

MANAGEMENT & MARKETING

(Editor's Note: This quarterly JCO column is compiled by Contributing Editor Robert Haeger. Every three months, Dr. Haeger presents a successful approach or strategy for a particular aspect of practice management. Your suggestions for future topics or authors are welcome.)

I feel extremely lucky to be an orthodontist. I have said many times that if I won a multimillion-dollar lottery on Saturday, I would still go back to work on Monday. Therefore, I'd like to introduce my first column as the editor of JCO's quarterly Management & Marketing feature by expressing my gratitude to the orthodontists who have gone before us. Our predecessors have created a profession that has enabled us to help thousands of people improve their lives, avoid involvement in large corporations with their attendant politics, and make a great living to support our families and our lifestyles.

This is why I believe it is our responsibility to leave the profession in a better position than we entered it. That means paying attention not only to the science of orthodontics, but also to the public perception of our specialty. With fewer than 9,000 of us nationwide, one or two bad apples can hurt our public image in a hurry. We have done an outstanding job in cooperating with our colleagues by forming study clubs and by taking on emergencies from other practices at no charge. In patient care, we have reduced treatment times and developed alternative appliances that don't require special cooperation. We still need to improve our funding of graduate programs to ensure that the next generation of orthodontists isn't saddled with corporate control.

In this Management & Marketing series, I am challenging all of you to give back to your profession by sharing your wisdom and expertise. I look forward to seeing your original articles, helpful hints, and management pearls. You might want to discuss your particular methods for using computers, hiring staff, boosting team morale, configuring your office, or rewarding patients. What systems do you have in place to better organize your staff or your patients? The possibilities are endless. Feel free to e-mail me at

DrHaeger@mybraces.net with any thoughts you might have about future articles. I would be happy to discuss how we can get your ideas in print. I'll start things off this month by sharing my office's method for setting wages and managing raises.

Finally, I'd like to thank my predecessor, Dr. Skip Iba, for so ably coordinating this column for the past seven years. He has certainly left the specialty in better shape than he found it.

ROBERT S. HAEGER, DDS, MS

Setting Employee Compensation

Although hiring, retaining, and compensating employees is one of the most critical aspects of being a CEO, it is an area that few orthodontists have studied. A happy staff will make your practice days less stressful, more productive, and more profitable, and will also improve patients' perception of your office.

Unfortunately, discussing compensation and raises with your team can be stressful in itself. This problem can be resolved by implementing similar pay scales and total compensation worksheets, as described in the present article. My basic philosophy is that if I am as open as possible with all my employees, it facilitates trust and acceptance on their part.

Our compensation process involves the following steps:

1. Set goals and financial incentives to motivate new employees, so they will complete their training as quickly as possible.
2. Create objective criteria for performance evaluation.
3. Produce a total compensation worksheet that can be customized for individual employees. This

takes the mystery out of pay scales while creating a framework for annual financial discussions.

The first two goals are accomplished by re-

coding sequential learning expectations for each position in the office (Tables 1-3). Of course, that process requires complete job descriptions,

TABLE 1
PAY SCALE FOR CHAIRSIDE ASSISTANTS

\$11/hour

- Understand the office manual.
- Read the Kodak manual for an overview.
- Understand how stage codes work.
- Understand the universal tooth-numbering systems.
- Understand how procedure codes work.
- Wipe down the chair and set up for the next patient.
- Sterilize instruments and restock the chairside cabinets.
- Understand how to read the electronic charts and find information.
- Pour up impressions for study models.
- Take x-rays: pano and ceph.
- Perform straight tie-ins.

\$13/hour

- Display complete understanding of stage, procedure, and abbreviation codes used for chart entries.
- Understand the Kodak program screen.
- Understand the filing system.
- Check patients in and out on the computer.
- Read and practice the office manual for patient care.
- Understand and demonstrate proficiency at extra job responsibilities when not treating patients.
- Place separators.
- Take ideal photos: intraoral and extraoral.
- Perfect the impression technique.
- Pour up impressions for appliances.
- Place wire ties.
- Give headgear and elastic instructions.

\$15/hour

- Know all treatment card abbreviations.
- Demonstrate 100% proficiency with impressions, pour-ups, and photographs.
- Know all camera settings and how to diagnose problems with the camera.

- Prepare lab slips and models for lab pickup.
- Prepare chairs for the day's procedures.
- Remove/replace wires.
- Check patients for loose bands/brackets.
- Answer general calls at the front desk.
- Prepare patients for bracket/band placement.
- Size headgear.
- Demonstrate knowledge of various cements and bonding agents and when to use each.
- Meet with parents at the end of the appointment to explain what treatment was done and what to expect at the next appointment.

\$16/hour

- Read and repeat scripts for phone calls.
- Back up the Windows Server and Unix Server computers daily.
- Size and fit bands.
- Perform full debands without assistance.
- Take emergencies without assistance.
- Answer the phones if everyone else is busy.
- Be able to enter new patients and run all reports on the Dolphin and Kodak programs.
- Prepare the laser and patient for soft-tissue exposure.
- Prepare the tray and patient for mini-implant placement.
- Make Essix retainers.

\$17/hour

- Place brackets for indirect bonding.
- Make indirect-bonding trays.
- Demonstrate maximum efficiency, with that extra effort, smile, and office knowledge.
- Know and greet patients by name.
- Use ordering inventory systems.
- Understand the Dolphin, Kodak, and HouseCalls computer systems enough to troubleshoot problems and call in for service.
- Act as a team leader for patient groups.

TABLE 2
PAY SCALE FOR SCHEDULING COORDINATORS

\$11/hour

- Understand the office manual.
- Read the Kodak manual for an overview.
- Understand how stage codes work.
- Understand how procedure codes work.
- Understand the filing system.
- Make patient charts.
- Understand the universal tooth numbering systems.
- Make coffee and maintain coffee service.
- Check the answering machine for messages.
- Call dentists to request x-rays.
- Stuff and mail insurance claims.

\$12/hour

- Read and practice the office manual for patient care.
- Display complete understanding of stage, procedure, and abbreviation codes used for chart entries.
- Understand the Kodak program screen.
- Understand how to read the electronic charts and find information.
- Review and learn treatment card abbreviations.
- Read and repeat scripts for phone calls.
- Reschedule patients as they leave.
- Visit our main referring dentists' offices.
- Greet patients within five seconds of arrival.

\$13/hour

- Demonstrate complete knowledge of all treatment card abbreviations and turbo codes.
- Run no-show reports.
- Run recall cards and send out monthly.
- Keep and monitor the call-back list for patients without appointments.
- Void out the previous day's schedule.
- Set HouseCalls nightly.
- Know the names of all our referring dentists and their scheduling coordinators.
- Monitor banding/debanding appointment availabilities, to be discussed at the morning meeting.
- Request transfer records.
- Understand the answering machine enough to change messages from remote.
- Answer new-patient calls if the treatment coordi-

nators are busy.

- Send out correspondence with proper x-rays.
- Send flowers to surgery patients.
- Change toner on the copier and printers.
- Coordinate oral hygiene drawings.
- Match explanations of benefits as they are returned by insurance companies.

\$15/hour

- Be able to enter new patients and run all reports on the Dolphin and Kodak programs.
- Use turbo codes at all times.
- Handle difficult parents/patients about missing school or work.
- Know the names of all our main referring offices' front-desk people.
- Cover the front office without assistance if someone is out sick.
- Look one week ahead on the schedule for any possible openings that could be filled with a re-bonding, banding, or debonding.
- Back up the Windows Server and Unix Server computers daily.
- Deactivate and purge patients from the Dolphin and Kodak programs.
- Send past-due recall cards monthly to pretreatment patients and retention patients.
- Maintain the office supply inventory.
- Run credit checks on new patients and properly grade them.
- Post payments.
- Run statements.
- Run 30/60/90 insurance balances and research past-due accounts.
- Adjust aging after insurance checks are received.

\$17/hour

- Demonstrate maximum efficiency, with that extra effort, smile, and office knowledge.
- Know and greet patients by name.
- Work through routine financial questions.
- Understand the Dolphin, Kodak, and HouseCalls computer systems enough to troubleshoot problems and call in for service.
- Coordinate office promotion activities.

TABLE 3
PAY SCALE FOR TREATMENT COORDINATORS

\$14/hour

- Understand the universal tooth numbering systems.
- Read chapters in a textbook to understand basic dental nomenclature.
- Know how the various dental specialties work and what they do.
- Understand the office manual.
- Read and practice the office manual for patient care.
- Read the Kodak manual for an overview.
- Understand how stage codes work.
- Understand how procedure codes work.
- Understand the filing system.
- Call dentists to request x-rays.
- Call insurance companies to check on benefits.
- Take x-rays: panos, cephs.
- Take impressions.
- Know how to scan x-rays in the Dolphin software.
- Take all photos.
- Request and acquire transfer records.
- Visit our main referring dentists' offices.
- Understand how to read the electronic charts and find information.
- Review and learn treatment card abbreviations.
- Learn how to conduct initial exam and deband consults.
- Know how to check patients in and out on the computer.

\$16/hour

- Know the names of all our referring dentists.
- Be able to enter new patients and run all reports on the Dolphin and Kodak programs.
- Display complete understanding of stage, procedure, and abbreviation codes used for chart entries.
- Use turbo codes at all times.
- Handle difficult parents/patients about missing school or work.
- Cover the front office if someone is out sick.
- Call insurance companies or access via Internet to determine benefits ahead of time.
- Run credit reports and grade patients.
- Take initial exam appointment phone calls.
- Call exam patients prior to their first appointments.
- Meet with patients at the initial exam appointments completely without assistance.

- Enter the exam questionnaire completely without assistance.
- Work out financial arrangements for patients without assistance.
- Meet with patients at retention consults without assistance.
- Schedule treatment starts.
- Place separators.
- Monitor treatment by other dental offices for patients waiting to start.
- Call exam patients waiting to start.
- Process charts with finished treatment plans, make sure they are scheduled, and print consult letters for dentists.

\$17/hour

- Be able to run both exam rooms if one of the treatment coordinators is out sick.
- Know the names of all our referring dentists and their scheduling coordinators.
- Understand the Dolphin, Kodak, and HouseCalls computer systems enough to troubleshoot problems and call in for service.
- Act as the contact person for OrthoSesame in the office. Periodically change the e-mail message to patients.
- Understand and support Equifax software.
- Schedule doctor lunches, order lunches ahead, shop for side dishes, etc.
- Perform month-end processing.

\$18/hour

- Demonstrate maximum efficiency, with that extra effort, smile, and office knowledge.
- Understand and use the computer for patient demonstrations (IACT).
- Cover the office single-handedly during vacations.
- Notice referral trends from other offices enough to be proactive with lunches and meetings.
- Post contracts on starting patients.
- Process insurance for initial starts.

\$19/hour

- Initiate office improvement ideas.
 - Chair the marketing committee within the office.
 - Make patients feel this is the only orthodontic office to go to.
 - Demonstrate a comprehensive knowledge of how the office runs and what makes us special.
-

which are outside the scope of this article. An hourly wage is then assigned for each level of skills. My pay scales are shown in the tables; you will need to adjust the amounts to fit your own geographic region.

To address the third goal, we adapted a total compensation worksheet from one developed by John McGill.¹ Figure 1 shows an Excel spreadsheet of the total compensation package for a hypothetical employee.

Jane Doe		2003	2004	2005
TotalHoursWorked		1,055	1,735	1,750
Regularwageperhour		\$14.00	\$15.00	\$16.25
		\$14,770.00	\$26,025.00	
Overtime			\$24.38	
Subtotal		\$14,770.00	\$26,049.38	\$0.00
Benefits				
Holidays		\$412.25	\$611.70	
WellDays		\$168.00	\$327.00	
Vacation		\$226.50	\$354.25	
MedicalInsurance		\$900.00	\$1,800.00	
DentaBenefits		\$0.00	\$113.00	
OrthBenefits		\$2,000.00	\$2,800.00	
Bonuses		\$718.00	\$2,325.00	
Uniforms		\$400.00	\$400.00	
ContinuingEd.		\$1,000.00	\$1,000.00	
Total		\$5,824.75	\$9,730.95	\$0.00
Totalperhour		\$5.52	\$5.61	\$0.00
RetirementPlan				
401(k)MatchingTotal			\$1,454.20	
ProfitSharing			\$1,391.93	
Total		\$0.00	\$2,846.13	\$0.00
Totalperhour		\$0.00	\$1.64	\$0.00
Taxes				
SocialSecurityMatch		\$945.11	\$1,493.67	
MedicareMatch		\$221.06	\$349.35	
StateUnemployment		\$56.00	\$56.00	
FederalUnemployment		\$65.00	\$349.01	
Labor&Industry		\$202.77	\$376.32	
Total		\$1,489.94	\$2,624.35	\$0.00
Totalperhour		\$1.41	\$1.51	\$0.00
TotalCompensation		\$22,084.69	\$41,250.81	\$0.00
TotalCompensationperhour		\$20.93	\$23.78	\$0.00
EstimatedCafeteriaPlansavings			\$1,000.00	

Fig. 1 Total compensation worksheet for hypothetical employee.

Discussion

The advantages of implementing employee pay scales and compensation worksheets center around open communication of your expectations for each job position. By using objective criteria in developing a hierarchy of skills, you spell out the desired learning curve and financial incentives for new employees. This system prioritizes the skills you want learned, in order of importance, and encourages every staff member to become fully trained as quickly as possible. It also lets new employees know that you want them to earn more money by spelling out how they can achieve raises. The pay scales make it easier for new staff members to understand why they may not be getting raises at their first annual reviews while others are moving up the ladder.

Using the total compensation worksheet allows you to pay different salaries and benefits to employees with different skills while keeping your net costs similar for like jobs. Our worksheet is updated annually to show team members the true cost of their benefits, changes from prior years, and proposed changes for the upcoming year. Every two or three years, I survey other orthodontists in my area and list their total compensations based on job titles. I then show the cumulative worksheet to my staff. This helps head off the complaint that "Susie makes this much with Dr. Smith; I think my raise should be higher this year".

Conclusion

Discussing wages was an uncomfortable issue when I first started practicing, but that has all changed in recent years, since we started using objective criteria for employee compensation. Implementation of the pay scales and total compensation worksheets has taken most of the wage stress out of my office.

My intention is to compensate employees fairly. If I pay them too little, they will leave; if I pay too much, I would regret it. The system described here at least partially explains why our office hasn't lost a single employee to another local dentist or orthodontist in my 16 years of practice.

REFERENCES

1. McGill, J.K.: Four steps to handle staff pay raises for 2006, Blair McGill Advis. 21:3-4, 2006.

ROBERT S. HAEGER,
DDS, MS
24909 104th Ave., S.E.,
Suite 203
Kent, WA 98030
drhaeger@mybraces.net

