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THE EDITOR'S CORNER

Plenty of Room at the Bottom

Several years ago, I noticed that I was converting into patients only about 70% of the people who came to my office and had records made. Not only that, but many of the 30% who did not choose to have treatment then developed the idea that they didn't owe anything for their records, since I had "not really done anything for them". After months of trying to get these people to honor their debts, we ended up sending many of the cases to a collection agency. No one other than the collection agency benefited from this, and the poor public relations these tactics engendered far outweighed any economic return for my practice.

I finally resolved the problem when it dawned on me that I wasn't in the orthodontic records business, but the smile business. At that point I stopped charging for records altogether. But I started talking about the fee at the first visit, as well as the approximate time the patient would be in treatment. I decided we would alter our fee policy by waiving the down payment. Instead, we began allowing patients to pay in equal monthly installments over the treatment time.

Without those down payments, the office income dropped rather seriously for about six months, but then it began to build upward, and soon it exceeded what it had been previously. More important, though, we found that 96% of those who came to the office now accepted treatment. Simply by eliminating the down payment requirement, we increased our case acceptance rate by more than a third.

Unfortunately, it never occurred to me that this might be a franchiseable idea. But several of the orthodontic management service organizations apparently understood the significance of such a policy, and they have ridden it to their own enrichment as well as their investors'. Truth be told, they have uncovered thousands of new patients by appealing to those closer to the bottom of the economic ladder—patients who had largely been written off by most orthodontists.

Technological advances have enabled orthodontists

to reduce their fees relative to the average hourly wage over the past 50 years, and that has enabled far more people to seek our services. Right now it costs about 250 hours of work for the average laborer to pay for orthodontic therapy. In 1950, it cost more than 432 hours of work. I expect that in the near future, with further advances in technology, orthodontic fees will drop to the equivalent of 200 hours of work. If we can combine that reduction with easier payments, there is no telling how many new patients we will encourage to seek orthodontic treatment.

As a parallel example, in ophthalmology, the simple idea of using lasers to change the curvature of the eye has revolutionized vision correction. Originally, eye surgeons were charging \$3,000 per eye, and they would do two to four procedures per hour. With fees that high, however, it wasn't long before price-cutting began. The cost of laser eye surgery is now less than \$1,500 per eye in many offices; at vision centers, which now account for nearly half of the surgeries, the cost is below \$500 per eye, and patients are

allowed to pay at the rate of \$33 per month. Small wonder that the number of laser eye procedures in the United States doubled to more than 950,000 last year, and is expected to far exceed 1.5 million this year. Industry executives say that 60 million people are candidates to have the shape of their eyes surgically altered. Indeed, there is a lot of room at the bottom as soon as the price and payment plans become reasonable.

For many decades orthodontists appealed mainly to a small, well-to-do crowd. That was OK when clinicians were pinching every band and welding and soldering every attachment themselves. But with prefabricated and prewelded bands, efficiency and productivity rose, the relative price dropped, and suddenly orthodontics became a reasonable health investment for the middle class. Preadjusted orthodontic appliances extended that appeal even more. With further technological and financial refinements, orthodontists may find an inexhaustible supply of new patients down at the bottom. It makes you look forward to the future. LWW