



# ADS Florida BuyLine

OPPORTUNITIES FOR DENTAL PRACTICE BUYERS & ASSOCIATES

FEBRUARY 2012

IN THIS ISSUE



Start The Year Off Right!



Social Marketing Could Bite Back

ADS Florida *Congratulates*

Thomas Fellner, DDS to Patrick Ferry, DMD Bartow

Denby Matthews, DDS to Alex Semidey, DMD Davie

Robert Hammond, DDS to Sandeep Patel, DDS Daytona Beach

Charles Harrell, DDS to Sandeep Patel, DDS Daytona Beach

Philip Topcik, DDS to Claudio Varella, DMD Jacksonville

Keith Hilliard, DMD to Andrew Dietrich, DMD Lakeland

Christopher Bonham, DMD to Carey Bonham, DMD Largo

Art Molzan, DDS to Matthew Holtan, DDS Naples

Fred Fox, DDS to Ben Adams, DDS New Smyrna Beach

Mark Fleming, DDS to Joshua Colkmire, DDS Sarasota

Robert Farber, DMD to Bijal Joshi, DDS Tampa



**What You Can't Control:**  
The European Debt Crisis

**What You Can Control:**  
Your 2012 Practice Budget and Fee Schedule

As we arrive in the New Year, all of us at ADS Florida hope you enjoyed your 2011 holiday season, and we wish you a very happy, healthy and prosperous 2012.

In our first newsletter of last year, we noted that doctors face unprecedented uncertainty in the economy, their practices and investments. Our feeling has certainly brightened due to the general trend of economic signs over 2011. (Most signs continue to point towards an ongoing and imminent recovery; visit [adsflorida.com/economic-recovery](http://adsflorida.com/economic-recovery) for indicators.) While economists nationally and worldwide are optimistic, we know we are not out of the woods yet, and there continue to be constant and varying pressures on your practices.

Uncertainty in Europe continues to affect our financial system, and the political forecast is for legislative gridlock as the election season heats up (and the stability of the economy is challenged by presidential and congressional candidates alike). Therefore, it's more imperative than ever for doctors to spend the time and energy to establish a practice budget, in conjunction with a full review of their fee structure, to help assure success.

### What you can do now for a better 2012

Doctors who have not already completed a budget should begin the process now so that they can have a comprehensive budget in place as soon as possible for the remainder of the New Year. While only about 10 percent of doctors nationwide have a written practice budget, their practice profits are dramatically higher than the remaining 90 percent who do not.

In previous years, we have suggested a close examination of overhead expenses, comparing them to previous years and adjusting. We have also suggested reviewing your staffing, as well as automatic pay raises versus bonus plans. As a supplement to budgeting, you must also review your fee schedule and consider the timing and amount of a fee increase for this year. We recommend that doctors select a fee percentile that accurately reflects their quality of care, and then increase all fees below that percentile up to it. (Request a localized ADA code report at [adsflorida.com/fee-report](http://adsflorida.com/fee-report)). Once your practice's fees are at the desired percentile, you should raise every fee by the same percentage across the board, **every year**.

Your practice budget and fees are vital for the ongoing success and health of your business. A little time now will save stress—and dollars—throughout the year.

### Questions about your practice for 2012?

Email us at [question@ADSflorida.com](mailto:question@ADSflorida.com). For a local overview of fees for 2012, ADS Florida is offering you a free customized report.

If you are interested in receiving one, please visit [adsflorida.com/fee-report](http://adsflorida.com/fee-report) and complete the form.

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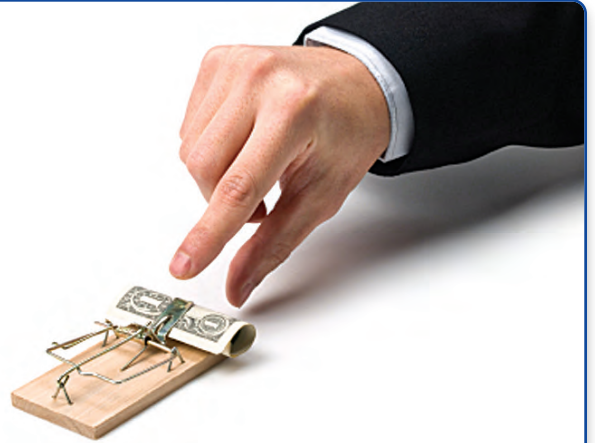


ADS Florida's specialized network includes relationships with the leaders in the dental transition industry including:

- | Lending Sources
- | Legal Counsel
- | Accounting Advisors
- | Technology Consultants

# Such a Deal!

## How Social Couponing Could Lead to Fines, Loss of License or Imprisonment.



Today, the consumer is always looking for—and sometimes even expecting—a good deal when it comes to purchasing products and services. This mindset has fueled the growth of companies such as Groupon (social coupons) and LivingSocial (social commerce). Currently, Groupon alone totals 50 million+ subscribers, with about half of those in North America, while LivingSocial has a total user base of about 46 million, with 34 million of those in the United States.

The combination of the current economic strains and the size of the user base that these two companies have amassed has driven many dentists to at least consider using Groupon and/or LivingSocial as a means of attracting new patients. Unlike other professions for which social coupons may be utilized without fear of violating legal or ethical rules and regulations, it is vitally important for our dental and medical professionals to consider state and federal law when looking at this or any other kind of promotional program.

### Groupon

Groupon features a "daily deal" and promises a company a minimum number of customers. This minimum number of customers is used as leverage for the business to offer deals that are not available anywhere else. It is noted that Groupon has saved consumers more than \$300 million since 2008.

### LivingSocial

LivingSocial features "LivingSocial Deals" which allow people and their friends to save significantly at local businesses and events through the design of "total experiences that bring an adventurous, loyal new following to local businesses."

Dental offices throughout the country have signed up with companies like Groupon and LivingSocial to offer discounted procedures including orthodontic treatment, teeth whitening, teeth cleaning and radiography with the hopes that these patients will stay and need additional treatment. However, according to the American Dental Association's legal division, this discounting/promotional program might raise legal issues, depending on the state in which the dental service is offered.

### What Legal Issues, Specifically?

In many states, there are regulations that prohibit or restrict what may be given to a third party as a means of soliciting patients. So, in this case, the third party (Groupon, LivingSocial, etc.) is receiving revenue based on the procedure performed on the patient who visited due to the marketing from their service.

On a national level, the federal anti-kickback statute regulates federal health care programs, including Medicare and Medicaid. The statute

generally prohibits dentists from offering or paying money in exchange for a referral. Dentists found in violation of the federal law could, at the least, be excluded from federal health care programs, but further may be subject to fines or even imprisonment. On a state level, censure and reprimand, suspension or revocation of a doctor's license, and/or fines are all on the table as potential repercussions.

Some have felt that simply calling the discount "advertising" is shielding them from a potential problem, but they still may find themselves in violation of the law, as many states have regulations that restrict the method of advertising discounts on dental services.

Beyond that, dentists must also look to be sure they're not violating third-party payer contracts for the fee they're submitting and check to see whether the payer requires that the fee reflect any rebates, co-pay, or reduction. Many third-party payers will require the reported fee be the actual, net (discounted) fee paid by the patient.

In reality, online discounting and the legality of it in medicine has been a topic of debate for some time now. So far, only two regulatory boards in Oregon have acted on dentists and chiropractors using social discounting methods. Even so, national, state and local associations alike, including the ADA and Palm Beach Medical Society, have warned members about the potential ramifications of using these services, as the legality question is still unresolved.

### What About Florida?

The Anti-Kickback Law applies to all Florida health care providers and any provider of health care services, and the following laws are used to regulate the issues of fee splitting and kickbacks: The Florida Patient Self-Referral Act of 1992 (Fla. Stat §456.053), which is analogous to the Stark laws; Patient Brokering Act (Fla. Stat §817.505); Anti-Kickback (Fla. Stat §456.054); and Fee-Splitting (Fla. Stat §458.331).

The bottom line is that licensed health professionals, with few exceptions, are forbidden from paying or giving anything of value to someone (websites included) for providing a referral. Why is this so? The rationale is that paying for referrals can corrupt the objective medical/dental decision of whether a patient needs and will benefit from some treatment.

While it is always important to look for new avenues to generate new patients, care and diligence should be used to ensure that local, state and national laws are properly observed. We still feel that the best marketing source is your current patient base, and the best-spent marketing dollar is that spent within that base. While cutting-edge technology and new marketing tactics may be enticing, the ramifications of losing your license or spending time in jail should certainly be considered. Without a valid dental license, the number of new patients coming into your practice simply does not matter.

# General and Specialty Practice Purchase Opportunities

## NORTH FLORIDA

Contact: Paul Rang, DMD, JD

		Gross	Buyer Net
Jacksonville	5+1 ops FFS/PPO Pano	\$688K	\$188K
Lake City Area	5 ops FFS Pano 3 days/wk RE Available	\$348K	\$107K
Lake City Area	3 ops FFS/PPO Pano, Dig X-ray RE Available	SOLD	
Pensacola	4 ops FFS/PPO Pano 3 days/wk RE Avail	\$469K	\$128K
Pensacola	3 ops FFS/PPO Dig X-ray & Pano RE Avail	\$303K	

### Specialty Practices

Jacksonville	Perio 3 ops FFS Pano Dig X-ray RE Avail	\$532K	\$177K
NE Florida	Endo 4 ops Dig X-ray microscopes	UNDER CONTRACT	
NE Florida	Endo 4 ops Dig X-ray microscope	\$516K	\$224K
NE Florida	Perio 6 ops FFS Pano	SOLD	
NE Florida	Pedo 7 ops Real Estate Available	\$1.25M	\$485K
NE Florida	Ortho - multiple locations 3 days/wk	\$462K	\$111K
NE Florida	Endo 2+2 ops	SOLD	
NW Florida	Endo 3 ops	\$648K	\$330K
NW Florida	Perio 5 ops FFS/PPO D X-ray	Ask \$475K	

## SOUTHEAST FLORIDA

Contact: Stuart M. Auerbach, DDS

		Gross	Buyer Net
Boca Raton	5+1 ops FFS	UNDER CONTRACT	
Coral Springs	NEW 5 ops Dig Xray Dig Pan	Ask \$225K	
Davie	3+1 ops FFS PPO	SOLD	
Ft. Lauderdale	2+1 ops FFS	Ask \$165K	
Miami Gardens	3 ops PPO HMO	\$475K	\$134K
Port St. Lucie	3+3 ops PPO FFS Dig X-ray	SOLD	
West Palm Beach	6 ops PPO FFS	UNDER CONTRACT	

### Specialty Practices

NE Brow. County	Periodontics 4+1 ops FFS w/condo	UNDER CONTRACT	
SE Florida	Orthodontics 4 open bay+1 ops FFS	UNDER CONTRACT	

### Practice Ready Facilities

Boynton Beach	4 ops plumbed for nitrous	FOR RENT	
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## WEST FLORIDA

Contact: Greg Auerbach, MBA

		Gross	Buyer Net
Bradenton	4ops FFS 2000sf RE Avail	\$415K	\$122K
Sarasota	4 ops FFS Cerec, Laser	SOLD	
Tampa	4 ops FFS/PPO Dig X-ray	SOLD	

### Specialty Practices

West Florida	Pediatric 4 chairs FFS	\$250K	\$55K
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## SOUTHWEST FLORIDA

Contact: Greg Auerbach, MBA or Hy Smith, MBA

		Gross	Buyer Net
Naples	Practice Ready Facility 5+ Tops 1980sf Equipped Condo	Ask \$299K	

### Specialty Practices

Naples	Endo	Ask \$200K	
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## CENTRAL FLORIDA

Contact: Paul Rang, DMD, JD

		Gross	Buyer Net
Cocoa Beach	4 ops FFS/PPO 3 days/wk	\$374K	\$112K
Levy County	7 ops 3 days/wk	\$362K	\$145K
Melbourne	7ops FFS/PPO Dig X-Ray	UNDER CONTRACT	
Orlando	4 ops FFS Pano, Dig X-ray	UNDER CONTRACT	
Orlando	4 ops FFS/PPO	UNDER CONTRACT	
Space Coast	6 ops FFS Dig X-Ray Pano	UNDER CONTRACT	

### Specialty Practices

Central FL	Prosth 5 ops FFS Pano	\$798K	\$235K
Central FL	Perio 8 ops FFS Pano	UNDER CONTRACT	
Space Coast	Perio 4 ops FFS Pano 3 days/wk	\$380K	\$139K
Ocala	Perio 4 ops FFS	\$772K	

### Practice Ready Facilities

Ormond Beach	2,000 SF Condo, 5 ops, specialty prac.	Ask \$307K	
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For the most recently updated listings visit [listings.ADSflorida.com](http://listings.ADSflorida.com)

# Q&A

## Q: How do you appraise a practice?

A: We utilize several different methods and generate documentation consistent with USPAP (Uniform Standards of Professional Appraisal Practice) standards. All values generated by the multiple methods we use are weighed and considered in order to determine fair market value.

For answers to more Frequently Asked Questions, go to [FREQ.ADSflorida.com](http://FREQ.ADSflorida.com)

## What Our Clients Say

" Paul Rang is the consummate professional. His demeanor, quick response and overall knowledge were extremely helpful and made the experience of buying a dental practice less intimidating. And although Paul was not representing me, I found that he was working for both the seller (his client) and me, never making me feel that all that mattered was the money involved. It was all about the right fit, for both of us. "

— **Dr. Rachel S. Squier**  
Purchased Practice

## Meet the ADS Florida Team



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## Inside This Issue



**Welcome Dr. Logrippo**  
ADS Florida is pleased to introduce our newest team member.

Phil Logrippo, DMD maintained a private practice in general dentistry in Naples, Florida for 22 years, selling it in 2011. A two-time past president of Collier County Dental Association on and current member of the Executive Committee, he has served on the House of Delegates of the Florida Dental Association and is a member of the ADA, FDA and WCDDA.

Dr. Logrippo will work with ADS Florida and dentists in Southwest Florida to plan and complete successful transitions like his own. Please help us welcome Phil. phil@ADSFlorida.com | 239.682.4339

- I 2012 'To Do':** Review Practice Budget & Fees
- I Social Couponing:** Downsides of Discounting
- I Q&A:** What's a practice worth?

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