

# The Employee Dentist Catch-22

by Simon Palmer

Many dentists have found a Catch-22 when it comes to employing dentists. The practice's main success criterion for employing a dentist has to be the dentist's ability to generate repeat business for the practice. The problem is that the more successful the employee dentist (ED) becomes at generating patient loyalty, the greater the risk of patient attrition when the dentist leaves the practice.

The patients that an employee dentist sees while he is working at a practice technically belongs to the practice. However, the loyalty of the patient often lies with the ED instead of the practice. If the dentist were to leave the practice after a couple of years of working there, there is a good chance that many patients will follow.

How can a practice protect itself so that the goodwill of the patients will stay with the practice if or when the employee dentist leaves? There are two strategies that can be utilised:

1. Building a wall around the goodwill
2. Spreading the goodwill throughout the practice

These strategies are not exclusive and should be done in conjunction with each other.

## 1. Building a wall around the goodwill

Most practices will try to protect themselves from this problem by putting clauses in the employment agreement with their dentist, called "restrictive covenants". These clauses say that if the dentist were to leave the practice, he or she would be restricted from practicing within a certain radius of the practice, for a certain amount of time.

These clauses and the threat of legal action often act as a decent deterrent for employee dentists thinking of working or setting up a practice nearby.

There are two problems with these clauses.

- i. Even if these clauses are placed in an agreement and the agreement is signed, there is a justified reluctance by most practices to seek legal action if they are later breached by the ex-employee. Most practices will not want the expense and stress of going to court, unless the damage to the practice has been severe. Someone thinking of breaking these clauses could count on this reluctance.
- ii. Even if you do take the breach to court, and the agreement is clear and signed, there are legal precedents to suggest that it may not be enforceable. The restriction conditions may only be enforceable if the court rules that they were reasonable to begin with. The smaller and more reasonable the restriction zone, the more likely it seems that the courts will make it enforceable. For example, if the restriction zone is the whole state you live in, it will probably not be enforceable even if the ex-employee signed the agreement.

What is considered reasonable with restrictive covenants will vary depending upon the type of area you live in (metropolitan, suburban, rural) and the likelihood that patients will follow you.

The restriction conditions may also not be enforceable if it is not in the community's interests. For example, courts may be reluctant to run a dentist out of a rural area in need, regardless of what the "restrictive covenants" of a practice's agreements say.

## **2. Spreading the goodwill throughout the practice**

If your employee dentists are solely responsible for building goodwill with the patients, then the patients' goodwill will be solely reliant on that dentist, regardless of whether it technically belongs to that dentist or not. When the dentist leaves, there will be widespread patient attrition because the patient was coming to the practice for no other reason.

The challenge for every practice owner is to provide as many other reasons as possible for the patient to come to that particular practice. If the responsibility for building patient goodwill is spread throughout the whole practice and with each team member, then the practice risk is lessened. The patients will not be coming in just because of the dentist they see. They will be coming in for a variety of reasons that will be more likely to outlast any particular clinician.

Every member of the team needs to have a part to play in building goodwill, in every point of contact. For example:

**The front desk team** needs to appear warm, friendly, organised, and never out of control. Their communication skills, whether it be about reappointing, handling an invoice, or on the phone, needs to convey total professionalism and competence. They need to run the appointment book so that appointments run on time and they need to appear prepared for what the day brings - not just for the appointed patients, but for every phone call and emergency. The patient needs to see this person as their friend, their window into the practice, and someone who will always look after their needs.

**The owner of the practice** needs to be committed to having the décor of the practice and the equipment always looking clean, up-to-date and modern. They need to be committed to continuing education (clinical and communication) for every member of the team, so that the practice is always performing optimally, up-to-date with the latest techniques and materials and at the forefront of the industry in the eyes of the patient.

**The hygienist** needs to be portrayed, in the eyes of the patient, as playing an equal role in the oral health of the patient. The hygienist needs to have as much ownership of the oral health of patients as their dentist. The passing of information between the dentist and hygienist needs to appear seamless so that the patient believes that both are equally informed.

**The Dental Assistant (DA)** needs to appear to work and interact with their dentist/hygienist as if they were a metaphorical right hand. They have to be friendly and communicative when showing the patient to the chair and attentive to the patients needs when the dentist is out of the room for any reason. The patient needs to look on the DA as another 'friend' that they have at the practice.

**Cross referring.** Dentists within a multiple-clinician practice need to cross refer within that practice where possible. That is, have different clinicians specialising in different procedures. For example a patient could see the hygienist for regular visits, one dentist for direct restorations and a different dentist for indirect work. This would have to be set up with the patient in advance (maybe from the beginning in the new patient exam).

### **Conclusion**

Restrictive covenants may protect your practice when an employee dentist leaves you but the cause of the risk will remain and be a problem to the practice with future employee dentists.

The only way to minimise the risk that an employee dentist represents to the practice is to attack the cause of the problem. Patients will only follow an employee dentist away from the practice if they haven't been given enough reasons to stay.

Rather than giving the employee dentist a hands off ownership of their patients, a practice needs to make its appearance, its culture, its systems and of all its team members accountable for each patient's goodwill.

If a patient's goodwill is spread throughout the practice and isn't focused on any one individual it will outlast most employees' time at the practice.

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