Dental Practice Salary, Benefits & Operations Questionnaire

Presented by: Bender, Weltman, Thomas, Perry & Co, PC
Dear Clients and Friends,

Thank you for your participation in our 2010 Dental Questionnaire.

We are excited to present to you our 2010 Dental Questionnaire. We are confident our dental questionnaire will allow you to easily locate and interpret the information provided.

Bender, Weltman, Thomas, Perry & Co, PC, CPAs has worked with the dental community since 1982 providing accounting, tax, retirement plan and business advisory services leading to the financial success of our clients.

For a list of additional services we provide, please refer to the next page or visit our website at www.bwtpcpa.com. Please contact Angela Thomas, Director of Client Development, at 314.576.1350, 913.681.1350, toll free at 877.253.5084 or athomas@bwtpcpa.com, if you have any questions regarding our 2010 Dental Questionnaire.

Sincerely,

Bender, Weltman, Thomas, Perry & Co, PC

Bender, Weltman, Thomas, Perry & Co, PC
Dental Industry Services

Established in West St. Louis County, and now with a location in the Metropolitan Kansas City area, Bender Weltman, Thomas, Perry & Co, PC (BWTP) has experienced exceptional growth since 1982. In addition to our most important role as trusted advisors for our clients, we provide comprehensive accounting, tax, retirement plan and financial planning services to numerous dental practices of all sizes concentrated in the three state area [Illinois, Kansas and Missouri]. Since our inception in 1982, we have grown from a two-man office to a medium size accounting firm.

Bender, Weltman, Thomas, Perry & Co, PC, has the advantage of working with more than 290 dental professionals. We take the time to provide you with specific dental information in order to assist and help you run a competent and efficient practice.

In addition:

• We are the only CPA firm in Missouri that is a member of the Academy of Dental CPAs (ADCPA), the most prestigious group of Dental CPAs in the country, representing over 6,000 dental practices.

• We offer comprehensive fee analyses for your practice to help you set the right fees and increase profit margins for your dental practice.

• Our firm is proud to support future dental practitioners through our involvement at various conventions and presentations.
Our Services
Our firm provides a full range of cost effective services including the following:

- Accounts Receivable Analysis
- Billing Procedures Analysis
- Certified Fraud Examiner
- Consulting
- Dental Specific Management Reports and Financial Statements
- Dental Statistic Compilation
- Dental Fee Analysis
- Dental Salary Analysis
- Embezzlement Controls Evaluation and Detection
- Estate and Trust Tax Preparation
- Financial Projections
- Gift Tax Preparation
- Internal Controls Evaluation
- Marketing
- New Practice Set-Up
- Personal Financial Specialist
- Practice Management/Analyze Financial Statements
- Qualified Plan Financial Consultant
- QuickBooks® Pro Advisor with Certified Staff
- Retirement Plan Design
- Sales and Use Tax Services
- Study Club Presentations
- Valuation of a Dental Practice
- Wealth Accumulation

Retirement Services

- 401 (k) Plan Audits
- Annual Notices and Employee Communication
- Client Support
- Distributions
- Employee Education and Enrollment Meetings
- Filing of Form 5500
- IRS Representative for Audits or Notices
- Loans
- Plan Administration
- Plan Amendments
- Plan Design and Implementation
- Plan Document Preparation
- Preparation of Summary Annual Report

For more information on how Bender, Weltman, Thomas, Perry & Co, PC, CPAs can help your dental practice, please contact Angela Thomas, Director of Client Development, at 314.576.1350, 913.681.1350, toll free at 877.253.5084 or athomas@bwtpcpa.com.

Proud Member of the Academy of Dental CPAs
Salaries

<table>
<thead>
<tr>
<th></th>
<th>Lowest</th>
<th>Highest</th>
<th>Average</th>
<th>Mode*</th>
<th>National average**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self (salaried)</td>
<td>$45,000</td>
<td>$700,000</td>
<td>$233,914</td>
<td>$200,000</td>
<td>$226,265</td>
</tr>
<tr>
<td>Associate (salaried)</td>
<td>$24,000</td>
<td>$250,000</td>
<td>$108,570</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Hourly numbers apply to the following:

<table>
<thead>
<tr>
<th></th>
<th>Lowest</th>
<th>Highest</th>
<th>Average</th>
<th>Mode*</th>
<th>National average**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hygienist</td>
<td>$12.00</td>
<td>$44.00</td>
<td>$32.77</td>
<td>$32.00</td>
<td>$36.24</td>
</tr>
<tr>
<td>Chairside assistant</td>
<td>$10.25</td>
<td>$27.00</td>
<td>$18.00</td>
<td>$18.00</td>
<td>$18.05</td>
</tr>
<tr>
<td>Receptionist</td>
<td>$9.50</td>
<td>$35.00</td>
<td>$18.22</td>
<td>$18.00</td>
<td>$18.05</td>
</tr>
<tr>
<td>Treatment Coordinator</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>$18.97</td>
</tr>
<tr>
<td>Office Manager</td>
<td>$14.00</td>
<td>$33.06</td>
<td>$24.51</td>
<td>$26.00</td>
<td>$24.45</td>
</tr>
</tbody>
</table>

*Mode - most common number reported.
**National average was obtained from the November 2010 issue of the Dental Economics/Levin Group Practice Survey.

80% of the practices that have Associates said they treat their Associates as W-2 employees vs. 1099 Independent Contractors (IC).
W-2 employed Associates were paid on average 31% of collections after lab while the IC were paid an average of 30% of collections after lab.
77% of the practices that have Associates said they pay based on Collection vs. Production.
20% of practices paid for malpractice insurance for their Associates, 80% did not.
27% of practices paid for professional dues for their Associates, 73% did not.

Average salaries based on years of experience

<table>
<thead>
<tr>
<th></th>
<th>1 year</th>
<th>2 - 4 years</th>
<th>5 year</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hygienist</td>
<td>$27.00</td>
<td>$30.32</td>
<td>$31.82</td>
<td>$34.31</td>
</tr>
<tr>
<td>Chairside assistant</td>
<td>$13.67</td>
<td>$14.60</td>
<td>$16.75</td>
<td>$20.35</td>
</tr>
<tr>
<td>Receptionist</td>
<td>$14.83</td>
<td>$15.46</td>
<td>$17.70</td>
<td>$20.40</td>
</tr>
<tr>
<td>Office manager</td>
<td>n/a</td>
<td>$23.44</td>
<td>$22.15</td>
<td>$25.26</td>
</tr>
</tbody>
</table>
Benefits

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Associates</th>
<th>Hygienists</th>
<th>Assistants</th>
<th>Receptionists</th>
<th>Office managers</th>
<th>Not offered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical insurance</td>
<td>67%</td>
<td>52%</td>
<td>56%</td>
<td>60%</td>
<td>55%</td>
<td>50%</td>
</tr>
<tr>
<td>Life insurance</td>
<td>25%</td>
<td>22%</td>
<td>20%</td>
<td>23%</td>
<td>24%</td>
<td>90%</td>
</tr>
<tr>
<td>Retirement plan</td>
<td>50%</td>
<td>54%</td>
<td>51%</td>
<td>50%</td>
<td>45%</td>
<td>52%</td>
</tr>
<tr>
<td>401(k)</td>
<td>42%</td>
<td>57%</td>
<td>60%</td>
<td>58%</td>
<td>52%</td>
<td>38%</td>
</tr>
<tr>
<td>Paid sick leave</td>
<td>9%</td>
<td>54%</td>
<td>60%</td>
<td>52%</td>
<td>55%</td>
<td>44%</td>
</tr>
<tr>
<td>Paid vacation</td>
<td>58%</td>
<td>96%</td>
<td>84%</td>
<td>96%</td>
<td>94%</td>
<td>0%</td>
</tr>
<tr>
<td>Continuing ed</td>
<td>83%</td>
<td>67%</td>
<td>64%</td>
<td>71%</td>
<td>73%</td>
<td>14%</td>
</tr>
<tr>
<td>Uniforms</td>
<td>58%</td>
<td>63%</td>
<td>65%</td>
<td>77%</td>
<td>67%</td>
<td>16%</td>
</tr>
<tr>
<td>Bonus programs</td>
<td>17%</td>
<td>39%</td>
<td>40%</td>
<td>38%</td>
<td>33%</td>
<td>58%</td>
</tr>
</tbody>
</table>

The above percentages represent those practices that pay for each of the benefits listed above.

For example, 67% of the practices who responded to our survey pay medical insurance for their Associates.

For those practices that do provide benefits for medical insurance:

- 37% pay 100% of employee health care premiums
- 13% pay 75% of employee health care premiums
- 13% pay 70% of employee health care premiums
- 33% pay 50% of employee health care premiums
- 4% pay 25% of employee health care premiums

Due to the rising cost of medical insurance, some dental practices are paying a set amount towards the employee’s insurance premiums on a monthly basis. For those dental practices that pay a portion of the employee’s premium:

- $90 per month, is the lowest amount paid
- $200 per month, is the highest amount paid
- $142.50 per month, is the average amount paid
- $100 per month, is the most common amount paid

14% of the practices do not offer reimbursement for continuing education. Offering to pay for continuing education would benefit both the employee and the practice. There are several types of continuing education classes and seminars that help to motivate and teach various topics to all of those involved in promoting your practice.

58% of the practices do not offer bonus programs. Bonus programs can be great for getting your team motivated. There are several types of bonus programs that dentists use to motivate their team. Your bonus program does not have to be complicated, but offering your team an incentive plan can help improve their dedication to their job and the practice.
**Examples of common bonus programs currently being used in dental practices:**

- Year-end performance bonus
- Set percent if production goals are met
- Holiday bonus
- Set amount if daily and monthly goals are met
- Annual bonus based on length of employment

61% of the people who answered this survey believe that bonus programs serve as a positive motivational factor for their team

**Do You Have a Retirement Plan?**

81% of the people who responded to this survey have a retirement plan.

**Employee raises:**

- 45% of the practices give raises annually (year-end)
- 25% of the practices give raises annually (date of hire)
- 29% of the practices give raises other than on an annual basis, some examples are:
  - Based on merit
  - When office production and collection warrants
  - When fees are raised
  - Dependent on year-end numbers and work ethic

**Sick days:**

**How many “paid” sick days do your team members receive after?**

<table>
<thead>
<tr>
<th></th>
<th>Lowest</th>
<th>Highest</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>0</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>2 years</td>
<td>0</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>5 years</td>
<td>1</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>10+ years</td>
<td>1</td>
<td>10</td>
<td>4</td>
</tr>
</tbody>
</table>

**Weeks of paid vacation based on years of service:**

<table>
<thead>
<tr>
<th></th>
<th>Lowest</th>
<th>Highest</th>
<th>Average</th>
<th>Mode*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>0.5</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2 years</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>5 years</td>
<td>1.5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>10+ years</td>
<td>1.5</td>
<td>5</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

All answers are based on a 40 hour work week, not days worked in a week. All answers are in week format.

**Mode** – most common number reported.
Square footage and operatory information:

The smallest office size is ..................................................... 984 square feet
The largest office size is ....................................................... 8,000 square feet
The average office size is ..................................................... 2,447 square feet
The most common office size is ............................................ 2,400 square feet
The lowest amount paid per square foot ............................... $5.75
The highest amount paid per square foot .............................. $36.45
The average amount paid per square foot ............................. $19.23
The most common amount paid per square foot ................... $21.00
The lowest number of operatories ....................................... 3
The highest number of operatories ...................................... 13
Average number of operatories .......................................... 6
The most common number of operatories .............................. 4

46% of the dentists who responded to this questionnaire own the building in which they practice.

Production/Collections:

Lowest production for a dental practice ............................. $158,000 annually
Highest production for a dental practice ............................. $2,922,000 annually
Average production for a dental practice ............................ $1,050,130 annually

Lowest % of collection to production in 2009 ...................... 86%
Highest % of collection to production in 2009 .................... 108%
Average % of collection to production in 2009 .................... 87%

The following are tips to make your collection rate as high as possible:

1. Collect co-payments at the time of visit.
2. When patients are called for confirmation of their appointment, remind them of their estimated portion of the fee.
3. Offer an incentive for patients who pay their balance at the time of visit.
4. Offer finance plans to patients.
5. Require deposits in advance on large treatment plans.
Total number of patients seen per year by:

<table>
<thead>
<tr>
<th></th>
<th>Lowest</th>
<th>Highest</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>DENTIST</td>
<td>840</td>
<td>7,500</td>
<td>2,492</td>
</tr>
<tr>
<td>ASSOCIATE</td>
<td>200</td>
<td>3,420</td>
<td>1,321</td>
</tr>
<tr>
<td>HYGIENIST</td>
<td>565</td>
<td>4,017</td>
<td>2,037</td>
</tr>
</tbody>
</table>

Do you offer a discount to patients who pay at the time services are rendered?

- 49% of dental practices offer a discount
- 51% of dental practices do not offer a discount

For those dental practices that do offer a discount:

- 4% is the lowest discount offered
- 10% is the highest discount offered
- 7% is the average discount offered
- 5% is the most common discount offered

What practice management software does your practice use?

- 44% Dentrix
- 26% Eaglesoft
- 11% Softdental
- 5% EZ Dental
- 4% Practice Works
- 2% Data Tec
- 8% Use other software programs such as Diamond Dental (formerly 2 Start), Proprietary Software, etc.

How many hours a week do you work?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest hours worked</td>
<td>24</td>
</tr>
<tr>
<td>Highest hours worked</td>
<td>40</td>
</tr>
<tr>
<td>Average hours worked</td>
<td>34</td>
</tr>
<tr>
<td>Most common answer</td>
<td>32</td>
</tr>
</tbody>
</table>

Do you provide your patients with a dental newsletter?

- 12% offer their patients a dental newsletter.
How often do you increase your fees?
- 88% of the dentists increase their fees annually
- 4% of the dentists increase their fees semi-annually
- 8% of the dentists increase their fees at other times

What percent do you increase your fees annually?
- Lowest: 2.5%
- Highest: 10%
- Average: 4%
- Most common answer: 3%

What months do you increase your fees annually?
- 48% raise their fees in January
- 14% raise their fees in February
- 8% raise their fees in November
- 8% raise their fees in December
- 22% raise their fees in other months of the year. Some months commonly mentioned were April, June and July.

Contact Angela Thomas in our office at 314-576-1350, 913-681-1350 or toll free at 877-253-5084 if you are interested in having a fee analysis prepared for your practice.
### Fees

We asked our participants to list their fee for each selected ADA procedure code (in whole dollars)

<table>
<thead>
<tr>
<th>Procedure Description</th>
<th>Lowest</th>
<th>Highest</th>
<th>Average</th>
<th>Mode*</th>
</tr>
</thead>
<tbody>
<tr>
<td>0120 – Periodic oral evaluation</td>
<td>$25.00</td>
<td>$85.00</td>
<td>$46.47</td>
<td>$46.00</td>
</tr>
<tr>
<td>0274 – Bitewing, four films</td>
<td>$20.00</td>
<td>$390.00</td>
<td>$62.11</td>
<td>$60.00</td>
</tr>
<tr>
<td>0330 – Panoramic film</td>
<td>$45.00</td>
<td>$125.00</td>
<td>$100.47</td>
<td>$108.00</td>
</tr>
<tr>
<td>1110 – Adult prophy, including exam</td>
<td>$30.00</td>
<td>$149.00</td>
<td>$86.40</td>
<td>$85.00</td>
</tr>
<tr>
<td>1351 – Sealant, per tooth</td>
<td>$16.00</td>
<td>$60.00</td>
<td>$46.34</td>
<td>$50.00</td>
</tr>
<tr>
<td>2140 – Amalgam, 1 surface</td>
<td>$50.00</td>
<td>$180.00</td>
<td>$124.17</td>
<td>$127.00</td>
</tr>
<tr>
<td>2610 – Inlay, ceramic/porc., 1 surface</td>
<td>$300.00</td>
<td>$1,155.00</td>
<td>$807.50</td>
<td>$850.00</td>
</tr>
<tr>
<td>2750 – Crown, porcelain with high noble metal</td>
<td>$750.00</td>
<td>$1,379.00</td>
<td>$980.06</td>
<td>$950.00</td>
</tr>
<tr>
<td>2950 – Core buildup, including any pins</td>
<td>$105.00</td>
<td>$369.00</td>
<td>$238.44</td>
<td>$250.00</td>
</tr>
<tr>
<td>3110 – Pulp cap, direct, excl. restoration</td>
<td>$45.00</td>
<td>$275.00</td>
<td>$84.63</td>
<td>$80.00</td>
</tr>
<tr>
<td>3330 – RCT – molar</td>
<td>$701.00</td>
<td>$1,050.00</td>
<td>$905.58</td>
<td>$950.00</td>
</tr>
<tr>
<td>4210 – Gingivectomy, per quad, 4+</td>
<td>$85.00</td>
<td>$696.00</td>
<td>$495.70</td>
<td>$555.00</td>
</tr>
<tr>
<td>4341 – Scaling/root plan per quad 4+</td>
<td>$30.00</td>
<td>$308.00</td>
<td>$227.00</td>
<td>$250.00</td>
</tr>
<tr>
<td>5110 – Complete upper alone</td>
<td>$795.00</td>
<td>$2,500.00</td>
<td>$1,485.46</td>
<td>$1,350.00</td>
</tr>
<tr>
<td>5120 – Complete lower alone</td>
<td>$155.00</td>
<td>$2,500.00</td>
<td>$1,460.93</td>
<td>$1,350.00</td>
</tr>
<tr>
<td>7140 – Erupted tooth/exp root</td>
<td>$71.00</td>
<td>$265.00</td>
<td>$150.24</td>
<td>$150.00</td>
</tr>
<tr>
<td>7210 – Surgical – erupted tooth</td>
<td>$150.00</td>
<td>$402.00</td>
<td>$254.21</td>
<td>$250.00</td>
</tr>
<tr>
<td>9230 – Nitrous Oxide analgesia</td>
<td>$20.00</td>
<td>$175.00</td>
<td>$61.78</td>
<td>$80.00</td>
</tr>
<tr>
<td>9972 – External bleaching, per arch</td>
<td>$100.00</td>
<td>$829.00</td>
<td>$236.87</td>
<td>$150.00</td>
</tr>
<tr>
<td>9974 – Internal bleaching, per arch</td>
<td>$125.00</td>
<td>$431.00</td>
<td>$251.38</td>
<td>$150.00</td>
</tr>
</tbody>
</table>

*Mode – most common number reported.

We want to thank everyone who participated in completing our dental questionnaire.