



PRIME PRACTICE  
the dental management specialists

## Discounted Dentistry

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In the early days of my dental career, I made almost every mistake possible. I made some mistakes that I'm sure some people wouldn't even think possible. Looking back, I can't beat myself up too much about it. There was no one to guide me - no consultants, no mentors, no one to tell me that some of my business decisions were a little foolish.

*One* of my errors when I was an employee dentist was to give discounts to anyone and everyone that I knew. My family, my extended family, my friends, their families and their friends, all benefited from my misguided "generosity". The list grew larger by the day – as did the discounts. After a while it seemed that most of my patients were getting 10-20% discounts, and some even more.

As an employee dentist that meant I was giving away an enormous part of my income and, although I didn't appreciate it at the time, I was also giving away money that wasn't mine – that of my employer. By giving excessive discounts I was unintentionally stealing money from my employers.

When I first owned my own practice, I eventually worked out that giving away 30% meant giving away virtually all my income. I was working for close to nothing! I knew it had to stop, but wasn't quite sure how to do it, or what rules to put in place regarding discounts.

Now that I'm deeply involved in practice management, and am asked for advice and counsel by a number of dentists, I realise that the questions I had are common to most dentists. The question and degree of family, friend and staff discounts comes up regularly, and predictably.

I believe that there will always be certain people that you are honour-bound to treat for a discounted fee, mainly close family, staff, and very close friends.

### **Family**

Discounted fees to your immediate family is almost a given. I obviously treated my parents and wife and children for free. I gave discounts of up to 20% to my siblings and to their families. Extended family of mine (uncles, aunts, cousins, kids of cousins) would get a discount of approximately 10%. I would never expect nor accept discounts of higher than that when I did business with them, and would have probably felt extremely uncomfortable if the quantum had exceeded that.

### **My staff members and family of my staff**

I had a policy of giving my staff members free treatment and I encouraged them to take me up on this free service. Having staff members with immaculate, white,

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clean teeth becomes a walking advertisement of your services to anyone that comes into the practice. It also means that the staff will be able to personally recommend your services when they are asked by patients.

The only two conditions I had surrounding staff members' free work was that:

1. They didn't put their name in the appointment book. In other words they would get their treatment in practice downtime, either when we had last minute cancellations, or no-shows, or even after hours, when a fellow team member would agree to stay back and assist without pay.
2. They would be expected to pay any lab bills arising from their treatment.

I also offered a discount rate of 10% to staff member's parents and partner. I saw this as part of the staff's remuneration package - one of many things that can increase your staff's longevity at your practice.

### **Friends**

I realised I had a discount-giving problem when I started looking at reports on friends who had received discounts from me. When I realised that I was utilising many of the services in *their* businesses and not receiving any discounts, I began to feel that I was being somewhat abused.

For me, the only solution with seeing friends professionally is to treat them like you would anyone else. Offer them the treatment you would want for yourself and at the fee that you would normally charge. The maximum discount you should consider is 10%, and very few people should even be getting that.

### **Employee Dentists**

There's one more issue to consider, and that is what to do with respect to employee dentists, *their* relatives and *their* friends.

The policy I recommend is 10-20% for their nuclear family, free for their staff (they treat them), 10% for more distant family and for their close friends and parents.

### **Discount Protocols**

There are two discount protocols that I always recommend to any practice, regardless of the policy and percentage that they decide to give away:

1. Set up a written policy in advance, rather than making ad-hoc decisions at the time of treatment. If there are discounts for staff and employee dentists' families, define what is meant by "family". Make sure that everyone in the practice knows and agrees to the policy, and ensure that new team members are made aware of the policy on day-one.

It's much easier to set out the policy in advance, thereby preventing an awkward conversation where you tell your employee dentist to stop giving so many discounts.

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2. When you are giving the extended family member, friend or staff member a discount, give them an invoice showing the full amount, the discounted amount and the final fee. This will help them appreciate what it is that you are giving them.

Unfortunately, as generous as dentists often are with discounts, as a general rule, most people will not appreciate them. Whatever we charge, the public will always think that dentistry is expensive because they don't understand that we have overheads of 60%-70%. This being the case you may as well make sure that your policy supports your business.

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