Jeremy D. Behar

Change, Evolution, and Choice: The Growing Diversity of the Canadian Dental Care Market

Fifteen years ago, as a consultant and advisor to both Canadian and American dentists, I watched as the landscape of organizing, financing and delivering dental care began to change in the United States, largely due to the growth of corporate dental organizations. These organizations began partnering with dentists and their practices, talking about ways to help dentists increase their happiness, provide better quality patient care, and establish more predictable incomes for dentists and their families. The main theme was to provide dentists with increased professional enjoyment by allowing them to simply be dentists, rather than spending 50 per cent or more of their time managing a business.

Since the early introduction of dental service organizations (DSOs) in the U.S., we have seen the entry of a broad spectrum of organizations enter the U.S. dental market. These groups come in various sizes with varying geographic focuses and starkly diverse goals for their businesses and the people employed within them. As in any social and business dynamic, people do what they do for very different reasons. Some DSOs are large, publicly traded corporations, and others are comprised of individual dentists who have had success in one office and now want to replicate that success by acquiring five to 10 more practices. Importantly, this diversity has offered us insight and instruction into what can be positive and negative in this sector of the dental care market.

Naturally, not all dentists in Canada have used this insight and instruction to make fully informed decisions for themselves, their families and their practices. The result: due to a basic lack of due diligence when planning a transition of one's practice and career path, dentists are compromising their hard work and equity. As well, many dentists opine that, by definition, "corporate dentistry is bad." This is not true and is an oversimplification of what is really going on in the dental care market.

Squashing a generalization

I was recently in Chicago teaching a course to 80 dentists, and one of them made the aforementioned statement in front of the room. When I asked why he thought corporate dentistry was bad, he couldn't provide a clear answer except to say that he was voicing the experience of one colleague. While his colleague's experience may indeed have been bad, I then told about a bad experience I'd had as a dental patient 21 years before, noting that I could use the same logic to conclude that "all dentists were bad."

The point is, there is good and bad in dentistry as there is in any profession or industry. Some enter an industry with a long-term perspective on value creation, and others enter for short-term gains. Yet history has generally taught that the long game is generally more productive for everyone. And in the dental industry, which in Canada is currently undergoing unprecedented change and evolution, the long game matters.

The Canadian dynamic

I've watched the landscape of organizing, financing and delivering dental care change in the U.S. and, more recently, have seen how this change has begun to take hold in Canada. As in the U.S., the entry of the "corporate model" was accompanied by significant fear and the idea that the industry was headed down a dangerous path. Some commented that every dentist was going to be gobbled up, and that dentists' professional independence and clinical autonomy would be lost forever.

I can understand this fear as, until recently, dentists in Canada largely had two choices for navigating their careers: they would graduate from dental school, associate for a few years, and then painstakingly decide whether to buy a practice from a retiring dentist; or they would scratch-start a practice by finding a suitable location and constructing a dental office. All the while, their professional independence would be largely guaranteed, as would a certain amount of professional, personal and financial success. Indeed, the road was clear, and if travelled carefully, all would be well. Yet, as some have argued, dentists may actually suffer from too much freedom and independence, and could do with a little more professional collegiality, unity, support and leadership. Being a solo dentist, isolated in one's own practice, can be a lonely way to make a living — and we have heard this sentiment from dentists for a long time now.

Is a third option viable personally and professionally?

There is no doubt that following either of the paths above comes with pros and cons. Similarly, "corporate dentistry" has presented another choice, itself with pros and cons. As has been argued by the corporate model, partnering with a DSO, by either integrating a practice, or simply associating (if one isn't an owner), removes a variety of non-clinical decisions that can cause psychic noise, emotional and physical stress, lead to risk and increased expenses, and ultimately result in a lack of focus on clinical work. The DSO model can also provide certain supports that make dentistry less isolating and more supportive.

Yet, when one talks with dentists who have partnered with DSOs, we hear an array of opinions. While some will tell you it was the best professional decision they ever made, others may quietly share they are counting the days until the partnership or contract is all over. As in all professional and business decisions, improvements and better outcomes do not always materialize. I regularly receive calls from dentists in the U.S. and Canada asking for ideas on how to "get out" of their current DSO partnership sooner than they had committed. Each time I receive one of these calls, I ask the same question: "Looking back at when you sold your practice and partnered with the DSO, what primarily drove your decision?" Sadly, if the person is forthcoming and honest, they will often answer: "Money…. they offered me good money." Again, as in everything in life, if the drive is simply to enrich oneself quickly and aggressively without consideration for the aforementioned long game, there is less chance of experiencing positive outcomes — which can range from minimizing personal, professional and familial risk, to safeguarding the value and brand that one has built.

Once again, it's important to learn from history, ask questions, do your due diligence and make decisions based on value, not money. Just as we make choices about where to send our kids to school, or where to shop for groceries, or with whom to spend our personal time — based on shared values and/or beliefs — dentists in Canada should be applying the same thinking and the same choice selection in planning the transition of a practice. Remember, deciding who to partner with is just as important as deciding whether or not to even consider a change.

Some questions to ask

You have choice, and reputations matter, giving you more to base your decision on than just purchase price. Here are some questions to ask when considering a partnership with a DSO:

- Who is leading the DSO?
- How much of a clinical focus is there?
- Is there any potential for undue influence on clinical decisions, patient care, or access to care?
- Could the sale value of your practice influence the DSO's performance expectations from you down the road? If yes, how?
- How much support and training will you and your staff receive?
- How active and responsive will the DSO be to the day-to-day needs of you and your staff?
- Is there potential for the culture in your office to improve or decline?
- Are there upgrades in equipment and technology?
- Is the DSO's mindset on sales growth or to improve the industry?
- Is there a focus on quality of care and patient outcomes in real measurable terms?

In closing, the central and common goals should be to improve patient care, access to dental care, and the well-being of our industry. And the way to do this is to ensure that providers are looked after. As dentistry changes and continues to evolve, if these are the goals, there is a strong likelihood that we will be in good stead.

Jeremy D. Behar is founder and co-CEO of Canadian Dental Services Corporation. Jeremy can be reached at jdbehar@cdscorp.ca or by calling 647-789-3226.