAA), and other new regulations along with research and technology-based changes have created the need to reassess and redefine risk. These changes paved the way for Enterprise Risk Management (ERM), a progressive approach to risk management that incorporates traditional loss exposures, yet is significantly more comprehensive. ERM categorizes risks into six areas known as risk domains:

- **Operational.** Risks resulting from your core business practices including clinical risk. This category includes all the critical operational aspects of your practice, such as patient records, coding and billing practices, and office policies and procedures.
- **Financial.** Risks associated with the ability of your practice to make money and remain fiscally sound. What do your monthly, quarterly, and yearly financial reports tell you? Have you identified any trends regarding overhead, billing, or collections that need attention?
- **Human capital.** Risks related to your staff, encompassing recruitment, training and maintenance of these individuals. With an ever-changing workforce, employee-related risks continue to grow. Consider possible employee-related risks ranging from property or identity theft to embezzlement or employment-related lawsuits within your practice.
- **Strategic.** Risks associated with external events and trends that can impact the growth and value of your practice. Does what is happening on Wall Street affect your practice? How? What about trends in your local dental community?
- **Legal and Regulatory.** Risks associated with state and federal rules, regulations, and statutes affecting dentistry. If an auditor, state regulator, or federal agent appeared at your doorstep, is your documentation up-to-date? How will you prove you are in compliance?
- **Technology.** Risks resulting from rapidly evolving technologies and equipment, biomedical products, computers, or teledentistry. Is newer always better? Consider the impact that new piece of equipment or software will have on your practice (beyond the bottom line). Poorly maintained and operated equipment can provide a costly lesson. In the case of electronic equipment and devices, security measures must be addressed. Risks, however, don't necessarily exist in isolation from one another; the domains of ERM are flexible, so any given risk may exist in one or more domain. As you identify, evaluate, and select new products and equipment for your practice, you must continually identify, evaluate, and protect your practice from risk.

Key trends that are driving change

Two key trends are driving the changes we have witnessed in risk management.

1, The first is the patient safety movement, based on the documented medical errors crisis in our healthcare system. According to a national poll conducted by the National Patient Safety Foundation in 1997, 42 percent of the respondents believed they had been affected by a medical mistake either personally or through the experience of a relative or friend. This trend indicates the systems and processes we have had in place for both risk management and patient safety have not met the needs of patients or practitioners.

Compared with our medical counterparts, accidents, errors, and injuries are less frequent and severe in dentistry. Still, patient safety is equally important in dentistry.

All healthcare practitioners, including dental professionals, are encouraged to evaluate patient safety throughout our practice beginning with the culture of our practice. The culture of a practice (beliefs and norms of behavior) ultimately drives your risk management and patient safety endeavors. Is developing a culture of safety a priority in your practice?

2. A second key trend is an increased emphasis on communication dynamics and recordkeeping. All practitioners keep records, whether in written or electronic format, but the quality of the records varies widely. It is possible to write volumes of notes that may be lacking in quality, and thus, what is written could be legally unacceptable.

In the past we may have asked where is the documentation, is the informed consent signed, and are charts written up? Now, we must look beyond the fact of actually having documentation to the quality of the documentation and the quality of the communication behind the documentation.

Four simple steps for protecting your million-dollar practice

1. **Protecting your assets, reputation, and, above all, your entire livelihood, is paramount.** The four steps listed below form a blueprint for success formula known as “3R2”™, i.e., Reduce Risk + Refine Relationships = Reach Results. Just as reading, writing and arithmetic are the basics of elementary school learning, this elementary formula transcends the risk domains as well.
2. **Think of risk management proactively.** One of the foremost benefits of risk management is the ability to proactively identify vulnerable habits and practices. When you know how to identify vulnerabilities, you can mitigate situations before they lead to errors or result in litigation or a complaint to the dental board. Start by identifying the assets you wish to protect and the associated risks. See Figure 1 (page 6) for a sample worksheet that will enable you to assess the risks you identify in each of the risk domains. First, assign a severity rating across the top of the worksheet. Next, assign a frequency rating in each column. Risks that are the most severe, with a high rate of

frequency, require immediate attention. Risks that occur frequently but are not as severe must be evaluated based upon the nature of the risk, the potential cost of the risk, and the cost to remedy the risk. Incorporate this exercise along with your regular practice management assessments.

3. **Hire right and train well.** The value of thorough and consistent hiring practices must not be underrated. Don't cut corners on hiring practices or staff training. Too often, reference and background checks are skipped and training is done in a trial by fire method. New staff is shown the ropes while seeing patients. Of course, the new staff member can't absorb everything thoroughly and understand the mission, vision, and philosophy of the practice through this haphazard method. When it comes to hiring and training, cutting corners erodes your risk management and patient safety foundation.
4. **Patient safety in medicine places a strong focus on nurses because these individuals make up the bulk of the medical industry.** The same is true in dentistry. Hygienists, assistants, and business staff make up more than 75 percent of the industry, and these staff members do most of the interacting with patients. What your staff say (or don't say) or do (or don't do) speaks volumes about the culture of your practice. Refine the relationships in your practice by ensuring that members of your staff are good spokespeople on behalf of quality care and patient safety.
5. **Keep Proper Records.** Challenges arise when unusual occurrences, incidents, or patient conversations are not recorded in a legally sound format. It is possible to write volumes of notes containing information that suggests you were negligent or provided substandard care. Beyond the patient care information, documentation needs to be tailored to address the circumstances and nature of the situation itself. See Side Bar #1 (p. 7) for a sample listing of words that in certain circumstances can imply substandard performance or blame.

Unprofessional comments and uncaring attitudes can quickly undermine risk management efforts in your office. Consider these general principles that may assist in the prevention or defense of litigation by reducing risk and refining relationships:

1. Do not document your frustration with or disapproval of difficult patients. Stick to the clinical facts and omit personal opinions about the patient.
2. Avoid expressions that imply a negative value judgment of the patient. Personal opinions lessen the value of your documentation and must not override the importance of capturing clinical data in an objective fashion.
3. Answer questions from patients and/or family members in a serious manner. Flippant or inadequate answers that disregard patient concerns leave an uncaring impression that can lead to the breakdown of the patient-provider relationship.
4. Know thyself. While we are all responsible and accountable for our own behavior, you are ultimately held accountable for your staff. We all have definable communication and behavioral skills and patterns. Once you take time to identify your patterns and preferences

as well as those of your coworkers, staff, and patients, you will gain a new understanding of how to leverage the strengths of your staff to achieve risk management and safety goals.

All relationships and all communications involve choice. We have a choice in everything that we do. How do you choose to view risk, safety, relationships, and the results you desire in your practice? We can't change other people; however, we are responsible for our communication styles and how we react to those of others.

Frequently, it is the fear of the unknown that keeps us from breaking out of the cycle of poor communication habits. When we choose not to change, we choose to remain stuck in our same patterns of communication and behavior because they feel normal and create some level of success (although it's often a false sense of success).

Dentistry is practiced in an ever-changing environment; as products and technology change, so do the risks, either by increasing or decreasing. Now is the time to rethink how risk management is implemented and sustained in your practice. Positioning risk management as part of your foundation will help you protect your million-dollar practice and achieve the results you desire.

Figure 1

Risk Assessment Worksheet

Severity	SLIGHT	SIGNIFICANT	SEVERE
Frequency			
Almost no chance the risk will occur			
Slight chance the risk will occur			
Moderate chance the risk will occur			
This risk will definitely occur			

Adapted from Head, GL and Horn, S. Essentials of Risk Management, Vol 1, 2nd Ed, 1991. Insurance Institute of America. Malvern, Pennsylvania.

Side Bar 1

Words to Avoid When Documenting

Substandard Performance

Aberrant
Defective
Inadequate
Mishandled
Unnecessary

Deserving of Blame

Accidental
Careless
Inadvertent
Negligent
Unfortunate

1. Ching, W.R.H. 2004. Enterprise Risk Management: Laying a broader framework for health care risk management. In R. Carroll, (Ed) Risk Management Handbook for Health Care Organizations, 4th Ed. (pgs. 3-14). San Francisco, California Jossey Bass.
2. Tennenhouse, DJ, Harvey, LM & Owens, JA. (2005). Dental Risk Prevention. Jacksonville, Florida: Horizon Consulting Group, Inc.

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As a licensed healthcare risk manager and experienced dental professional, Linda Harvey teaches dental teams how to leverage teamwork to reduce risk, promote safety and reach results while enjoying dentistry. Her courses are approved by the Florida Board of Dentistry for disciplinary cases. She works with private practices as well as facilities that are AAAHC and JCAHO accredited. To obtain sample Dental Risk Prevention for Auxiliaries pages, or for information on in-office training or seminars email Linda@dentalriskprevention.com or call 904-573-2232.

Step 1 - MY PAGE: How to Connect With GOLD Practice Members & Save Your Favorite Experts

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*"As a dentist for over 20 years, I have never seen the market shift so rapidly. Now, when you most need help and advice, who has the time to travel to seminars? That's why I created **the Digital Study Group -- GOLD -- combining new, continuing education with the tradition of the Study Group.**"* John Buzza, DDS

Sound interesting? Wait till you see it in action!

Called the GOLD Practice Network, this Digital Study Group will enable you to keep up to date without having to travel. I invite you to be one of the select, "first on board" to get the power and profits this Group will help you achieve.

Here's why the GOLD Practice Network study group will be critical to your business survival:

- The Study Group model is successful; you need to interact with other Experts and Dentists, and DO NOT have to be limited to where you live.
- With the GOLD Practice Network, you and your team don't even have to leave town. You can ask questions and learn at your convenience, using just a computer and a phone.
- Limited Seating is available so we can keep this small enough to help you, and large enough to share access with Experts and Dentists from around the country.
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