Why dentists need to fight back against corporate giants

In an era where private practice ownership is declining, more dentists are banding together to fight insurance companies and dental groups.

After watching what has happened to independent doctors over the last decade, dentists have realized that if they're not careful, they'll be next.

Changes in the marketplace have forced many U.S. doctors to cash in their autonomy in exchange for hospital employment or private equity firm oversight. As they became cogs in...
To dentists across America, this is a cautionary tale. As more private equity companies buy up dental practices, turning them into employees of megabrands like Heartland Dental, Aspen Dental and Smile Brands, to name a few, other dentists are rallying together to make sure they don’t suffer the same fate.

They’re not only saying no to private equity but also fighting the insipid undertow of insurance plans.

One group of dentists in Massachusetts has banded together to fight the trend. Betrayed by their own state dental society, these independent dentists formed the Massachusetts Dentists Alliance for Quality Care.

“Over the past five years, dental insurance companies and private equity groups have extended their tentacles into the private practice of dentistry, changing the way it is financed and ultimately diverting more dollars into their pockets and far less into the pockets of those actually providing the care,” says Dr. Jill Tanzi, a Boston-based dentist and founding member of the alliance. “Quite simply, they are using the medical model as their guide to extract as much money as possible out of the dental health industry.”

The model is simple: Sew up market share, control the dentists, cut their pay, leave them no way out through binding non-compete contracts, then raise premiums.

It’s good work if you can get it.

“As we have seen from our friends in the medical field, when you allow insurance companies and large partnerships to take over healthcare, it does not end well,” Tanzi says. “Sadly we are seeing the fallout as talented doctors and dentists leave their professions in droves.”

For the Massachusetts dentists, the final straw came in December 2016. Delta Dental sent its dentists a new contract, requiring them to sign it by Jan. 6 or face a one-year lockout. The new contract would cut their already substantially reduced contracted rates by as much as 30 percent, so the cut was closer to 60 percent, Tanzi says.

By far the largest provider of dental benefits in the state, Delta services more than 5,000 Massachusetts companies and 2.2 million members. More than 95 percent of the state’s dentists participate in the Delta plan. The dentists were over a barrel — and they’re not alone. Delta is making similar moves in other states, including Washington and Wisconsin.

While Delta argued that it needed to slash payments to dentists to “control costs,” the nonprofit was paying eight top executives over a million dollars a year in compensation. In 2015, Fay Donahue, the top executive at Dental Service of Massachusetts, Delta Dental’s parent company, made $7 million.

Meanwhile, the average dentist salary in the United States is $151,090.
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