My Experience

My experience NHS primary care:
Running a nine and thirteen surgery practice (both ‘true’ partnerships)
98.4% & 99.9% NHS - GDS & PDS contracts
Training of therapists in practice
High UDA targets
High need areas
In sixth year of running this business model
Financial viability?

Harris and Burnside.

……It appears that the gross fees and patient charges generated by the dental therapist in all four PDS practices fail to cover the cost of the salary of the dental therapist, dental nurse and associated overheads borne by the practice.

Brocklehurst & Tickle.
Br Dent J. 2011 April 09; 210:303-308

……dentistry is fundamentally operated as a business and the current contract NHS contract places pressure……within a practice to maintain financial viability. This acts as a disincentive to use therapists….
The Profit & Loss Account

Income: NHS(Patient charges & NHS contribution) + Private + Sundries

Expenditure
Wages: Associate Dentists, Therapists, Hygienists, Practice Managers
       Dental Nurses, Receptionists, Cleaners
       Laboratories, Materials, Utilities, Insurance, Other costs

\[
\text{Income} - \text{Expenditure} = \text{PROFIT}
\]

Profit – split between partners or goes to company or corporate body
Other financial Considerations

Partners working clinically in the practice

Owner/s, corporate, not clinically participating

How much does the partner, owner/s, corporate expect to take as profit?
# Associate Wages

**BDA News April 2013**

<table>
<thead>
<tr>
<th>Country</th>
<th>Average taxable income for NHS committed associates for their NHS and private dental work (£)</th>
<th>Source: Health and Social Care Information Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>England &amp; Wales</td>
<td>69,442</td>
<td>65,697</td>
</tr>
<tr>
<td>Scotland</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>N. Ireland</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Therapist salaries on qualification

### Recommended remuneration guidelines

1 April 2013 - 31 March 2014 for dental hygienists

#### NHS Practice

**Salaried (37.5 hours per week)**

<table>
<thead>
<tr>
<th>Experience Level</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>On qualification</td>
<td>£26,573.97</td>
</tr>
<tr>
<td>After one year</td>
<td>£27,623.81</td>
</tr>
<tr>
<td>After two years</td>
<td>£28,801.35</td>
</tr>
<tr>
<td>After three years</td>
<td>£29,979.47</td>
</tr>
<tr>
<td>After four years</td>
<td>£31,025.64</td>
</tr>
<tr>
<td>After five years</td>
<td>£32,073.66</td>
</tr>
</tbody>
</table>

**Hourly (self employed)**

<table>
<thead>
<tr>
<th>Experience Level</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>On qualification</td>
<td>£15.53</td>
</tr>
<tr>
<td>After one year</td>
<td>£16.63</td>
</tr>
<tr>
<td>After two years</td>
<td>£17.78</td>
</tr>
<tr>
<td>After three years</td>
<td>£18.85</td>
</tr>
<tr>
<td>After four years</td>
<td>£20.29</td>
</tr>
<tr>
<td>After five years</td>
<td>£21.79</td>
</tr>
</tbody>
</table>

#### Independent Practice (self employed)

**Hourly**

<table>
<thead>
<tr>
<th>Experience Level</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>On qualification</td>
<td>£20.60</td>
</tr>
<tr>
<td>After one year</td>
<td>£22.27</td>
</tr>
<tr>
<td>After two years</td>
<td>£24.03</td>
</tr>
<tr>
<td>After three years</td>
<td>£25.20</td>
</tr>
<tr>
<td>After four years</td>
<td>£26.41</td>
</tr>
<tr>
<td>After five years</td>
<td>£29.24</td>
</tr>
</tbody>
</table>
Financial models

All the following financial models use the following:

One UDA = £25
Therapist-hygienist pay @ £23/hr
Nurse pay @ £10/hr
Other overheads @ £10/hr
Associates 50% of gross

NB;
• These are very simplistic models of a complex business
• UDAs are a ‘swings & roundabout’ system
Financial implications – Partners with Therapist

Example: an exam and ‘simple’ filling appointment for two patients:

- Dentist does examination 1UDA – appointment time 10 mins
- Therapist does filling/s 2 UDAs - appointment time 30 mins

At £25/UDA = £50/patient   Two patients income from therapist £100/hr

- Costs/hour - Therapist £23 + Nurse £10 + overheads £10 = £43
- Income £100 - £43 = £57

Total to partners  £57 + 2 Exam UDAs @ £50 = £107 (2 patients/6UDAs)

(for the hour the therapist is working the dentists is also working!)
Financial implications – Partners with Associate

*Example Practice Associate exam and ‘simple’ filling appointment for two patients:*

- Associate exam 1UDA – appointment time 10 mins
- Associate Dentist does 2UDAs - appointment time 30 mins
- At £25/UDA = £50/patient income £100/hr

- Cost/hour Associate 50% gross £50 + Nurse £10 + overheads £10 = £70
- Income £100 - £70 = £30

Total to partners £30 + 50% of 2 exam/UDAs (£25) = £55 (2 patients/6UDAs)
Financial implications - Partners

Summary
For two patients (80 mins work)

*Income to practice:*
Partners & Therapist-hygienist - £107
Associate dentist - £55
Financial implications for Associates

Options

• Don’t allow them to use therapist/hygienist!
• Charge Associate for each item of treatment
• Average out UDAs
• Hourly rate charging system

• Reduced UDA value offered and increased number UDAs to achieve!
• **Free access to prescribe for therapist/hygienist**
Associate contribution to cost of therapist.

Example for one month:

Practice UDA value £25
Associate UDA value £20
Gross UDA’s achieved in month by associate & therapist 700
Associate 700UDAs x £20 = £14000 gross
Lab charges £2000 = £12000 gross
Net associate earnings (50%) £6000 per month

Practice income 700 UDA’s at £5 = £3500
There is a financial balance!

*Example:*
Therapist productivity 450UDA/month (e.g. 2 UDAs for fillings)

450UDA’s x £25 = £11250 if only partners use therapist

½ Associate (£3500) and ½ Partners (£5625)=£9125

2/3 Associate (£3500) and 1/3 Partners (£3750)=£7250

(Minus therapist wage £3600 + Nurse £1282 + overheads = £X profit)

i.e. The more the associate uses the therapist the more the profit decreases!
Financial implications

Associate v Therapist

**Example:**

Therapist/Hygienist or Associate productivity
450 UDAs / month @ £25/UDA
Gross £11250

Returns to practice for the same work
Therapist wage £3600/month Practice= £7650/month
Associate 50% = £5625/month Practice=£5625/month
How will it affect the associates?

• Earnings no change
• De-skilling in basic restorative work therefore potentially less able to assist therapists as necessary
• Allows interests to develop
• Development of clinical pathways
Summary

• Therapist productivity is the same as dentist for similar work

• Financial variables:
  UDA difference, % paid and the UDA target for the
  associates are the controlling factors.

• Ratio of Dentist to therapist/hygienist & size of practice?

• Partners v Associate v Therapist - a difficult balance

• Financial & business planning issue

• What profit do partners/corporate expect to make?
Direct Access

Massive scope for the development of new and exciting innovative financial models designed about in practice clinical pathways, to get the best clinical results for the patient!
Thank you for listening!