

TAX REFORM — KNOW YOUR OPTIONS TO AVOID THE TRAPS

For many taxpayers, it may be too early to tell how the sweeping changes to federal tax laws enacted by Congress at the end of 2017 will affect their tax returns. The fact is, these changes will be most apparent when it comes time to report 2018 income.

The well-advised taxpayer will make every effort to understand the myriad changes in advance. Waiting until 2019 may leave you in a state of disappointment and regret. When April arrives, tax planning will be a forgone conclusion and a number of tax advantages may be forever lost.

From our perspective, dentists are among those who could be severely impacted by the latest round of tax reform; some parts good and some parts bad. A clear understanding of how the new laws affect you may provide the basis for better planning and tax reduction strategies.

Simplifying the tax code is no easy task. In the latest round of adjustments, the IRS is supporting the premise of increasing standard deductions to reduce the number of taxpayers itemizing deductions.

State and local taxes limitation: The state and local income tax deduction will be limited to \$10,000 annually*. This will hurt anyone living in areas with high state and local tax rates, and higher income earners (\$200,000+) no matter where they live.

Mortgage interest: interest will be limited on mortgages greater than \$750,000. Existing mortgages will be treated as they were, with a \$1,000,000 threshold for interest limits.

Home equity loan interest: Starting with 2018 income tax returns, interest on home equity lines of credit is no longer deductible.

2% limitation: The 2% of Adjusted Gross Income (AGI) limitation on miscellaneous itemized deductions (tax prep fees, investment management fees, unreimbursed work expenses) has been eliminated.

Casualty and theft losses: This deduction has been eliminated, unless the loss takes place in a federally declared disaster area. This is a good time to verify casualty insurance policies are adequate.

Charitable donations: These are still deductible, but you will only receive the tax benefit if you itemize.

Benchmarking

Whether one is setting practice goals for clinical results, financial results, or patient satisfaction, you must have a plan of action. Actionable plans must be developed from data which requires your investment of time and knowing what data is important. Goals without objective feedback are rarely attained and usually fall off the radar.

Our Benchmarking services can help you uncover what best practices to strive for, what is necessary to maintain a competitive edge, and what actions are necessary to adapt to the needs of their patients.

In This Issue

- Tax Reform
- Chef's Corner
- Practice Growth
- Business Insurance
- CDT for 2019

Chef's Corner—Cherry Stuffed French Toast

A healthy breakfast can kick start your metabolism and give you the energy to get through a long day. On most days, it's a good idea to start with something tasty and nutritious, like granola with fruit or a smoothie. On the days you decide to indulge, this recipe will thrill your taste buds!

1 loaf egg bread, unsliced

1 8-ounce package cheese cream, room temperature

1/4 cup whipping cream

1-1/4 cups tart Montmorency cherries, drained, divided in half

7 eggs

Cinnamon, for garnish

Powdered sugar, for garnish

Trim ends from loaf and cut bread into six slices (approximately 1½ to 2 inches thick). Make a cut three-quarters down the middle of each slice (to form a pocket) being careful not to cut all the way through (each slice will become two slices but will be joined together at the bottom). Set aside.

In a small bowl, mix together cream cheese, whipping cream, and 3/4 cup cherries. Spread approximately 1/6 cup of the mixture into the pocket of each slice of bread. Gently press slices together, evenly distributing filling.

In a separate bowl, beat eggs and milk together. Dip stuffed slices into egg mixture and coat all sides. Place immediately on a lightly-oiled, heated griddle and sprinkle with cinnamon. Cook over medium heat until golden brown, turning to cook second side.

Remove cooked slices from griddle and place on a cutting board. Gently make a diagonal cut through each slice, forming two triangles. Arrange two triangles on six individual plates. Sprinkle with powdered sugar and remaining cherries. Serve with maple syrup.



Practice Growth—Setting Appointments

The phone at the front desk is often the first touch point for a prospective patient. A messy phone process or untrained staff may result in un-booked patients. Investing in training your front-desk staff will improve your patient experience and appointment volume. Here are three phone skills you can apply today to better convert callers into patients.

Connect the Call

The first thing patients do when they need to make a dental appointment is make a phone call. To fully capture that opportunity, the call needs to be connected to someone who can address their needs. Practices spend a lot of money on marketing and drawing leads into their office, but that money is wasted if the caller is never connected.

On average, 40% of potential new patient calls end up in voicemail, and a staggering 87% of callers hang up when they hear a voicemail message or are placed on hold. Every day, practices are unknowingly letting appointment opportunities slip through the cracks by not looking at the right data. Unfortunately, many callers aren't helped due to poor phone routing in place and untrained staff sending callers to hold or voicemail.

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Business Insurance

For many business owners, the only thing worse than enduring a difficult property loss is discovering that you are underinsured and unable to restore operations. Protecting your practice is often overlooked. The right amount and kind of insurance to restore your practice in the event of catastrophic loss should be high on your priority list.

Many of your investments immediately come to mind when you consider what you should include in your Business Personal Property limits: furniture, carpet, desks, instruments, chairs, operator equipment, x-ray machines, cone beam radiography machines and CAD/CAM devices. But an additional expense you may not have considered is what it will cost to retrofit a building for use as a dental office. A rule of thumb is \$70,000 per operator (a dental chair in a separate exam room) plus the replacement value of any equipment not ordinarily in every office.

As your business changes and grows, so do your insurance needs. That's why there's no time like the present to re-evaluate your entire insurance program to be certain that if the unexpected happens, you've got appropriate resources in place to get back to business.

Code Changes for 2019

It is that time of year to begin looking at the changes coming for CDT Codes. Make sure you review/add fees for these new codes and inactivate codes that have been deleted.

Deletions:

D1515 Space Maintainer - fixed bilateral

D1525 Space Maintainer - removable - bilateral

D5281 Removable unilateral Partial Denture – one piece cast metal (including clasps and teeth)

D9940 Occlusal guard by report

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Tax Reform—continued...

Athletic Ticket Donations: The 80% deduction that could be taken for charitable contributions which provide seating priority is no longer available.

Moving expenses: Moving expenses are no longer tax deductible, unless the taxpayer is in the armed forces and the move is due to a permanent station change.

No More Personal Exemptions – This elimination is intended to be offset by the increase in standard deduction.

Finally, the 20% Pass-Through Deduction—This deduction is complicated and may take several years for the IRS to issue guidance on the deduction. If your practice operates as an S Corporation, partnership, LLC or sole-proprietor, you may qualify for this pass-through deduction which phases out when your taxable income surpasses \$415,000 (average income for a practice doing \$1.2 – 1.5m).

Maximizing the 20% pass-through deduction requires lower net profits from your practice. This may seem counter intuitive but lowering profit doesn't mean giving up net-worth growth.

Whatever you do, don't wait until 2019 to discover that you could have done something today to lower your taxes significantly for all of 2018.

Contact us today to learn more.

Practice Growth—Setting Appointments

When the phones at your practice are ringing off the hook and your receptionist seems to be constantly on the phone, it can be hard to tell where opportunities are being lost.

Using voicemails as a reference, you will never know how many callers did not reach a staff member, hung up on hold, or didn't leave a voicemail. If the called doesn't reach someone, they weren't booked.

Two easy tactics to improve connection rate - First, avoid answering the phone "hold please". Instead, take a moment to find out who the caller is and his or her needs. The small moment of time for a short conversation will make the caller feel valued and provides an opportunity for staff to properly place them on hold or book the appointment.

Second, start tracking inbound calls. What time is your office staffed to handle calls? Examine when potential and current patients are actually calling the office and adjust your staffing schedules accordingly to make sure the busiest hours have full coverage. You'll be doing more with the leads you're already receiving.

Smile—There is solid evidence that a smile creates a positive boost in mood and attitude, and can be felt over the phone!

Believe it or not, callers can feel the smile of your staff. As a result, the caller has a more enjoyable experience and your staff will feel more confident. If a smile is free and it increases the odds of booking that new patient, why not encourage your staff to smile more, especially when speaking with a patient or potential patient.

Ask for the Appointment—Every Call—After connecting callers with someone who can help, the next step is inviting them in to the office. This is the most crucial part of the phone call. As obvious as it may sound, this is where most practices fall short. Don't fall into the rabbit hole of price quoting or getting into the weeds of trying to collect information that can be obtained once they arrive. Be sure to provide two available times when offering the appointment.

Example, "When are you available to come in this week, Tuesday or Thursday? Do mornings or afternoons work better for you? We have openings at 2:00 on Monday or 11:00 on Wednesday. Presenting them with an easy option increases the likelihood of booking the appointment.

Start today and implement these behaviors. You will increase your booking percentage by continually reinforcing these good phone habits with your staff. Studies show it only takes 21 weeks to form habitual behaviors. With practice and consistency, your staff will confidently be handling new patient calls and booking more appointments. The outcome: happier phone handlers, more new patient appointments, and an enhanced patient experience.

Additions:

D0412 Blood Glucose level test - in office using a glucose meter. This procedure provides an immediate finding of a patient's blood glucose level at the time of sample collection for the point-of-service analysis.

D1516 Space Maintainer - fixed - bilateral, maxillary

D1517 Space Maintainer - fixed -bilateral, mandibular

D1526 Space Maintainer - removable -bilateral, maxillary

D1527 Space Maintainer - removable -bilateral, mandibular

D5282 Removable unilateral partial denture – one piece cast metal (including clasps and teeth), maxillary
D5283 Removable unilateral partial denture - one piece cast metal (including clasps and teeth), mandibular

D5876 Add Metal substructure to acrylic full denture (per arch)

D9944 Occlusal guard - hard appliance, full arch. - Removable dental appliance designed to minimize

the effects of bruxism or other occlusal factors. Not to be reported for any type of sleep apnea, snoring or TMD appliances.

D9945 Occlusal guard - soft appliance, full arch: Removable dental appliance designed to minimize the effects of bruxism or other occlusal factors. Not to be reported for any type of sleep apnea, snoring or TMD appliances

D9946 Occlusal guard - hard appliance, partial arch: Removable dental appliance designed to minimize the effects of bruxism or other occlusal factors. Provides only partial occlusal coverage such as anterior deprogrammer. Not to be reported for any type of sleep apnea, snoring or TMD appliances.

D9130 Temporomandibular joint dysfunction - non-invasive physical therapies: Therapy including but not limited to massage, diathermy, ultrasound, or cold application to provide relief from muscle spasms, inflammation or pain, intending to improve freedom of motion and joint function. Report on per session basis.

D9613 Infiltration of sustained release therapeutic drug - single or multiple sites: Infiltration of sustained release pharmacologic agent for long acting surgical site pain control. Not for local anesthesia purposes.

D9961 Duplicate/copy patient's records

D9990 Certified Translation or Sign-Language services - per visit

Optimizing your practice is the first step to maximizing its value. Contact us to learn more.....

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