Health Workforce Policy Brief

August 2017

OHWRC
Oral Health Workforce Research Center
www.oralhealthworkforce.org

Trends in the Development of the Dental Service Organization Model: Implications for the Oral Health Workforce and Access to Services

Margaret Langelier, MSHSA, Shen Wang, MPH, Simona Surdu, MD, PhD, Elizabeth Mertz, PhD, Cynthia Wides, MA

Introduction/Background

Dental services in the US are traditionally provided in private dental practices operating as small businesses. Organizational structures for oral health service delivery and for managing business functions are changing. Perhaps the most noticeable change in the dental practice paradigm is the consolidation of small private dental practices into large groups. Dental support organizations (DSOs) provide practice management services such as employment and human resources, billing, accounting, regulatory compliance, lease arrangements, purchasing services, and information infrastructure and technical tools for clinical decision-making. The configurations of DSOs vary widely, and any one DSO may use all or only a few of these services.

As a result of numerous trends within the oral health service delivery system, DSOs now account for a growing share of provider organizations. The impact of DSOs on increased access to services for underserved populations has been noted, but their actual contributions to care for these populations is only sparsely documented. Trends in consolidation of dental practices and the business, organizational, and workforce models that enable large practices have not been well researched. One objective of this exploratory study was to identify and analyze data describing these organizations; another was to conduct interviews with DSOs to understand the qualitative aspects and benefits of management alliances.

Conclusions and Policy Implications

1) Consolidated dental practices are growing, in number, size, and locations served.

2) Practice consolidations appear to create efficiencies that enable DSOs to better accommodate lower reimbursement from public insurance programs than smaller dental practices. Many DSOs are serving some Medicaid and CHIP eligible patients.

3) DSOs locate and configure as variously as the private practices that comprise them.

4) DSOs affiliate with dentists through a variety of mechanisms, including direct employment, association with a professional corporation or practice association, and even contractual arrangements.

5) Reconfiguration of practices is an important strategy to improve the affordability, accessibility, and efficiency of dental service delivery specifically and of health care service delivery generally.

Methods

This mixed-methods study examined the available literature on DSOs, focusing on patients served, recruitment and retention strategies, dentists' career pathways, and evolving models of service deployment. In addition, secondary data were collected from national data sources to describe growth in US large group dental practices, and primary data were accumulated from an online survey, using a convenience sample of 47 DSOs. These primary data describe the services provided, states in which they are located, and the patients served by their organization. Finally, qualitative case studies were developed for 6 DSOs to better understand their organizational models, recruitment and retention practices, and impact on access to services for underserved populations.

Findings

The Survey of DSOs

In the spring and early summer of 2017, the OHWRC conducted a short survey of a convenience sample of 47 DSOs in the US.

This work is funded through HRSA Cooperative Agreement U81HP27843: Health Workforce Research Centers Program.

The online survey included questions about the structure and location of DSOs and the patients served by affiliates. Findings from the survey included the following:

- DSOs defined their organizations in various ways, suggesting functional differences among similar organizations within the broad class known as “dental support organizations” (87.5%).
- DSOs were mainly for-profit organizations (96.8%), and a majority were privately held (62.5%).
- DSOs varied in the number of patients served by practice affiliates in 2016. The range was 6,000 to 1,600,000 patients.
- Dentists affiliated with DSOs in various ways, including as associates (66.7%), owners (66.7%), and employees (53.7%).
- DSOs observed that dentists are attracted to work with a DSO because of the compensation, location, and career opportunities afforded within the organization.
- Thirty of the DSOs that participated in the survey research responded to a question asking if any of the dentists affiliated with the organization treated patients insured by Medicaid or CHIP. Eighty percent indicated that at least some of their affiliated dentists treated publicly insured people.
- Most of the Medicaid or CHIP population served by DSO affiliate practices were children.

Case Studies of 6 DSOs in the US

In April and May of 2017, project staff conducted telephone interviews with key personnel at 6 DSOs in the US. The purpose of the case studies was to identify common themes and differences among a selection of DSOs in the US. Although the DSOs in the case studies had differing target populations and catchment areas, there were common characteristics and objectives, which are summarized under the following themes:

- Economic and regulatory influences, including costs associated with delivering oral health services, drive the growth in the number of DSOs across the US and their organizational structures.
- DSOs clearly delineate between the management functions of the organization and any clinical functions of dentistry.
- DSOs locate and configure as variously as the private practices that comprise them.
- Recruitment and retention strategies for dentists and other clinical providers varied by DSO and by individual practice need within each DSO.
- DSOs contribute to increased availability of oral health services for underserved populations.
- Providing dental services to Medicaid-insured patients has unique challenges in each of the states in which DSOs operate.
- A common electronic dental record is essential to managing practices in multiple locations and to enable compliance, cost containment, and other management services.

Conclusions

The dynamic policy and practice environment in health care generally is a primary motivator for the growth in large group dental practices across the US. DSO involvement in dental practice management will continue to evolve in light of ongoing concerns around the availability of services, the need for accountability of providers, and the importance of generating efficiencies to reduce escalating costs. Further research is needed to fully understand the impact of the merging of dental practices in states. Ongoing longitudinal and systematic review of the impact of emerging management structures and consolidated practice models in dentistry would be beneficial.

This work is funded through HRSA Cooperative Agreement U81HP27843: Health Workforce Research Centers Program.