



STEVEN OSCHER

THE FATE OF A LEGENDARY PRACTICE¹

Calvin T. Jones, DMD slammed the door to his office, walked to his desk, and glared at the diplomas on his wall. UNC at Chapel Hill (Magna Cum Laude), University of Florida (Doctor of Dentistry), and all of the other awards for service and achievement. So perfect, and yet he thought.... How could my career have fallen into such total chaos? As Calvin reached for his bottle of Tums, he reflected on the events that brought him to this crossroad in his career.

In the months prior to his graduation, Calvin had reviewed the American Dental Association's suggested questions for new dentists interviewing to enter the practice of dentistry: Who is the patient population? What kind of care will I be providing? What is the practice's experience with employee dentists? Why are they hiring now? How is compensation calculated? How long do dentists typically stay in this position? Is there an opportunity for an equity ownership? It was that last question--the opportunity for a "piece of the pie," that Calvin allowed himself a wry smile.

Dr. Albert S. Waxman was a legend in the Florida dental community and also a frequent speaker at the University of Florida (UF). Calvin was honored when Dr. Waxman, after a UF Dental School reception, invited Calvin to visit his office in Tampa. His professors were excited to hear that Al Waxman had taken an interest in one of their top students. Two weeks later, Calvin visited the Hyde Park Family Dentistry Center and was impressed by the facility, the location, the employees, and most importantly, Dr. Waxman. As the meeting ended, Calvin was surprised when Dr. Waxman extended an offer to join his practice after graduation. Everything he had hoped for was falling into place. Calvin accepted Dr. Waxman's offer the next day.

After seven years, Dr. Waxman offered and Calvin accepted, a 50% interest in the practice. As an equal partner, Calvin expected that he would be able to introduce new ideas and opportunities into the dental practice. Yet, with each suggestion there appeared to be more resistance from Dr. Waxman. Employees became divided in their loyalties. To make matters worse, the practice administrator Calvin had been responsible for hiring was now viewed as the devil incarnate by Dr. Waxman.

What happened? How did things go so wrong? As Calvin returned to the present, his anger started to build, first at himself, then at Dr. Waxman, and finally at this mess of a business relationship. A few moments ago, Dr. Waxman had informed him that he wanted to dissolve their business relationship. Was there still a way to salvage the relationship? What could Dr. Calvin Jones do?

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Dentistry

The American Dental Association definition of dentistry as adopted by the House of Delegates on October 21, 1997 was as follows:

The evaluation, diagnosis, prevention and/or treatment (nonsurgical, surgical or related procedures) of diseases, disorders and/or conditions of the oral cavity, maxillofacial area and/or the adjacent and associated structures and their impact on the human body; provided by a dentist, within the scope of his/her education, training and experience in accordance with the ethics of the profession and applicable law.

The Dental Landscape

At every interview, for every dental school, Calvin was asked the same question, “Why? Why do you want to be a dentist?” It was a question he had thought about since high school. Calvin had known Carol, a friend and neighbor, since elementary school. Although otherwise attractive and smart, Carol had been a source of playground jokes because of her crooked and bucked teeth. Carol would never smile and always appeared reserved and withdrawn. As the new school year started in their junior year, Calvin was surprised to see a smiling, happy Carol. Calvin learned that over the summer, Carol had spent a considerable amount of time in a dentist’s chair. The transformation from an ugly duckling to a beautiful swan over the next several months made an indelible impression on Calvin. He always thought he’d want to find a way to help people. Observing Carol and the positive impact her dentist had on her life focused Calvin. He felt that a career in dentistry could really make a difference in people’s lives.

Calvin was well aware that the professional field of dentistry was changing as shown in Exhibit 1 (Carsel, Diringer, & Phipps, 2013). Like other areas of medicine, dentistry was undergoing changes as a result of increasing payment options including personal responsibility, commercial insurance coverage, and potentially government provided insurance plans. Furthermore, advances in technology and research created opportunities that did not exist when Calvin’s parents went to their dentist. In fact, Calvin had read a report that indicated that more than half of the economic value of today’s dental care comes from procedures and treatments that were not available 20 years ago (Lavers, 2002).

Calvin had attended several of Dr. Waxman’s presentations and had listened to his comments about the changing landscape in the delivery of dentistry services. Dr. Waxman was seen as an innovator and a dental professional who embraced the concept of quality patient service.

After a State of the Profession address at the University of Florida by several faculty members and practicing dental professionals, Calvin was invited to attend a reception in their honor. Spying Dr. Waxman, he went over to introduce himself. Calvin was very surprised that Dr. Waxman already knew his name and also flattered when Dr. Waxman invited him to visit his Hyde Park facility in Tampa.

Hyde Park

The Hyde Park Family Dentistry Center was located in one of Tampa, Florida’s most desirable residential areas (see Exhibit 2). The area known as South Tampa is made up of several unique neighborhoods including Hyde Park. Because of its proximity to the downtown business district, the Westshore business district, the airport, access to Pinellas County, and excellent schools, shopping and restaurants; it was viewed by many as the place to live.

Calvin was aware of the Hyde Park area well before meeting Dr. Waxman. While still at the University of Florida, several of his dental school classmates invited him to attend Tampa’s Gasparilla Festival held every year in early February. Calvin was immediately impressed by the grandeur of the residences along

Bayshore Boulevard and the stately homes and distinctive neighborhoods in the surrounding areas. When Calvin realized that the Hyde Park Family Dentistry Center was located in the heart of these upscale neighborhoods, he allowed himself a smile and a hopeful prayer that after his meeting, Dr. Waxman would ask him to apply and subsequently be considered for an associate position.

Hyde Park Family Dentistry Center

The business founded by Dr. Waxman in 1968 had moved to its current site in 1980. Located on a busy thoroughfare, it seemed as if everyone in South Tampa knew about the Dentistry Center. Dr. Waxman and his family owned the property and leased it back to the dental practice. When Calvin arrived for his visit, he admired the contemporary look of the building, the well-landscaped property and the parking area sufficient to hold four dozen vehicles.

Walking into the lobby area, he was immediately greeted by the receptionist. Calvin explained he had an appointment to see Dr. Waxman (which the receptionist acknowledged, but quickly explained that a minor emergency with a young patient might delay Dr. Waxman). Calvin didn't mind, as it gave him a few moments to take in his surroundings. The lobby was filled with several patients from youngsters under 10 years old to seniors well over 70 years old. Calvin saw the framed picture of Dr. Waxman along with the other five dentists who worked in the Dental Center. There was a wall dedicated to Dr. Waxman's family with pictures of his parents, his wife and children, as well as a few religious symbols. Calvin was pleased to see that Dr. Waxman was a true family man.

Calvin had also been observing a little boy playing in a separate area of the lobby dedicated to the children, brightly painted, with many toys littered about, when the program administrator appeared to tell him that Dr. Waxman was ready to see him. As he followed Beverly, the sounds of ultrasonic drills and the smell of mint filled the air. Calvin thought, "This is a place I could really enjoy working in."

Albert S. Waxman, DMD

Beverly led Calvin to Dr. Waxman's office. The office was empty and Beverly explained that the Doctor was just finishing with a patient, but would be right in. Once again, Calvin didn't mind, as it gave him an opportunity to look around the surprisingly small office filled with more family photos, certificates, plaques, letters of achievement, books, and various dental journals. As Calvin gazed at the silver espresso machine to the left of several magazines, Dr. Waxman walked in.

Born in Tampa, Florida, Albert S. Waxman obtained his undergraduate degree from the Georgia Institute of Technology before graduating from the University of Pennsylvania School of Dental Medicine. A residency in pediatric dentistry preceded his return to Tampa in 1968, and the opening of the Hyde Park Family Dentistry Center. Dr. Waxman smiled and eagerly shook Calvin's hand as he entered his office. After inquiring if Calvin had any trouble locating the facility and offering Calvin an espresso from the office's recent birthday gift; Dr. Waxman spent the next hour asking about Calvin's family, hobbies and professional objectives. Dr. Waxman excused himself to attend to a new patient, but not before introducing Calvin to two of the dentists Calvin had seen pictured on the lobby wall. Both of the employee dentists had been with Dr. Waxman for more than 5 years and spoke glowingly about their experiences at the Dental Center.

Dr. Waxman returned and after a tour of the facility took Calvin to his country club for lunch. During lunch, Calvin learned more about Dr. Waxman's family: his wife of 40 years, his father who was about to

celebrate his 92nd birthday and his two children. They talked about Dr. Waxman's intense desire to care for the children of Tampa. He quoted an expression Calvin had seen framed in Dr. Waxman's office:

"I've never seen a smiling child's face that wasn't beautiful."

- unknown

Dr. Waxman commented that he had seen many changes in the practice of dentistry and with a wry smile he recalled growing up in Tampa, and the pain and anxiety he faced every time he went to the family dentist. He remembered a picture in the waiting room depicting those first dentists using chisels and hammers to knock out decayed teeth and vowed that if he ever became a dentist, his young patients would never fear a visit to his office.

Dr. Waxman acknowledged that while he had worked hard to remain "ahead of the curve", he was looking to back away from the daily workload over the next few years. Dr. Waxman commented that although he had never had a business partner, the many associates he had worked with and trained had all moved on to very successful careers in Tampa and elsewhere. Calvin found himself enjoying Dr. Waxman's company and saw in him a skilled dentist, with strong family values; someone who could be a mentor and role model after Calvin finished dental school.

They returned to the office and after a short visit with a 6-year old patient, Dr. Waxman sat down with Calvin and thanked him for coming to visit. And then, to Calvin's surprise, he extended an offer for Calvin to join his Hyde Park practice after graduation. Everything about this dentistry practice seemed perfect and Calvin wanted to accept on the spot. But not wanting to appear too eager, he asked Dr. Waxman if he could think about his offer for a few days.

The trip back to the UF campus was a blur. Every question Calvin could have asked about patient mix, size of the practice, other employee dentists, and compensation had all been answered to Calvin's satisfaction. But when Calvin thought about the location of the dental practice and then reflected on Dr. Waxman's comments at lunch regarding the changing dental environment, the fact that he would be slowing down as the next few years unfolded, and the fact that he had never had a business partner--all seemed to suggest this would be the perfect place to start (and even end) his career. He would speak with his professors about this offer in the morning.

The next morning Calvin stopped by the office of Dr. Claudia Ibenex, one of his professors, to discuss the previous day's events. When he told her about the offer, Dr. Ibenex could not contain her excitement and immediately called several other faculty members to inform them about Dr. Waxman's interest in the future Dr. Jones. Dr. Ibenex confirmed Calvin's intuition that Dr. Waxman was, in fact, looking to the future, and that if things were to work out, there very well would be an opportunity for an equity interest with the famed Albert Waxman.

Calvin called Dr. Waxman later that day to accept his offer. Two short months later, Dr. Calvin T. Jones, DMD commenced his employment at the Hyde Park Family Dental Center. His compensation was primarily a salary with a bonus based on meeting certain production goals. Calvin could not have been happier. His interest in cosmetic dentistry complemented Dr. Waxman's work with children and the more traditional practices of the other employee dentists. Recent advances in technology were providing Calvin with the tools to establish a practice emphasizing elective procedures in personal aesthetics and restorative services. For the next seven years, Dr. Jones watched as other employee dentists moved on to establish their own practices, some disappointed that there was no equity opportunity at the clinic. They understood their future lay elsewhere. Calvin had just sent off a congratulatory email to a former co-worker when Dr. Waxman asked if he was available for lunch.

Before lunch was ordered, Dr. Waxman asked Calvin if he had thought about or had any interest in becoming a 50 percent business partner in the Hyde Park Family Dentistry Center.

Opportunity Knocks

It was a dream come true. Maybe Disney World wasn't the only "magical place on earth"? Calvin was speechless. The possibility that Dr. Albert Waxman would ask him to be his partner was something they had never discussed. Yet, thinking back to their first lunch, Dr. Waxman had always hinted at the possibility. Calvin immediately responded, "Yes sir, it would be an honor and I won't let you down." and other words of affirmation. Dr. Waxman explained that his attorneys would draw up the papers; there would naturally be a "buy-in" for Dr. Waxman's 50 percent interest that Calvin would be purchasing, but all the details would be worked out very quickly.

Later that day, as Calvin allowed the events of the past seven years to replay in his mind, he thought back to his business electives at UNC at Chapel Hill, and a few continuing medical education seminars he took after receiving his dental degree (see Exhibit 3). It was Professor Miller who compared partnerships to marriages reminding the class that the statistics for success were about 50/50 in both scenarios (see Exhibit 4). He discussed with his students the normal daily pressures of running a business:

- Employee issues
- Customer (patient) issues
- Payroll issues
- Government/regulatory issues
- Capitalization issues
- Competition issues

And then... you add a partner into the equation. You're potentially dealing with all these issues, but now you're having to deal with another person's ego and expectations.

Dr. Waxman would be different Calvin thought. Their working relationship during the past seven years had been terrific; sure, there was the occasional flare up with a dental technician, or even one of the other employee dentists, but Calvin was comfortable with Dr. Waxman's decisions. There certainly would not be any money issues. Although Calvin had not been privy to the Dental Center's financial statements, Calvin heard stories of Dr. Waxman's financial acumen and successful investments. Calvin was well aware of the changing landscape within the medical and dental arenas. An aging population coupled with advances in technology and a shift from private pay to commercial dental insurance to public coverage made Calvin more confident that going into a partnership with a knowledgeable, financially secure and experienced practitioner like Dr. Waxman could only mean success.

The Partnership

The papers were drawn up and Calvin, with minimal due diligence of the business records, purchased his 50 percent interest from Dr. Waxman. The first few years were exactly as Calvin had envisioned. He was an owner in one of Tampa's best known dental centers, with a practice in the lucrative area of cosmetic

dentistry. The Center's staff turnover had been minimal, and he was being compensated more than he had ever contemplated. NIRVANA!

It happened innocently enough; the resignation of the long time office administrator necessitated the search for a replacement. Privately, Calvin had always felt that Beverly kowtowed to Dr. Waxman's every wish, but her experience with the practice and leadership skills with the staff prevented Calvin from making an issue over her administration of the Dental Center.

For the first time, Calvin had an opportunity to influence the practice direction. Dr. Waxman allowed Calvin to initiate contact with the search firm and the prospective candidates. Eventually the list was pared down and while Dr. Waxman and Calvin disagreed on the top candidate, Calvin prevailed and Sophia was selected. Her prior experiences were limited but her accreditations were impeccable. Beverly remained for several weeks training Sophia, and the transition from one administrator to the next appeared to be seamless.

It was a Thursday, about nine weeks later when Sophia knocked on Calvin's door and asked if she could have a word with him. Closing the door, she asked Dr. Jones if he was aware of the purchase of Tampa Bay Buccaneer tickets. Calvin was aware Dr. Waxman had season tickets and had over the years joined him for a game or two, but was surprised that Dr. Waxman's four tickets cost \$16,000 and he was essentially paying for half without any benefit. Calvin tried to hide his surprise and thanked Sophia for the information. A few days later, Sophia again came to Calvin's office and asked if he was aware that Dr. Waxman and his wife had recently traveled to California on vacation and upon his return told Sophia to put the expenses through as a continuing education expense. These expenses exceeded \$10,000 and again Calvin realized he was paying for half without any benefit.

Before Calvin confronted Dr. Waxman, he wanted to gain a better understanding of the office protocols. He asked the office accountant to bring the dental practice's general ledger to his office. It became apparent that Dr. Waxman had continued to run certain "personal" expenses through the books of the Dental Center well after Calvin became a 50 percent partner. Calvin was upset with himself for not paying closer attention, and with Dr. Waxman for taking advantage of his business naiveté. He decided he would confront Dr. Waxman on Monday.

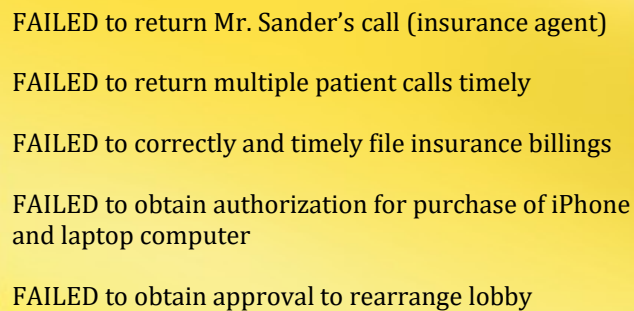
To Calvin's surprise, on Sunday, Dr. Waxman called Calvin at home and told him he had heard Calvin was reviewing the Dental Center's general ledgers. Dr. Waxman sounded very annoyed that Calvin had not come to him directly if Calvin had any questions. They agreed to meet the next morning.

The following morning the two partners met and discussed the "personal" expenses with Dr. Waxman explaining that this had been his practice for the past 30 years and he expected to continue running these expenses through the Dental Center. Although not offering to reimburse Calvin, he indicated if Calvin had similar expenses they could be put through the books as well. Over the course of the next several weeks, as certain business issues arose, Calvin became more focused on how the issues were being handled by Dr. Waxman. Dental equipment needed to be replaced, yet Dr. Waxman insisted on making repairs. The annual insurance policies (general liability and medical malpractice) were due for renewal. But even after receiving lower quotes, Sophia was instructed by Dr. Waxman to remain with the agent (a long-time friend) whose rates were 15 percent higher.

It was clear the dental staff were picking sides. Those close to Dr. Waxman had felt the wrath of Sophia, while those close to Dr. Jones were being scorned by Dr. Waxman and his dental technicians. Calvin had recently received a letter from Dr. Waxman's attorney advising him of increases due under the building lease, prior increases based on the Consumer Price Index that had been due but not paid, and certain building and parking lot repairs for which the Dental Center was responsible.

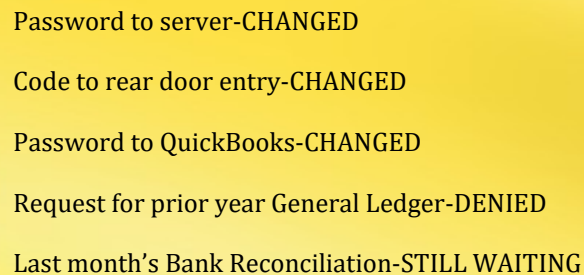
Over the next few weeks, Calvin began to notice a change in the mood of the staff. Whenever he or Sophia approached, certain technicians seemed uncomfortable and nervous. Certain other dental technicians would tell Calvin that Sophia was openly talking to them about the continuing conflicts between Calvin and Dr. Waxman. As one tech put it, "It's almost as if she was purposely trying to incite further conflict." As more time passed, several long-term employees tendered their resignations, as did one of the newer employee dentists. Both Dr. Waxman and Dr. Jones were also hearing complaints about wait times in the office.

It seemed to Calvin that Dr. Waxman was continuously expressing his concerns about Sophia's job performance. Three weeks earlier, he left a list of problems on Calvin's office chair:



- FAILED to return Mr. Sander's call (insurance agent)
- FAILED to return multiple patient calls timely
- FAILED to correctly and timely file insurance billings
- FAILED to obtain authorization for purchase of iPhone and laptop computer
- FAILED to obtain approval to rearrange lobby

Last week, another list was slipped under the door:



- Password to server-CHANGED
- Code to rear door entry-CHANGED
- Password to QuickBooks-CHANGED
- Request for prior year General Ledger-DENIED
- Last month's Bank Reconciliation-STILL WAITING

Yesterday Dr. Waxman handed Calvin a new list of issues. From claims of harassing employees "loyal" to Dr. Waxman, to withholding payments to vendors who were deemed to be "friends" of Dr. Waxman, it was apparent that Dr. Waxman was not happy with Sophia.

On multiple occasions, Calvin tried to discuss these concerns with Dr. Waxman, but it did not appear to Calvin that he was listening or caring. This morning Dr. Waxman demanded that Calvin terminate Sophia as the practice administrator. Calvin, believing that Sophia had only been doing the job she was hired to do, tried to discuss Dr. Waxman's concerns once again. He believed Dr. Waxman wanted Sophia removed as revenge for originally alerting Calvin about the "personal" expenses she had identified.

Calvin had tried to ignore what he saw as petty squabbles with an administrator who was looking out for the best interests of the practice. He had proposed, for the third time, a restructuring of the practice to more clearly delineate the pediatric dental practice from the traditional dental practice (requiring greater patient interaction, but higher margin work) for the Hyde Park customer base as well as the evolving cosmetic dental practice with exceptionally high margins. Dr. Waxman continued to turn a deaf ear to his proposals.

Why? It was Dr. Waxman who wanted him as his business partner; it was Dr. Waxman who discussed the transition to a new business model; it was Dr. Waxman who spoke about cutting back and taking more time off. Why?

Distraught over the day's confrontation over Sophia's termination and just as he was leaving the building, Dr. Waxman (his friend, his mentor, and his business partner) informed him that he would be contacting his attorney to dissolve the Hyde Park Family Dentistry Center.

The Decision

Everything Calvin Jones, DMD ever thought he wanted as a practicing dentist was embodied in the Hyde Park Family Dentistry Center. An ideal location, with a diverse and affluent patient base, a practice known and respected by his peers, a personal level of income greater than he ever expected, and yet something obviously wasn't right. Should he have done more due diligence before acquiring a 50 percent interest? Should he have reviewed more closely the practice accountings after becoming a business partner? Should he have terminated Sophia? Should he just have ignored Dr. Waxman's entitlement to certain expenses?

Available Options

Before picking up the phone to call his attorney to explain the situation, Calvin pondered the options still available:

- Fire Sophia immediately.
- Revisit the business relationship recognizing Dr. Waxman's sensitivity.
- Develop a plan of transition allowing Dr. Waxman to step away from the practice on his own terms, and acquire Dr. Waxman's remaining 50 percent interest in the practice.

Once again, Dr. Calvin Jones reached for his bottle of Tums.

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Biography



Steven Oscher is the Managing Director of *Oscher Consulting*, a firm that provides support services and financial analysis to the legal community. He has been appointed by the courts as a Trustee, Receiver, Examiner and Special Master and serves as a consulting and testifying expert in accounting, financial and economic matters. Prior to forming Oscher Consulting, he served as an audit and quality review partner and was the director of litigation services with an international accounting firm. He also taught numerous professional education courses.

Exhibit 1: Trends

2475 Johnson Avenue, Suite B · San Luis Obispo, California 93401

joel@diringerassociates.com

805.546.0950



CRITICAL TRENDS AFFECTING THE FUTURE OF DENTISTRY: Assessing the Shifting Landscape

Prepared for
American Dental Association
May 2013

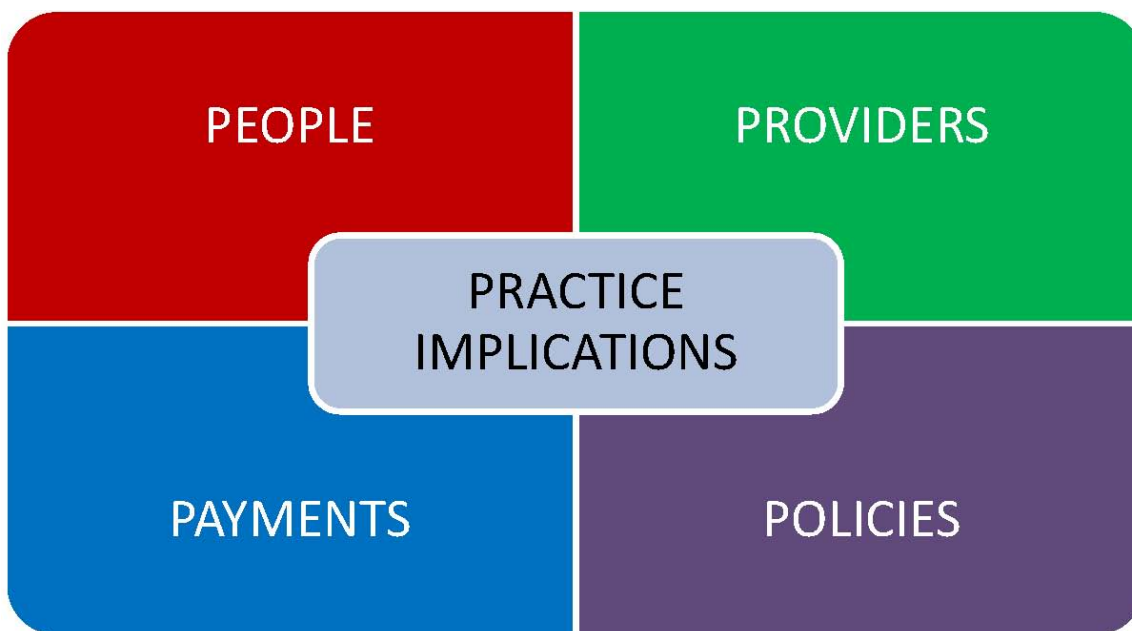
Joel Diringer, JD, MPH
Kathy Phipps, MPH, DrPH
Becca Carsel, MA

**Permission to use this study
granted by Joel Diringer, May 2015.**

EXECUTIVE SUMMARY

Dentistry in the United States is in a period of transformation. The population is aging and becoming more diverse. The health care delivery system is changing rapidly with the implementation of the Affordable Care Act. Consumer habits are shifting with Americans increasingly relying on technology and seeking greater value from their spending. The nature of oral disease and the financing of dental care are in a state of flux.

To assist the American Dental Association in its strategic planning, Diringier and Associates was retained in March 2013 to conduct an environmental scan of emerging trends that affect the future of dentistry. Consisting of a comprehensive literature review and key informant interviews, the scan found that:



PEOPLE

1. The population is getting older and more diverse, leading to different disease patterns, care-seeking behavior and ability to pay.
2. Consumers are becoming more astute purchasers of health care and seeking value for their spending.

PROVIDERS

3. An increasing number of dentists are being trained, but mounting debt load and changing demographics are altering the practice choices for new dentists.
4. Pressures are growing for an expanded dental team to provide preventive and restorative services.
5. Care is being integrated within “patient centered medical homes” in medicine but there has been slow take up of dental care services.
6. Payment for dental services is shifting from commercial dental insurance to public coverage and personal out of pocket payments.

PAYMENTS

7. Commercial dental plans are increasingly using more selective networks, demanding increased accountability through data and performance measures, and pressuring providers to reduce costs.
8. The Affordable Care Act pediatric dental benefit will provide millions of additional children with dental coverage through the small group and individual markets and optional Medicaid

POLICIES

9. Public programs, with a growing number of participants, will demand increased accountability from dental providers.
10. With the increased demand for value in dental care spending, practices will need to become

PRACTICE IMPLICATIONS

11. The trend towards larger, multi-site practices will continue driven by dental plan pressures for smaller provider networks, practice patterns of new dentists and increased competition for patients.
12. Health care reform and Medicaid expansions with an increasing emphasis on outcomes and cost-effectiveness will encourage alternative models of dental care.

This is a critical moment in dentistry and not a time for complacency. Understanding the key forces at work will assist the profession in defining its own destiny. Ignoring what is happening in the health and consumer environments will mean ceding the future of the profession to others.

By commissioning this report and convening key thought leaders, the ADA has taken on the challenge of facing the new reality and charting a course for the dental profession and the oral health of America.

Diringer and Associates is a California based health policy consulting firm founded in 2001. It has significant experience in oral health, public policy, evaluation and organizational development.

INTRODUCTION

CRITICAL TRENDS AFFECTING THE FUTURE OF DENTISTRY: Assessing the Shifting Landscape

Dentistry in the United States is in a period of transformation. The population is aging and becoming more diverse. The health care delivery system is changing rapidly with the implementation of the Affordable Care Act. Consumer habits are shifting with Americans increasingly relying on technology and seeking greater value from their spending. The nature of oral disease and the financing of dental care are in a state of flux.

To assist the American Dental Association in its strategic decision making process, Diringer and Associates was retained in March 2013 to conduct an environmental scan of emerging trends that affect the future of dentistry.

This report is based on a comprehensive literature review and key informant interviews with organizations throughout the United States. It synthesizes what we have learned into 12 salient trends that affect the future of dentistry. Some of the trends are apparent, others are still emerging. Some of the implications are unknown.

The findings are organized in five key themes to capture the trends in a digestible format. The five themes, however, are interrelated and should be viewed collectively. The themes are:

- People
- Providers
- Payments
- Policies
- Practice implications

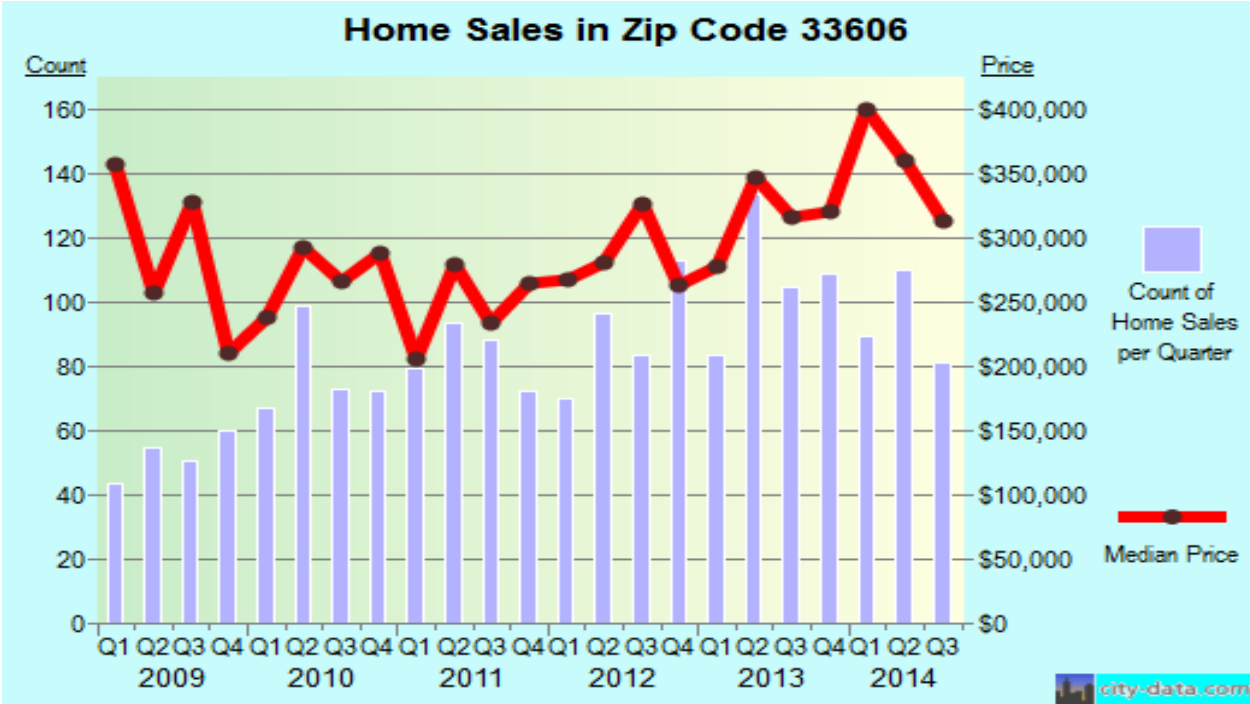
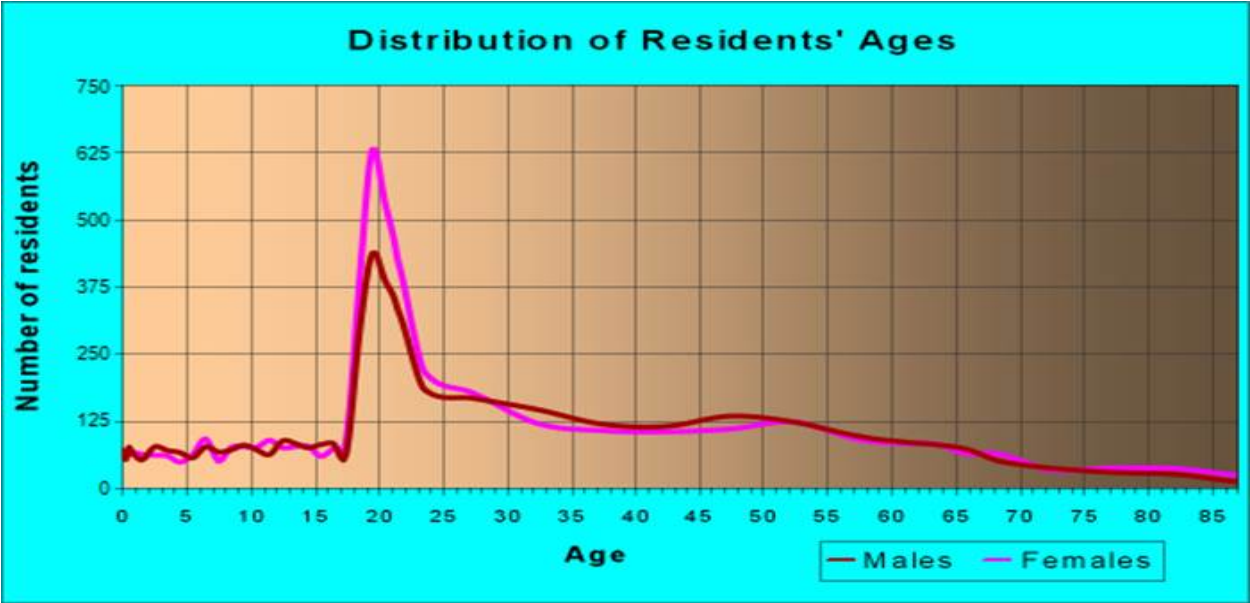
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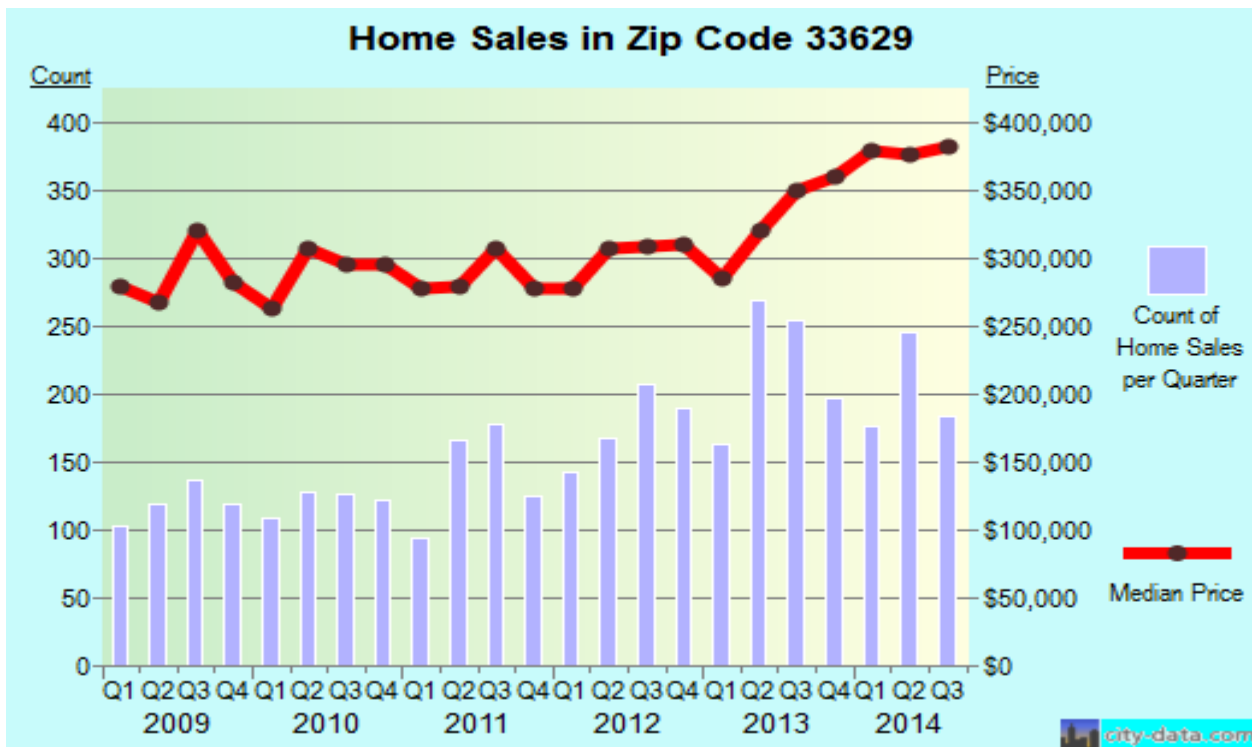
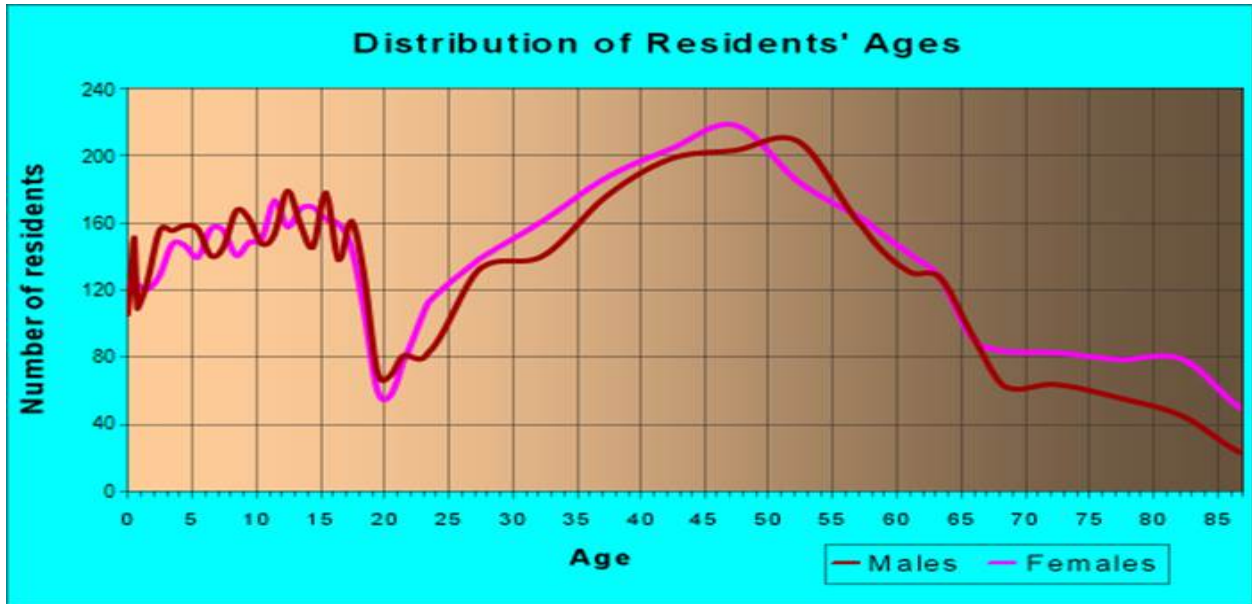
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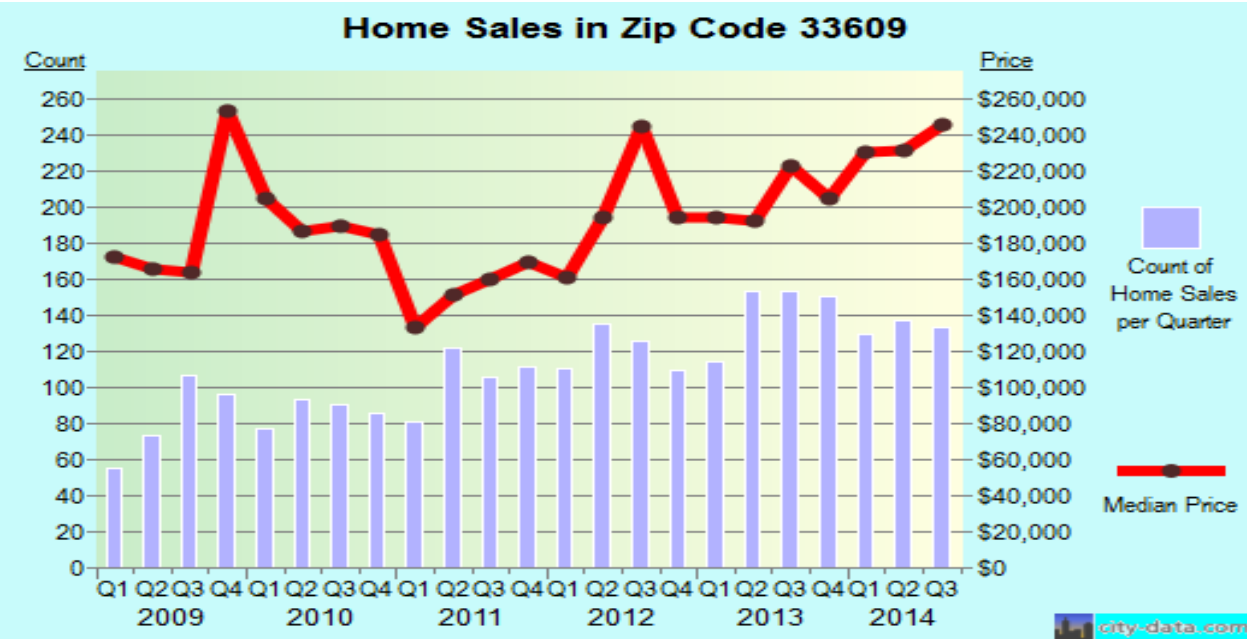
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Source: http://www.ada.org/~media/ADA/Member%20Center/Files/EScan2013_Diringer_Full.ashx

Exhibit 2: Demographics







Source: <http://www.city-data.com/neighborhood/Hyde-Park-Tampa-FL.html>

Exhibit 3: Continuing Medical Education (“CME”) Handout from Web

A partnership is when two or more people team up in the ownership and operation of a business. When a partnership works, the business will run like a well-played symphony. When it doesn't, things will more likely be closer to a scene from the film *Titanic* (specifically, that part where the ship sinks).

Ensure that your partnership operates smoothly:

- **Date first (metaphorically, of course).** Just like in a romantic situation, you should get to know your prospective partner very well before you tie the business knot.
- **Partner only with someone you trust.** Trust is the glue that holds a partnership together and allows you to achieve great things. The road to business success is littered with broken partnerships that fell apart as soon as the trust that kept them together vanished.
- **Don't partner until you can stand on your own.** You should partner from a position of strength, not weakness. Otherwise, your business will become a codependency and, thus, dysfunctional.
- **Enlist partners who add to the business.** Ideally, your partner will complement you and bring positive personal value to the company. Choose partners to cover the skills or connections that you lack.
- **Share the equity (and the burden of risk).** Sharing equity means sharing ownership of the company with your partners. But if you agree to share ownership of your company, be sure to require partners to share equally in the risks associated with the business.
- **Create a written partnership agreement.** Formalize your partnership in a written agreement that spells out — clearly and unambiguously — the ownership stake of each partner, rights to business proceeds, and his or her responsibilities to the business.

More than a few friendships, families, and personal relationships have been destroyed by business partnerships gone bad. Partners can clash in a variety of ways in a business environment under the pressures of a busy schedule. Always apply the same standards of care when you decide to partner with family or friends as you would when hiring a stranger.

Source: Continuing Medical Education (“CME”) handout from web received by case writer in Professor Miller's Business Law class.

Exhibit 4: Notes from Professor Miller’s Business Law Class

<i>Scorecard</i>	
<i>Plus</i>	<i>Minus</i>
<ul style="list-style-type: none">Partnerships allow you to take advantage of the skills, expertise, efforts of more than one person.	<ul style="list-style-type: none">Partners don't always agree on every course of action; a situation that may eventually become acrimonious and could harm the business.
<ul style="list-style-type: none">The risks of the business are diffused across one or more partners.	<ul style="list-style-type: none">Each partner is legally liable for actions of the other partners, including hiring employees, borrowing money, operating the business, and more.
<ul style="list-style-type: none">Partners can provide support to one another and provide a healthy and stimulating social environment.	<ul style="list-style-type: none">Just as in marriage, partners almost always have disagreements and quarrels.
<ul style="list-style-type: none">The government has little direct control or legislative influence over partnerships.	<ul style="list-style-type: none">Like divorces, when partnerships break up, things can quickly get messy.
<ul style="list-style-type: none">Expenses are shared by all partners.	<ul style="list-style-type: none">Profits are distributed to all partners.

Source: Notes from case writer’s Business Law class with Professor Miller.