

PracticePulse™

Orthodontic business analyzer

3.1

USER'S GUIDE

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(Revised 12/16/2008)

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The History of Practice Pulse™ by Dr. Glen Cowan

I began working on the Practice Pulse Program as the result of two important events in my professional life.

First I was asked to become a part time faculty member in the orthodontic department at the UAB School of Dentistry. Because I was a relatively young practitioner I was approached often by the residents with questions about their career options. I felt an obligation to provide sound advice, but at times I could only give my opinion or reference an isolated article. I often lacked the ability to effectively communicate a comprehensive analysis and plan of action for their specific practice visions. This was particularly true for more complex questions and long-term perspectives.



Second, at approximately the same time that I started teaching, my mentor, Dr. David Sarver, asked me to join the Midwest Component of the Edward H. Angle Society. One of the requirements for admission into the society was a research project. I saw this as an excellent opportunity to work on a computer program to assist practitioners, both new and experienced. It could aid in planning the future of their orthodontic practices. While this was not a typical research project, I was fortunate the research committee approved it.

I worked on the program for several months and presented it to the Angle Society as my last step towards admission. I also began to use the program in a series of practice management lectures for the residents at UAB. Over time several people saw the application and encouraged me to distribute it to the various residency programs. I knew, however, that I had reached the limits of my computer skills and had no way to distribute or support this system. Fortunately, through a series of events, I became associated with the GAC TechnoCenter. They took my original application and worked their magic to create a user-friendly program with a wonderful support network. GAC shares my goal of assisting practitioners in defining their practice visions and outlining plans for success. Proactive orthodontists now have the tools to turn their practice dreams into reality.

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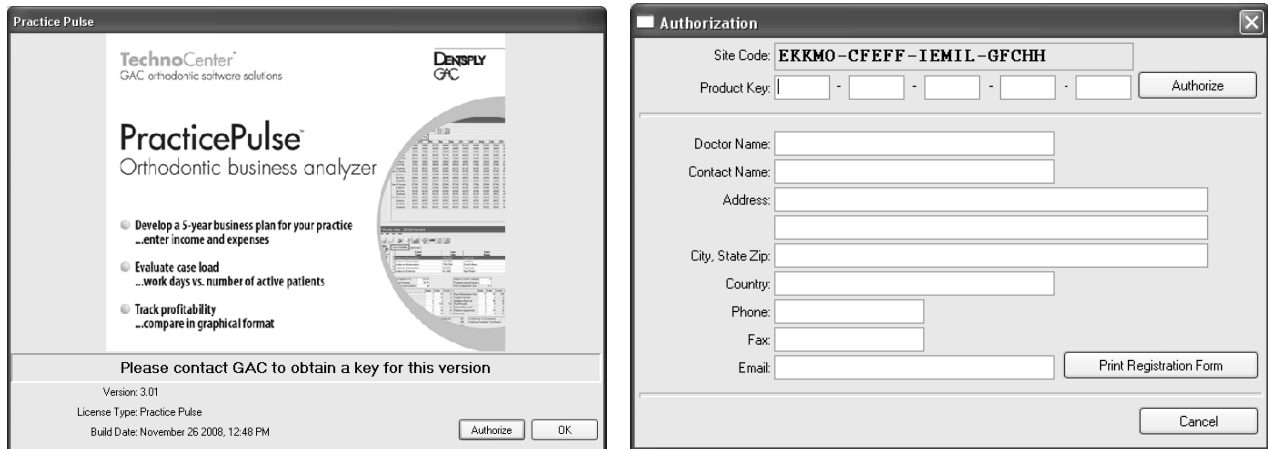
Installing Practice Pulse

To install Practice Pulse simply insert the CD into your computer and follow the on-screen directions. The program will be automatically installed to your C: drive and you will be prompted for Authorization before you can begin using the program. **Note:** in order to protect your financial information that this program has been designed to run on a stand alone computer instead of in a network environment.

Please be aware that if you are installing on a Windows 2000 or Windows XP computer you will have to be logged on with Administrative Privileges in order to complete the installation.

AUTHORIZATION INFORMATION

When you run Practice Pulse the first time, you will be prompted to get a Product Key to operate the software. If you want to take advantage of the 10-day money back guarantee then please call GAC (888.422.2376) and let the customer service representative know that you need a “Demo Key” for evaluating the software. All Practice Pulse functions will be available to you during this period.



At the end of the ten days, the program will prompt you for a “Permanent Product Key”. All access to Practice Pulse will cease until this “Permanent Product Key” is obtained. Please note that you may obtain this “Permanent Product Key” at any time during your 10-day evaluation period.

ONCE THE PERMANENT PRODUCT KEY HAS BEEN ISSUED THE PROGRAM IS NON-REFUNDABLE

A permanent “Product Key” ends the evaluation period and allows the use of Practice Pulse indefinitely. The permanent “Product Key” is a sequence of letters provided by the GAC TechnoCenter, which is unique to each computer. Thus, if you have two computers (A & B) and request a permanent “Product Key” for computer A, this “Product Key” will not work on computer B. Each computer must be authorized with its own “Product Key”.

To obtain your permanent “Product Key”, you must first display the Authorization window by double clicking on the Practice Pulse icon. If you are in “Demo” mode you can access the Authorization dialog, by clicking on Help, About and then the Authorization button. The Authorization dialog will then appear.

Via fax: Enter a Dr. name and then a phone, fax or an e-mail address in the Authorization window. Select the “Print Registration Form” button to print out your authorization request form. Fax the form to (205) 945-8932.

Via phone: Contact the GAC TechnoCenter at (888) 422-2376 or (205)945-8911 to receive your Product Key. Please have your Dr. Name, address, product name and Site Code ready.

Via email: Contact the GAC TechnoCenter at TechnoCenter@GACIntl.com to receive your Product Key. Please include your Dr. Name, address, product name and Site Code.

Once the GAC TechnoCenter receives the Site Code you will receive a Product Key. Enter the Product Key in the Authorization window exactly as it is given to you and then click the “Authorize” button to complete the entry and the Authorization process.

Please Note: If the Product Key is not entered exactly as shown on the faxed Authorization form, Practice Pulse will not be authorized.

Chapter 1: Overview of Practice Pulse™

The Practice Pulse System works on a number of levels to help define a viable business vision and then assist in finding the most effective Scenario to achieve your goals.

The objectives of the Practice Pulse System are as follows.

- Allow the practitioner to establish individualized financial standards for their vision of a healthy orthodontic practice.
- The program allows the orthodontics to look at a five year snapshot of financial variables. More than five years can be entered, but only five years can be viewed at a given time.
- Identify key practice and business variables that influence most orthodontic practices. These variables are broken into three major groups: Income, Expenses, and Time.
- Allow for the simultaneous manipulation of these variables to study the “Ripple Effect” on the practice vision over an extended time period.
- Provide a platform for multiple Scenarios
- Allow the practitioner to compare multiple Scenarios and choose the Scenario that will most effectively achieve their vision.

The Practice Pulse System is divided into five major modules which represent the business essence of an orthodontic practice:

1. Income Projection
2. Expense Projection
3. Cash Flow
4. Time Analysis
5. Income Distribution

Things to Know Before You Start

General Information:

- If you are using any of the income or expense screens, you must enter a collection rate before starting any other data entry.
- Once a Scenario has been changed you can't revert back to the original numbers.
- The software automatically updates all the numbers in the Scenario you are working with. Therefore, if you want to “play around” and make changes to an existing Scenario you will need to make a copy first. Click on File, Save As... and select a new File Name and then click OK. After you click the OK button you will be transferred into the “new” Scenario just as you would if you did a File, Save As... in Microsoft Word or Excel.
- Many screens have an “auto populate” function that will assist you with data entry. Data entered into these fields will automatically transfer to the adjacent fields. Any data entered in this manner can still be manually changed.
- On the screens with the “auto populate” function you can make future projections by entering a + or – percentage change. For example if you enter +5% in a field the program will automatically make the calculations for the subsequent years.
- Values in green mean that there was an increase in value from the previous year. Values in red denote that there was a decrease from values from the previous year.

There is one standard Scenarios included with the program:


The Gold Standard Scenario: This Scenario represents a solid practice based on information from a number of sources. This Scenario was created only for illustration purposes and to demonstrate the data entry process.

Income Analysis/Projection

The income module is designed to analyze and project the various income streams in an orthodontic practice. These income streams may come from new patient contracts, existing patient contracts, or supplemental income. The Income module is broken up into 6 tabs:

1. **Collection Rate** - The collection rate represents the percentage of all eligible monies that should be collected over a 12-month period.
2. **New Contract** - In the new contract screen the practitioner can make five year income projections for an unlimited number of cases based on number of starts per case type, total annual starts, fees, and payment arrangements.
3. **Existing Contract** - The existing contract income screen calculates the income that is derived from patients who are already in treatment.
4. **Supplemental** - The supplemental income screen includes income from other sources such as contract labor, associateship, and spousal income.
5. **Total Annual Income** - The total annual income summary screen displays the total income from all sources as annual totals.
6. **Total Monthly Income** - The total monthly income summary screen shows the total income from all sources as monthly totals.


The income analysis module provides a simple but detailed way to effectively project long-term income changes and how they will affect overall profitability.

 ***Case Study: What if your vision is to have your practice income grow by 20% over a five year period? Unfortunately you practice in an area under economic distress along with increased competition. How can you reach your goal? With the Practice Pulse system you can study the combined effect of graduated fee increases in selected years along with small but steady increases in patient starts. This combination of variable manipulation could provide the road map to your desired vision.***

Expense Projection

The expense module is designed to analyze and project the various expenses in an orthodontic practice. These expenses are based on clerical, clinical, facilities, financial, insurance, staff and support expenses. The nine expense screens are:

1. **Clerical:** Clerical expenses are those most closely tied to the business portion of patient care. Subcategories include expenses such as office supplies, postage, and equipment.
2. **Clinical:** Clinical expenses are those most closely tied to clinical patient care. Subcategories include expenses such as supplies, lab, model fees, printing supplies, and equipment.
3. **Facilities:** Facility expenses are those most closely tied to occupancy costs for either rental or owner occupied offices. Subcategories include expenses such as rent, utilities, taxes, maintenance, leasehold improvements, and lawn and janitorial expenses.
4. **Financial:** Financial expenses are those most closely tied to the business control of an orthodontic practice. Sub-categories include expenses such as business interest, taxes, license, depreciation, and service charges.
5. **Insurance:** Insurance expenses are those related to the asset, business, and personal financial/liability protection. Subcategories include expenses such as auto, building, business property, employer liability, overhead, umbrella and workman's compensation.
6. **Staff:** The Staff Expense screen allows for the comprehensive tracking of staff expenses on both an individual and group basis. For each staff member wages, benefits, and taxes are calculated to determine the total annual and hourly expense for each employee. The total for all employees is maintained on an annual basis.
7. **Support:** Support expenses are diverse group of expenses that are required to grow and sustain an orthodontic practice. Subcategories include expenses such as accounting fees, auto, consulting fees, continuing education, donations, dues, legal fees, meals, promotion, and student loan interest.
8. **Total Annual Expenses** - The total annual expense summary screen shows the total expense from all sources displayed in annual totals.
9. **Total Monthly Expenses** - The total monthly expense summary screen shows the total expense from all sources displayed in monthly totals.


 **Case Study:** *A practitioner is considering the options of either adding a staff member vs. using new technologies, such as digital models and automated calling systems, to ease the existing staff work load. Using Practice Pulse the practitioner could establish two Scenarios for comparison. One Scenario would evaluate all the expenses, including base pay and benefits, for an additional staff member over a five year period. Another Scenario would evaluate the technology expenses, both short and long term, over the same five year period. The Scenarios could then be compared to see which best meets the desired expense vision.*

Cash Flow Projection

The Cash Flow screen is divided into two summary areas, Annual and Monthly Cash Flow, to provide a snap shot of gross income, expenses, net income, and percent overhead. This summary screen is very useful to quickly see long term trends that may affect the health of a practice. This

screen also provides a glimpse into the “Ripple Effect” where changes to one or more variables may cause unexpected results.


1. **Annual Cash Flow:** The Annual Cash Flow combines data from the income and expense screens to project the practice net profit and overhead over a five-year period.
2. **Monthly Cash Flow:** The Monthly Cash Flow combines data from the income and expense screens to project the average monthly net profit and overhead over a five-year period.

 **Case Study:** *A mature practitioner evaluates their cash flow projections and discovers their percent overhead will be rising in later years. The initial impulse is to begin seeking ways to cut expenses such as switching to “cheap” appliances. On further analysis it is found that switching appliances has little effect on decreasing the overhead and may in fact cause an increase due to excessive appliance breakage. Another Scenario reveals that instead of cutting expenses the desired overhead can be obtained by small changes in fees and better collection policies.*


Time Analysis

The Time Analysis screen seeks to evaluate time both on an individual case level and on a total practice level. To accomplish this goal there are two sections: Case Profitability and Case Load.

1. **Case Profitability:** Examines the time required to treat an individual case. This is accomplished by recording the different types of appointments, the number of appointments for each type, and time for each appointment. Summations are then made for the total number of appointments and the total case time.


 **Case Study:** *A practitioner enters their “Gold Standard” profitability for an adolescent extraction case. They then record the needed data on their last ten debanded adolescent cases. They find only a few are near the “Gold Standard”. Of those not reaching the desired levels the primary cause is found to be an excessive number of either broken appointments or extended treatment visits. The practitioner can now make definitive changes that will dramatically improve their profitability.*

2. **Case Load:** Case Load looks at a variety of appointment types including starts, debands, active adjustment, supervision, and retention. The data from these various appointments is summarized to establish the total number of monthly patient appointments. With this information the practitioner can calculate the number of work days and number of patient appointments required per day.

 **Case Study:** *A practitioner is considering switching to a more expensive frictionless bracket system that may allow for longer treatment intervals. How would the number of daily patient appointments change if the treatment interval for the active treatment patients was extended by two weeks? The practitioner would likely find a significant decrease in the number of patients appointments needed per day. This may in turn provide room for additional patient starts far offsetting any increase in appliance expenses.*

Income Distribution

The Income Distribution screen allows the user to evaluate the income distribution between multiple doctors within a practice. The Income Distribution screen is divided into three sections: Income Distribution, Asset Distribution, and Doctor Totals. The user has the option to divide the net practice profit into several different income streams spread among multiple doctors. The practice income can then be combined with the income/expenses associated with the sale of assets. All of the income streams are then combined to provide a comprehensive view of the practice incomes distribution.

 ***Case Study: A senior doctor is considering bringing in a partner to their practice. How will the combination of income distribution and the sale of the practice assets affect the senior doctor's final income. What if the practice does or does not grow. How could this affect the ability of both doctors to have satisfactory level of compensation.***

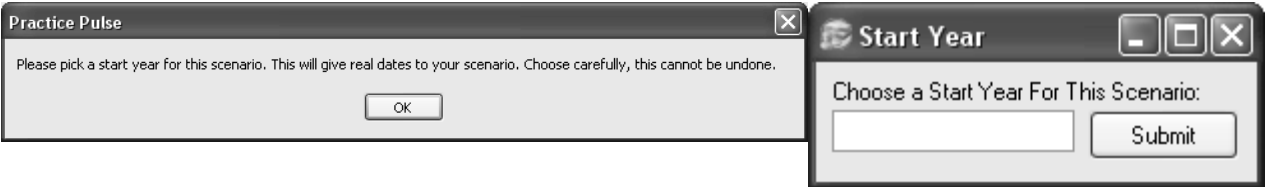
Chapter 2: Using Practice Pulse™

Selecting a Scenario

When you open the Practice Pulse program, you will be prompted to select a Scenario. A Scenario is a combination of income and expenses for a particular practice situation. You can use one of the default Scenarios or choose to Add a New Scenario by left clicking on the green Add icon in the lower left corner, and then clicking OK.



NOTE: The first time you access a scenario using a converted dataset, you will be asked to select a *Start Year*. **Please choose the *Start Year* carefully, as it cannot be undone.** After you set the *Start Year* for a scenario, you will not be asked to set it again.



About the Main Screen










Once you have chosen a Scenario and clicked OK, you will be taken into the Income screen. On the left hand side, you will see a column of four icons – See Table 1. Each of these icons will take you to a different module. Each of these modules will be discussed in further detail in the following chapters.

Table 1:

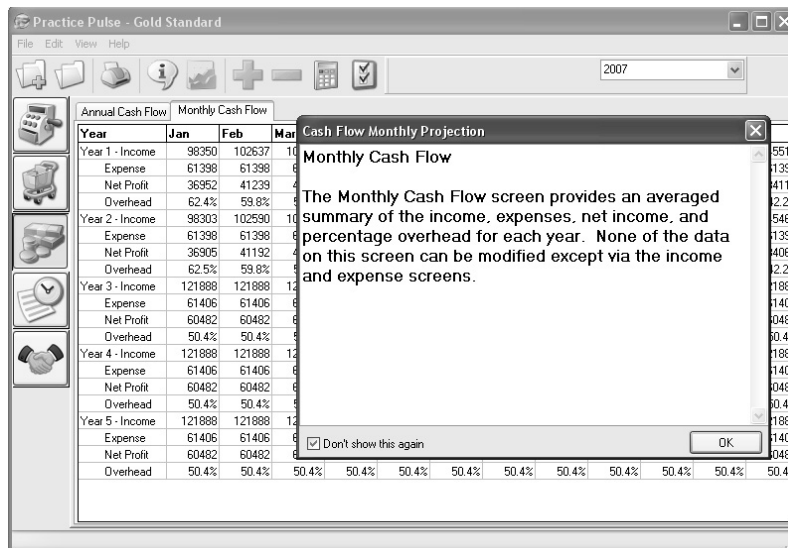
	The Income Projection icon takes you to the Income Module.
	The Expense Projection icon takes you to the Expenses Module.
	The Cash Flow icon takes you to the Cash Flow Module.
	The Time Analysis icon takes you to the Time Analysis Module.
	The Income Distribution icon takes you to the Income Distribution Module.

At the top of the Practice Pulse window you will see a row of 9 icons.

Table 2:

	The New Scenario icon creates a new Scenario.
	The Open Scenario opens an existing Scenario.
	The Print icon allows you to print the screen.
	The Screen Info icon launches the Information window for the screen you have active.
	The Compare Scenarios icon allows you to compare and contrast information between multiple Scenarios.
	The Add icon allows you to add a new case, or a new employee, depending on the screen.
	The Delete icon allows you to delete a case, or delete an employee, depending on the screen.
	The Calculator icon launches a calculator.
	The Preferences icon takes you into the Preferences menu. In this Preferences menu, you can choose a start month, or change the Medicare tax rate, social security tax rate, and the Maximum Social Security taxable amount. The defaults are based on current values. If tax laws change, these default values can be modified.

On the Income, Expense, Cash Flow and Time Analysis screens you will see a series of tabs across the top. Each time you click on a new tab, an information window will appear, giving an explanation of that particular screen. If you prefer to not have that information window appear each time, you can left click in the box next to “Don’t show this again” and click OK.



General Data Entry – White Cells Are Editable and Gray Cells Are Not

In Practice Pulse you can enter values in a variety of ways just as you can with Microsoft Excel. Values can be numbers, equations or percentages depending on in which cell you're working with.

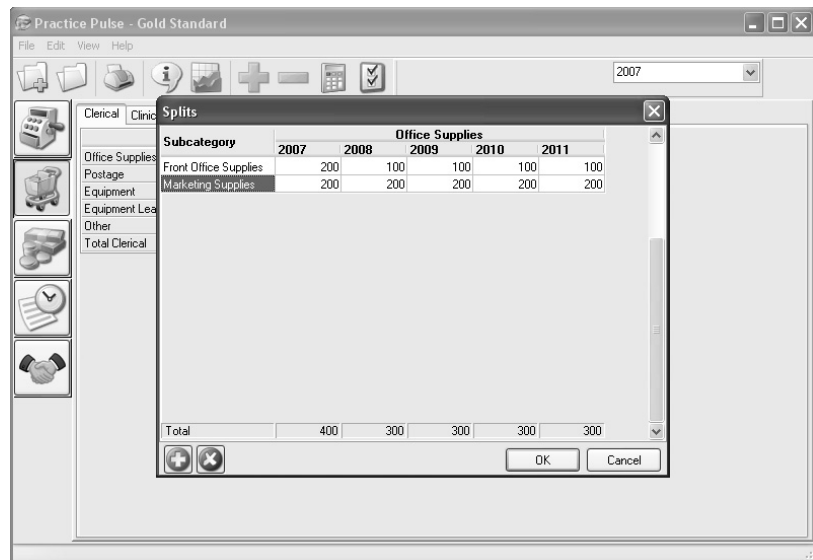
1. **Numbers** – Click in the cell and then type in the value you want to enter (Ex. 23)
2. **Equation** – Click in the cell and then type in an equation. Unlike Excel, do not precede equations with the “=” sign. Use the standard mathematical operators + for addition, - for subtraction, * for multiplication and / for division. (Ex. – if 20 is the value in the first cell and you type in *5 in the second cell it will multiply the value in the first cell by 5 and yield 100 in the second cell.)
3. **Percentage** – Click in the cell and then type in the percentage you want to increase, decrease, multiply or divide the preceding value by (Ex. +3%, -3%, *3%, /3%).

	Year 1	Year 2	Year 3	Year 4	Year 5
Monthly Starts	20.00	23.00	+3%	23.00	23.00
Initial Payment	750	750	750	750	750
Number of Monthly Payments	22	22	22	22	22
Monthly Payment Amt	165	165	165	165	165
Final Payment	165	165	165	165	165
Total Fee	\$4,545	\$4,545	\$4,545	\$4,545	\$4,545
Total Case Starts	240.0	276.0	276.0	276.0	276.0
Collection Rate	96.0%	96.0%	96.0%	96.0%	96.0%
New Contract Income	\$381,888	\$895,363	\$1,172,880	\$1,204,243	\$1,204,243

Data can be entered in any cell with an automatic population of future fields. Future income projections can be made by entering a new dollar amount or a percentage change (+X%, -X%). Any new values will again populate future fields. It is not necessary to start each field at Year 1 unless appropriate. It is also possible to skip years and add data in only some future years.

4. **Category Splits** - Categories of income, expense, time, and case load variables can be “Split” to show more detail of a variable when desired. Any category that is in dark blue text has the ability to be Split into numerous subcategories. To make a Category Split, double click on the category name and a Splits window will appear. Use the + button to add an entry and the X button to delete an entry. After clicking the + a blank subcategory will appear and you will be able to edit the field name. To the right of each new subcategory name you will be able to put in the correct amount. If a Category has been split then the total will appear in light blue to differentiate it from the un-split cells in white.

For example, on the Expenses | Clerical tab you will see the Office Supplies in dark blue. Double click on that field and the Splits window will appear. Use the + button to enter in the new subcategories and the corresponding amounts. Click OK when you are finished and the total from the Splits window will be transferred back into Office Supplies category.



Chapter 3: Entering Income Variables

After you choose a Scenario, the program automatically puts you in the Income Module. You can also get to this screen by left clicking on the Income Projection icon on the left side of the main window. The Income module is divided by category: New Contract, Existing Contract, and Supplemental Income. The Income screens serve as an aid to long term income projection, budgeting, and fee determination. All of the screens are designed in a similar manner. These tabs are designed to be used in the order in which they are listed. For example, it is extremely important that you set your collection rate first, as it will affect your contract income.



Any item in **blue** may be split into subcategories.

For more information, see page 15- General Data Entry | Category Splits.

Collection Rate

In Practice Pulse, you can enter the data for the total accounts collected, total past due accounts, and the total charged off accounts for an automatic calculation of the collection rate. If this data is not available simply enter a specified collection rate. It is possible to change the collection rate for any year by going to the desired cell and entering a new collection rate. When a new collection rate is entered the cells to the right will automatically be populated with the same rate. Because the collection rate is used in other calculations it is necessary to have a rate defined for each year.

	2007	2008	2009	2010	2011
Contracts Billed (Previous 12 months)					
Past Due Accounts (Previous 12 Months)					
Charged Off Accounts (Previous 12 Months)					
Collection Rate	97.9%				

The collection rate in Practice Pulse is calculated by the total accounts collected for a specified 12 month period less any charged off accounts and the current past due accounts. Most offices will strive to have a collection rate above 96%.



Be sure to enter the collection rate otherwise other fields may not be calculated correctly.

New Contract Income

The critical values involved in new income production include the type of case, the number of case starts, fees, payment arrangements, and the collection rate. In this screen it is possible to manipulate either single or multiple variables such as the number of monthly starts, initial payment, number of payments, etc. The resulting combination of variables will generate a 5-year projection of income from new case starts.

Case Name	Case Starts					New Contract Income				
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
Historical Data	0	0	0	0	0	0	0	0	0	0
Full Treatment	300	300	300	300	300	562275	1179675	1462650	1462650	1462650
Total	300	300	300	300	300	562275	1179675	1462650	1462650	1462650

Case Name	Full Treatment				
Estimated Treatment Time	24				
	2007	2008	2009	2010	2011
Monthly Starts	25.00	25.00	25.00	25.00	25.00
Initial Payment	950	950	950	950	950
Number of Monthly Payments	22	22	22	22	22
Monthly Payment Amt	175	175	175	175	175
Final Payment	175	175	175	175	175
Total Fee	\$4,975	\$4,975	\$4,975	\$4,975	\$4,975
Total Case Starts	300.0	300.0	300.0	300.0	300.0
Collection Rate	98.0%	98.0%	98.0%	98.0%	98.0%
New Contract Income	\$562,275	\$1,179,675	\$1,462,650	\$1,462,650	\$1,462,650

Adding New Case Categories

In the New Contract Income module it is possible to enter data for a variety of different Case Types. Click on the Add icon at the top of the screen to add a new Case Type. Once a particular Case Type has been designated you can define the number of projected case starts per month for the first year. The case starts for future years can then be defined by entering a new number of case starts or by entering a percentage increase/decrease (see General Data Entry for more information). The total annual case starts for the specified Case Type is automatically calculated in the bottom section.

In a similar fashion data can be entered for the initial payment amount, number of monthly payments, monthly payment amount, and final payment amount to determine the total case fee. Projections can be made for future years by changing the field number or by entering a percentage increase or decrease.

Practice Pulse - Gold Standard

File Edit View Help

2007

Collection Rate New Contract Existing Contract Supplemental Total Annual Income Total Monthly Income

Case Name	Case Starts					New Contract Income				
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
Historical Data	0	0	0	0	0	0	0	0	0	0
Full Treatment	300	300	300	300	300	562,275	1,179,675	1,462,650	1,462,650	1,462,650
Total	300	300	300	300	300	562,275	1,179,675	1,462,650	1,462,650	1,462,650

Case Name: Full Treatment
Estimated Treatment Time: 24

	2007	2008	2009	2010	2011
Monthly Starts	25.00	25.00	25.00	25.00	25.00
Initial Payment	950	950	950	950	950
Number of Monthly Payments	22	22	22	22	22
Monthly Payment Amt	175	175	175	175	175
Final Payment	175	175	175	175	175
Total Fee	\$4,975	\$4,975	\$4,975	\$4,975	\$4,975
Total Case Starts	300.0	300.0	300.0	300.0	300.0
Collection Rate	98.0%	98.0%	98.0%	98.0%	98.0%
New Contract Income	\$562,275	\$1,179,675	\$1,462,650	\$1,462,650	\$1,462,650

Practice Pulse determines the total new contract income for the specified Case Type based on the number of patient starts, treatment fees, payment arrangements, and collection rate. In addition, Practice Pulse will maintain a summary total of income and number of case starts for all Case Types in the upper section.

Existing Contract Income

The Existing Contract screen begins by defining the total value of any existing contracts. Next the percentage distribution of the contracts is divided for up to five years. For example the percentages may be 50% for Year 1, 30% for Year 2, and 20% for Year 3. The collection distribution can be varied from year to year. However, the total must equal 100%. When a value is entered, Practice Pulse automatically calculates the remaining percentage and places it in the next field. The collection rate transfers directly from the collection rate screen. With data in these cells, Practice Pulse system will automatically calculate the Existing Contract Income for each year.

Practice Pulse - Gold Standard

File Edit View Help

2007

Collection Rate New Contract Existing Contract Supplemental Total Annual Income Total Monthly Income

Total Value Of Existing Contracts: \$1,208,000

	2007	2008	2009	2010	2011
Percent of Contracts Collected	76.1%	23.9%	0.0%	0.0%	0.0%
Collection Rate	98.0%	98.0%	98.0%	98.0%	98.0%
Total Existing Contract Income	\$900,902	\$282,938	\$0	\$0	\$0

Supplemental Income

The Supplemental Income screen incorporates funds that may be earned outside the main practice. These sources may be especially important in the early years of practice. It is not necessary to start each field at Year 1 unless appropriate. It is also possible to skip years and add data in only some future years.

	2007	2008	2009	2010	2011
Associate/Contract Labor	0	0	0	0	0
Teaching	0	0	0	0	0
Spousal	0	0	0	0	0
Other	0	0	0	0	0
Total Supplemental Income	\$0	\$0	\$0	\$0	\$0

Total Annual Income

The total annual income is calculated as the sum of the New Contract Income, Existing Contract Income, and Supplemental Income. Practice Pulse automatically sums the income for Years 1-5. These summations cannot be changed except by changing data in the income screens.

	2007	2008	2009	2010	2011
Total Income All Cases	562275	1179675	1462650	1462650	1462650
Total Existing Contract Income	900902	282938	0	0	0
Total Supplemental Income	0	0	0	0	0
Total Income	\$1,463,177	\$1,462,613	\$1,462,650	\$1,462,650	\$1,462,650

Total Monthly Income

The total monthly income is calculated as the sum of the monthly values of the New Contract Income, Existing Contract Income, and Supplemental Income. These summations cannot be changed except by changing data in the income screens.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Year 1	98950	102637	106925	111213	115500	119787	124075	128363	132650	136937	141225	145513	\$1,463,177
Year 2	98903	102590	106878	111166	115453	119740	124028	128316	132603	136890	141178	145466	\$1,462,613
Year 3	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	\$1,462,650
Year 4	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	\$1,462,650
Year 5	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	\$1,462,650

Chapter 4: Entering Expense Variables



You can get to the Expense Module by left clicking on the Expense Projection icon on the left side of the window. The completion of these screens serves as an aid to long-term expense projection, expense control, and budgeting.



Any item in **blue** may be split into subcategories.
For more information, see page 15- General Data Entry | Category Splits.

Expense Screens

Clerical

Clerical expenses are those most closely tied to the business portion of patient care. Subcategories include expenses such as office supplies, postage, and equipment.

	2007	2008	2009	2010	2011
Office Supplies	400	300	300	300	300
Postage	7,200	7,200	7,200	7,200	7,200
Equipment	12,100	12,100	12,100	12,100	12,100
Equipment Lease	8,900	8,900	8,900	8,900	8,900
Other	7,500	7,500	7,500	7,500	7,500
Total Clerical	\$36,100	\$36,000	\$36,000	\$36,000	\$36,000

Clinical

Clinical expenses are those most closely tied to clinical patient care. Subcategories include expenses such as supplies, lab, model fees, printing supplies, and equipment.

	2007	2008	2009	2010	2011
Orthodontic Supplies	85,500	85,500	85,500	85,500	85,500
Lab	14,300	14,300	14,300	14,300	14,300
Model Fees	21,000	21,000	21,000	21,000	21,000
Photos or Printing Supplies	3,800	3,800	3,800	3,800	3,800
Equipment	8,500	8,500	8,500	8,500	8,500
Equipment Lease	4,200	4,200	4,200	4,200	4,200
Other	1,200	1,200	1,200	1,200	1,200
Total Clinical	\$138,000	\$138,000	\$138,000	\$138,000	\$138,000

Facilities

Facility expenses are those most closely tied to occupancy costs for either rental or owner occupied offices. Subcategories include expenses such as rent, utilities, taxes, maintenance, leasehold improvements, and lawn and janitorial expenses. On the Facilities Expenses screen, data can be entered in any field based in the size of the office. Practice Pulse will calculate monthly and annual expenses both on a total and per square foot basis. So it is important that you include all information, such as total square footage, so these calculations will be accurate.

	2007	2008	2009	2010	2011
Office Name or Description	Main				
Office Size (Sq Feet)	3,000				
Rent (Monthly)	4,000	4,000	4,000	4,000	4,000
Utilities (Monthly)	1,250	1,250	1,250	1,250	1,250
Taxes	2,700	2,700	2,700	2,700	2,700
Maintenance (Monthly)	250	250	250	250	250
Leasehold Improvements	15,000	15,000	15,000	15,000	15,000
Lawn and Janitorial (Monthly)	250	250	250	250	250
Annual Facility Exp.	\$98,600	\$98,600	\$98,600	\$98,600	\$98,600
Annual Facility Exp. (Per Sq. Foot)	\$32.84	\$32.84	\$32.84	\$32.84	\$32.84
Monthly Facility Exp.	\$8,050.0	\$8,050.0	\$8,050.0	\$8,050.0	\$8,050.0
Monthly Facility Exp. (Per Sq. Foot)	\$2.12	\$2.12	\$2.12	\$2.12	\$2.12

Financial

Financial expenses are those most closely tied to the business control of an orthodontic practice. Subcategories include expenses such as business interest, taxes, license, depreciation, and service charges.

	2007	2008	2009	2010	2011
Business Interest	7,500	7,500	7,500	7,500	7,500
Business Taxes	3,500	3,500	3,500	3,500	3,500
Business License	3,200	3,200	3,200	3,200	3,200
Depreciation	4,500	4,500	4,500	4,500	4,500
Service Charges	650	650	650	650	650
Other	500	500	500	500	500
Total Financial	\$19,800	\$19,800	\$19,800	\$19,800	\$19,800

Insurance

Insurance expenses are those related to the asset, business, and personal financial/liability protection. Subcategories include expenses such as auto, building, business property, employer liability, overhead, umbrella and workman's compensation.

	2007	2008	2009	2010	2011
Auto	850	850	850	850	850
Building	3,500	3,500	3,500	3,500	3,500
Business Property	4,500	4,500	4,500	4,500	4,500
Employer Liability	1,300	1,300	1,300	1,300	1,300
Overhead	1,150	1,150	1,150	1,150	1,150
Professional Liability	3,750	3,750	3,750	3,750	3,750
Umbrella	1,250	1,250	1,250	1,250	1,250
Workman's Compensation	800	800	800	800	800
Other	0	0	0	0	0
Total Insurance	\$14,700	\$14,700	\$14,800	\$14,800	\$14,800

Staff

The Staff Expense screen allows for the comprehensive tracking of staff expenses on both an individual and group basis. For each staff member wages, benefits, and taxes are calculated to determine the total annual and hourly expense for each employee. The total for all employees is maintained on an annual basis. On the Staff Expenses screen, to add staff members click on the Add button and begin the data entry.

Employee Name	Hourly Expense					Annual Expense				
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
Ariel	2013	2013	2013	2013	2013	34628	34628	34628	34628	34628
Emily	1924	1924	2013	2013	2013	34628	34628	34628	34628	34628
Deanna	1816	1816	1816	1901	1901	32690	32690	32690	32690	32690
Elaine	1924	2013	2013	2013	2013	34628	34628	34628	34628	34628
Olivia	203	203	224	224	224	37628	37628	37628	37628	37628
Lisa	1924	1924	1924	2036	2036	34628	34628	34628	34628	34628
Total	18005	18244	19572	19819	19811	322373	322373	322373	322373	322373

Employee Name or Description	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
Salary	0	0	0	0	0	Bonus	3,500	3,500	3,500	3,500
Hourly Pay Rate	16,000	16,000	16,000	16,000	16,000	Insurance	3,800	3,800	3,800	3,800
Hours/Week	50	50	50	50	50	Retirement	3,200	3,200	3,200	3,200
Weeks/Worked/Yr	50	50	50	50	50	Other	0	0	0	0
Total Hours/Yr	5,000	5,000	5,000	5,000	5,000	Social Security	1,085	1,085	1,085	1,085
Base Wages	\$30,400	\$30,400	\$30,400	\$30,400	\$30,400	Medicare Tax	441	441	441	441
Vacation Hours/Yr	0	0	0	0	0	Total Benefits	12,826	12,826	12,826	12,826
Personal Hours/Yr	0	0	0	0	0	Health Cost	\$22.75	\$22.75	\$22.75	\$22.75
Sick Hours/Yr	0	0	0	0	0	Avg Expense	\$43,228	\$43,228	\$43,228	\$43,228

Be aware that you can enter staff compensation by entering a Salary, Hourly Wage or combination of the two. If you pay an employee Hourly, be sure not to fill in the Salary information also.

Support

Support expenses are diverse group of expenses that are required to grow and sustain an orthodontic practice. Subcategories include expenses such as accounting fees, auto, consulting fees, continuing education, donations, dues, legal fees, meals, promotion, and student loan interest.

	2007	2008	2009	2010	2011
Accounting Fees	3,800	3,800	3,800	3,800	3,800
Auto	3,600	3,600	3,600	3,600	3,600
Consultant Fees	5,000	5,000	5,000	5,000	5,000
Continuing Ed	4,800	4,800	4,800	4,800	4,800
Donations	4,000	4,000	4,000	4,000	4,000
Dues/Subscriptions	4,600	4,600	4,600	4,600	4,600
Entertainment	3,800	3,800	3,800	3,800	3,800
Legal Fees	3,500	3,500	3,500	3,500	3,500
Management Fees	0	0	0	0	0
Meals	2,800	2,800	2,800	2,800	2,800
Promotions	17,500	17,500	17,500	17,500	17,500
Student Loan Interest	3,600	3,600	3,600	3,600	3,600
Other	1,500	1,500	1,500	1,500	1,500
Total Support	\$98,000	\$98,000	\$98,000	\$98,000	\$98,000

Total Annual and Monthly Expenses

The total annual and monthly incomes are calculated as the sum of all expenses and for Years 1-5. These summations will be provided automatically by Practice Pulse and cannot be changed except by changing the data in any of the expense screens.

The top screenshot displays the 'Total Annual Expense' tab in the software. It shows a table with the following data:

Name	2007	2008	2009	2010	2011
Total Clerical	36100	36000	36000	36000	36000
Total Clinical	138500	138500	138500	138500	138500
Total Facilities	96660	96660	96660	96660	96660
Total Financial	19850	19850	19850	19850	19850
Total Insurance	14700	14700	14800	14800	14800
Total Staff	322373	322373	322373	322373	322373
Total Support	58500	58500	58500	58500	58500
Total Expense	\$686,683	\$686,583	\$686,683	\$686,683	\$686,683

The bottom screenshot displays the 'Total Monthly Expense' tab. It shows a table with the following data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Year 1	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	\$686,683
Year 2	57215	57215	57215	57215	57215	57215	57215	57215	57215	57215	57215	57215	\$686,583
Year 3	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	\$686,683
Year 4	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	\$686,683
Year 5	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	\$686,683

Chapter 5: Cash Flow Module



You can get to the Cash Flow screens by left clicking on the “Cash Flow” icon on the left side of the window.

Annual and Monthly Cash Flow

Practice Pulse will automatically populate each field. These summations can only be changed by altering data within any of the Income or Expense screens.

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File Edit View Help

2007

Annual Cash Flow Monthly Cash Flow

Name	2007	% OH	2008	% OH	2009	% OH	2010	% OH	2011	% OH
Income										
New Patient Income	\$562,275		\$1,179,675		\$1,462,650		\$1,462,650		\$1,462,650	
Existing Contract Income	\$900,902		\$282,938		\$0		\$0		\$0	
Supplemental Income	\$0		\$0		\$0		\$0		\$0	
Total Income	\$1,463,177		\$1,462,613		\$1,462,650		\$1,462,650		\$1,462,650	
Expense										
Clerical	\$36,100	2.5%	\$36,000	2.5%	\$36,000	2.5%	\$36,000	2.5%	\$36,000	2.5%
Clinical	\$138,500	9.5%	\$138,500	9.5%	\$138,500	9.5%	\$138,500	9.5%	\$138,500	9.5%
Facilities	\$96,660	6.7%	\$96,660	6.7%	\$96,660	6.7%	\$96,660	6.7%	\$96,660	6.7%
Financial	\$19,850	1.4%	\$19,850	1.4%	\$19,850	1.4%	\$19,850	1.4%	\$19,850	1.4%
Insurance	\$14,700	1.1%	\$14,700	1.1%	\$14,800	1.1%	\$14,800	1.1%	\$14,800	1.1%
Staff	\$322,373	22.1%	\$322,373	22.1%	\$322,373	22.1%	\$322,373	22.1%	\$322,373	22.1%
Support	\$58,500	4%	\$58,500	4%	\$58,500	4%	\$58,500	4%	\$58,500	4%
Total Expense	\$686,683		\$686,583		\$686,683		\$686,683		\$686,683	
Net Profit	\$776,494		\$776,030		\$775,967		\$775,967		\$775,967	
Overhead	47%		47%		47%		47%		47%	

Practice Pulse - Gold Standard


File Edit View Help

2007

Annual Cash Flow Monthly Cash Flow

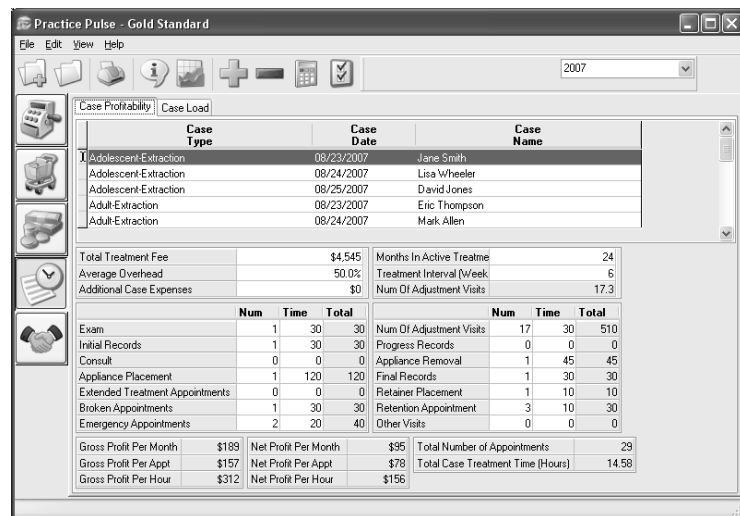
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Year 1 - Income	98350	102637	106925	111213	115500	119787	124075	128363	132650	136937	141225	145513
Expense	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223
Net Profit	41127	45414	49702	53990	58277	62564	66852	71140	75427	79714	84002	88290
Overhead	58.2%	55.8%	53.5%	51.5%	49.5%	47.8%	46.1%	44.6%	43.1%	41.8%	40.5%	39.3%
Year 2 - Income	98303	102590	106878	111166	115453	119740	124028	128316	132603	136890	141178	145466
Expense	57215	57215	57215	57215	57215	57215	57215	57215	57215	57215	57215	57215
Net Profit	41088	45375	49663	53951	58238	62525	66813	71101	75388	79675	83963	88251
Overhead	58.2%	55.8%	53.5%	51.5%	49.6%	47.8%	46.1%	44.6%	43.1%	41.8%	40.5%	39.3%
Year 3 - Income	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888
Expense	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223
Net Profit	64665	64665	64665	64665	64665	64665	64665	64665	64665	64665	64665	64665
Overhead	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%
Year 4 - Income	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888
Expense	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223
Net Profit	64665	64665	64665	64665	64665	64665	64665	64665	64665	64665	64665	64665
Overhead	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%
Year 5 - Income	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888	121888
Expense	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223	57223
Net Profit	64665	64665	64665	64665	64665	64665	64665	64665	64665	64665	64665	64665
Overhead	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%

Chapter 6: Time Analysis – A Global Perspective

You can get to the Time Analysis Module by left clicking the  icon on the left side of the window. There are two tabs that are correlated to the Scenario you have chosen: Case Profitability and Case Load. The Case Profitability screen evaluates the total treatment time and profitability on individual cases and specific Case Types. The Case Load examines a more global perspective of the practice relative to days worked and how each day will be filled. The data contained on these two screens are saved into the existing Scenario that you are in.

Case Profitability

To use this screen, first select the desired Case Type from the list and complete the information related to case fee, overhead, and any additional case expenses. Next enter the appropriate data related to the different appointment categories. It is not necessary to enter data for every appointment category. Once all the information has been entered, Practice Pulse sums the total treatment time and calculates the gross and net income by the month, hour, and appointment. To edit a new Case Type or add a new Case Type click on the Add icon.



Case Type	Case Date	Case Name
Adolescent-Extraction	08/23/2007	Jane Smith
Adolescent-Extraction	08/24/2007	Lisa Wheeler
Adolescent-Extraction	08/25/2007	David Jones
Adult-Extraction	08/23/2007	Eric Thompson
Adult-Extraction	08/24/2007	Mark Allen

Total Treatment Fee	\$4,545	Months In Active Treatme	24
Average Overhead	50.0%	Treatment Interval (Week)	6
Additional Case Expenses	\$0	Num Of Adjustment Visits	17.3

	Num	Time	Total		Num	Time	Total
Exam	1	30	30	Num Of Adjustment Visits	17	30	510
Initial Records	1	30	30	Progress Records	0	0	0
Consult	0	0	0	Appliance Removal	1	45	45
Appliance Placement	1	120	120	Final Records	1	30	30
Extended Treatment Appointments	0	0	0	Retainer Placement	1	10	10
Broken Appointments	1	30	30	Retention Appointment	3	10	30
Emergency Appointments	2	20	40	Other Visits	0	0	0

Gross Profit Per Month	\$189	Net Profit Per Month	\$95	Total Number of Appointments	29
Gross Profit Per Appt	\$157	Net Profit Per Appt	\$78	Total Case Treatment Time (Hours)	14.58
Gross Profit Per Hour	\$312	Net Profit Per Hour	\$156		

This information is combined with the case fee information to provide a summary of both net and gross income per month, appointment, and hour. The Case Types are automatically sorted by type so that graphical comparisons can be made within individual Cases or Case Types. The Case Profitability screen can be used proactively to set guidelines for desired profitability. Retrospective analysis can also be used to find trends that either enhance or detract for the desired profitability levels. This in turn will serve as an aid to fee, profitability, and efficiency determination of different types of orthodontic cases.

- Fee determination can be evaluated by estimating the number and types of appointments in conjunction with desired gross and net profit levels.
- Profitability can also be studied by manipulating certain appointments to determine which changes have the greatest impact on the net profit.
- Efficiency can be examined by comparing different types of cases to see which most closely met any pre-defined goals.

We recommend putting in at least two or three cases per month into the Case Profitability tab in order to see the effect on profitability over time. Obviously, the more cases you enter, it will be easier to identify trends.

Practice Case Load

The Case Load screen is designed to assess scheduling needs, staffing needs and personal time allotments. This screen functions independently from the other screens in the program and provides a huge amount of information by inputting only a few key time variables.

The upper portion of the screen is split into two sections that are combined to make the calculations at the bottom of the window. On the upper left, variables such as average treatment interval, average number of case starts and number of active patients can be entered. This “big picture” information is then combined with the time required for each procedure on the right side. The totals located in the middle are defined by dividing the required hours by the number of doctors and staff. These are real world numbers that define how your practice is currently operating.

Case Profitability		Case Load	
Avg Treatment Interval (Weeks)	6.00		
Case Starts Per Month	30.0		
Active Patients	700.00		
Deband Patients Per Month	30.00		
Retention Patients	450.00		
Supervision Patients	300.00		
% Emergency Appointments	3.8%		
% Broken Appointments	2.7%		
% Extended Treatment Appointments	1.8%		

Name	# Appts.	Dr.	Min/Appt	Staff	Min/Appt
Start Appointments Per Patient	2.00		20.00		50.00
Active Treatment Appointments Per Month	505.56		6.00		15.00
Finishing Appointments Per Patient	1.00		20.00		60.00
Retention Appointments Per Patient Per Year	3.00		5.00		10.00
Supervision Appointments Per Patient Per Year	2.00		5.00		10.00
Emergency Appointments Per Month	20.83		8.00		30.00
Broken Appointments Per Month	15.00		8.00		30.00
Extended Treatment Appointments Per Month	10.00		8.00		30.00

Totals	# Appts.	Dr.	Hours	Staff	Hours
Start Appointments Per Month	60.00		20.00		50.00
Treatment Appointments Per Month	551.39		56.67		149.30
Deband Appointments Per Month	30.00		10.00		30.00
Retention Appointments Per Month	112.50		9.38		18.75
Supervision Appointments Per Month	50.00		4.17		8.33
Total Appointments and Hours Per Month	803.89		100.21		256.39

Number of Doctors	1.00	Number of Clinical Staff	3.50
Desired Patient Appointments Per Day	55.00	Desired Work Days Per Month	12.00
Required Number of Work Days Per Month	14.62	Required Number of Appointments Per Day	66.99
Desired Appointment Time Per Day (Hours)	8.00	Desired Work days/month	14.00
Required # of Doctor Work Days/Month	12.53	Required Doctor Time Per Day (Hours)	7.16


This information provides a convenient snapshot into the overall practice workload and ways in which effective changes can be made.

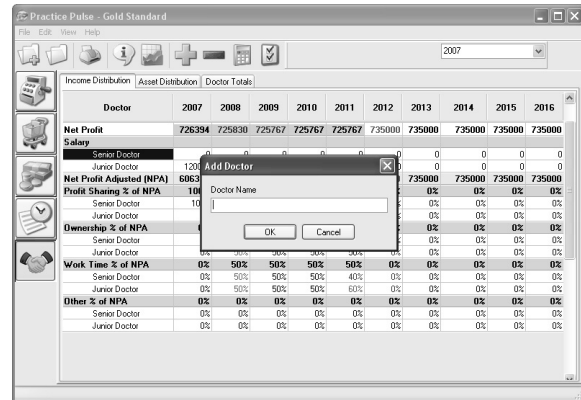
! Case Study: *You are contemplating switching to a self-ligating bracket that has a treatment interval of 10 weeks while the conventional bracket you are currently using requires a treatment interval of 6 weeks. By changing your treatment interval from 6 to 10 weeks this will dramatically lower the days/month that are required for work. At the same time, if you are interested in working a specific number of days you can see how changing the treatment interval will reduce the number of appointments that are necessary each day.*

! Case Study: *You think that your office is overstaffed but there is no definitive way to calculate this. Taking a look at how the numbers change for Required Staff Time/Day as the number of staff members decreases will give you the information you are looking for.*

Once the ‘big picture’ has been defined, the totals are divided by the number of doctors and staff to produce the results below each white box. This gives a representation of the flow of patients and appointments that are currently moving through your office. At this point, you can vary the number of appointments per day, hours per day, and then days per month you would like to work. Adjusting these variables will allow you to perform a time analysis for meeting the specified goals. This valuable information can also tell you if you are overstaffed, understaffed or taking too much time with certain procedures.


Chapter 7: Income Distribution

Clicking the Income Distribution  icon will allow you to specify settings for income distribution in the event of adding a new doctor, or selling your practice over time to an associate.



Income Distribution

When accessing the Income Distribution screen for the first time, you will be prompted to add a doctor. Key the doctor's name in the field provided, and click OK.

To add more than one doctor, click the  icon.

The Income Distribution screen will show the net profit entered into the program for any of the visible years. This Net Profit data will automatically be transferred from the prior Cash Flow screen if applicable. You have the option to keep these values or to override the values by manually entering data. If you have not filled in any information on the prior Income/Expense screens you can simply enter a projected/anticipated Net Profit. Once the Net Profit has been entered you can then begin the income sharing. This income sharing is first accomplished by specifying any salaries that will be paid. These salaries are deducted from the Net Profit with the remainder being identified as Net Profit Adjusted (NPA). If there are no salaries the Net Profit and NPA will be the same. The NPA can now be divided as a percentage among several categories including Profit Sharing, Ownership, Work Time, and Other. The percentages assigned to these categories should equal 100%. These percentages can be changed as needed from year to year. Within each category the user can then assign a percentage of how much each doctor will receive. The doctor percentages within a category should also total 100%.

Doctor	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net Profit	726394	725830	725767	725767	725767	735000	735000	735000	735000	735000
Salary										
Senior Doctor	0	0	0	0	0	0	0	0	0	0
Junior Doctor	120000	0	0	0	0	0	0	0	0	0
Net Profit Adjusted (NPA)	606394	725830	725767	725767	725767	735000	735000	735000	735000	735000
Profit Sharing % of NPA	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Senior Doctor	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Junior Doctor	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Ownership % of NPA	0%	50%	50%	50%	50%	0%	0%	0%	0%	0%
Senior Doctor	0%	50%	50%	50%	50%	0%	0%	0%	0%	0%
Junior Doctor	0%	50%	50%	50%	50%	0%	0%	0%	0%	0%
Work Time % of NPA	0%	50%	50%	50%	50%	0%	0%	0%	0%	0%
Senior Doctor	0%	50%	50%	50%	40%	0%	0%	0%	0%	0%
Junior Doctor	0%	50%	50%	50%	60%	0%	0%	0%	0%	0%
Other % of NPA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Senior Doctor	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Junior Doctor	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Asset Distribution

The Asset Distribution Screen is designed to account for the buying or selling of the practice, real estate, or other assets. This data will be calculated by the user and will vary depending on the costs, finance rate, and length of terms for each type of asset. Some of these numbers may be entered as a positive and others as a negative depending whether the doctor is buying or selling assets.

Doctor	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Buy In/Out										
Senior Doctor	0	110000	110000	110000	110000	0	0	0	0	0
Junior Doctor	0	-110000	-110000	-110000	-110000	0	0	0	0	0
Real Estate Buy In/Out										
Senior Doctor	0	0	0	0	0	0	0	0	0	0
Junior Doctor	0	0	0	0	0	0	0	0	0	0
Other										
Senior Doctor	0	0	0	0	0	0	0	0	0	0
Junior Doctor	0	0	0	0	0	0	0	0	0	0


Doctor Totals

To view the income distribution for each defined associate, use the *Doctor Totals* tab to view up to 10 years of distribution. This screen will total the income from Net Profit and Assets for each doctor and illustrate their percentage of the total income distribution for each doctor.

Doctor	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net Profit										
	776494	776030	775967	775967	775967	735000	735000	735000	735000	735000
Income										
Senior Doctor	656494	388016	387984	387984	349185	0	0	0	0	0
Junior Doctor	120000	388016	387984	387984	426782	0	0	0	0	0
Assets										
Senior Doctor	0	110000	110000	110000	110000	0	0	0	0	0
Junior Doctor	0	-110000	-110000	-110000	-110000	0	0	0	0	0
Total										
Senior Doctor	656494	498016	497984	497984	459185	0	0	0	0	0
Junior Doctor	120000	278016	277984	277984	316782	0	0	0	0	0
% of Total										
Senior Doctor	84.5%	64.2%	64.2%	64.2%	59.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Junior Doctor	15.5%	35.8%	35.8%	35.8%	40.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Income Totals										
	776494	776032	775968	775968	775967	0	0	0	0	0

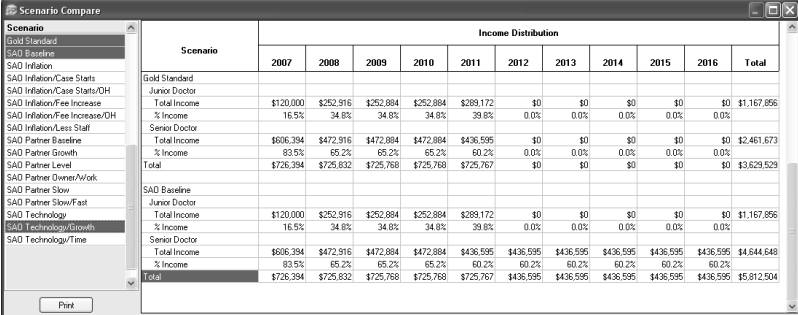
Chapter 8: Comparing Scenarios

What is a Scenario Comparison?

Clicking the Comparison  icon will allow you to compare the same data between two or more individual Scenarios.

Selecting items to compare

To use the Comparison feature, start on the screen that contains the data you want to compare and then click the Comparison Icon. A new window will open and you will see a list of Scenarios on the left. Left click and highlight the first Scenario you want to use, then hold down the Control key on your keyboard and left click on another Scenario/Scenarios you would like to compare it to. The comparison is displayed on the right side of the screen.



Scenario	Income Distribution											Total
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
Gold Standard												
Junior Doctor												
Total Income	\$120,000	\$252,916	\$252,884	\$252,884	\$289,172	\$0	\$0	\$0	\$0	\$0	\$0	\$1,167,896
% Income	16.5%	34.8%	34.8%	34.8%	39.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Senior Doctor												
Total Income	\$606,294	\$472,916	\$472,884	\$472,884	\$436,595	\$0	\$0	\$0	\$0	\$0	\$0	\$2,461,673
% Income	83.5%	65.2%	65.2%	65.2%	60.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total	\$726,394	\$725,832	\$725,768	\$725,768	\$725,767	\$0	\$0	\$0	\$0	\$0	\$0	\$3,629,529
SAD Baseline												
Junior Doctor												
Total Income	\$120,000	\$252,916	\$252,884	\$252,884	\$289,172	\$0	\$0	\$0	\$0	\$0	\$0	\$1,167,896
% Income	16.5%	34.8%	34.8%	34.8%	39.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Senior Doctor												
Total Income	\$606,294	\$472,916	\$472,884	\$472,884	\$436,595	\$436,595	\$436,595	\$436,595	\$436,595	\$436,595	\$436,595	\$4,644,649
% Income	83.5%	65.2%	65.2%	65.2%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%	
Total	\$726,394	\$725,832	\$725,768	\$725,768	\$725,767	\$436,595	\$436,595	\$436,595	\$436,595	\$436,595	\$436,595	\$5,812,504

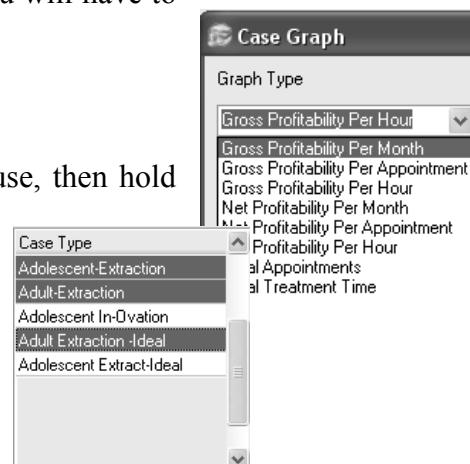
Printing Scenario Comparisons

To print the Scenario comparisons just click the print button in the lower left corner of the Scenario Compare window. This will automatically send the print job to your default printer. You also have the ability to save the information as a .TXT file or export as ASCII data that can be imported into a database.

Printing Graphs of Case Profitability

To better illustrate the results, the Case Profitability comparison is done graphically. To print a Case Profitability comparison, click on the Time Analysis button, select the Case Profitability tab and then the Comparison icon. There are three items you will have to select to obtain this graph:

1. Select the Graph Type – there are 8 to choose from
2. Left click and highlight the first case you want to use, then hold down the Control key on your keyboard and left click on the other cases you would like to compare it to.



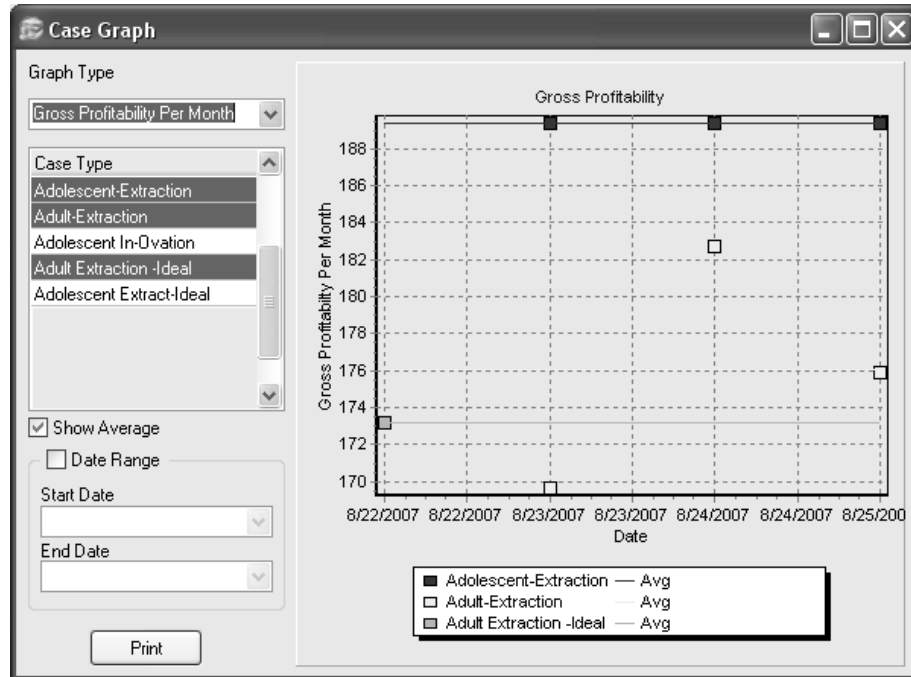
Select the Date range that you are interested in. You have the option to select All Dates or specify your own start and end dates. You can also choose to Show Average.

Show Average
 Date Range

Start Date
11/1/2007

End Date
12/2/2008

3. This gives you a printable graph of Case Profitability over time.



Chapter 9: Troubleshooting

General Problems

If you are having trouble with Practice Pulse you can contact the GAC TechnoCenter for help. Please provide the support representative with a description of your problem, the exact text of any error messages and how the message was generated.

GAC TechnoCenter

Phone – 888-422-2376

Email – TechnoCenter@GACIntl.com

Fax – 205-945-8932

Installation Problems

If you are installing on a Windows 2000 or Windows XP computer you will have to be logged on with Administrative privileges in order to enter a valid Product key.

Return Policy

GAC TechnoCenter Return Policy Effective January, 2009

**In order to return a software product/service to DENTSPLY/GAC you must call
The GAC TechnoCenter at 1-888-GAC-CDROM (422-2376)**

Conditions:

All DENTSPLY/GAC products are manufactured to the highest standards under strict quality control procedures. GAC reserves the right to modify, improve and change product specifications; to discontinue products; and to change price schedule as it may deem necessary without notice or incurring obligation.

To return a product to DENTSPLY GAC you must call Customer Service at 1-888-GACINTL (422-4685) and request a Return Material Authorization Number (RMA#).

If product is returned without an RMA number, it will be returned to the customer and not processed.

Warranty:

All products manufactured by GAC are warranted to be defect free in material and workmanship for one year from date of purchase. GAC's sole responsibility will be, at its option, to replace, repair or credit the purchase price of a product in the event of a manufacturing defect.

Unsatisfied customers may return any GAC TechnoCenter software product or service within 90 of purchase for credit under the following conditions:

1. Products must be standard catalog items in unused and resalable condition, and only from the original purchaser.
2. Products must be of current design.
3. Written explanation must accompany the return stating the reason for dissatisfaction with the product.
4. Returned merchandise must be properly packaged to withstand shipping. The customer must prepay all postage fees, including insurance value of the package, and use a method that provides a tracking number.
5. Returns after 90 days will **NOT** be credited without prior clearance and/or letter of explanation, and **WILL** be subject to a minimum 20% restocking fee.
6. That the merchandise is **NOT** categorized as a Non-Returnable product.

Non-Returnable Products:

The following products are non-returnable:

1. GAC TechnoCenter software (upon receipt of a Permanent Authorization code)
2. GAC TechnoCenter hardware
3. GAC TechnoCenter Upgrade/Support
 - a. Upgrade/Support return within 90 days of billing – OK
 - b. Upgrade/Support return after 90 days of billing – prorated credit based on billing date

GAC Software 30-Day Money Back Guarantee:

The customer is granted a 30-day money back guarantee for GAC TechnoCenter software that begins at the date of Authorization code*. At this time, the customer will install the software and request a **TRIAL/DEMO** Authorization code from the GAC TechnoCenter in order to evaluate the product. The length of the **TRIAL/DEMO** period will vary based on the software that has been purchased. At the end of the **TRIAL/DEMO** period the customer can request a Permanent Authorization code and keep the software **OR** choose to return the software for credit. Any software return should follow the guidelines outlined above. Any customer who receives a Permanent Authorization code will **NOT** receive credit for the purchase.

***Please note:** All software returns must be completed within 90 days of purchase even if the Authorization code that was granted was a **TRIAL/DEMO**. No credit will be issued for customers who received a **TRIAL/DEMO** code but **DO NOT** return the product within 90 days of the original invoice.

PracticePulse™

Orthodontic business analyzer

The screenshot shows the PracticePulse software interface for a 'New Practice'. It features a menu bar (File, Edit, View, Help) and a toolbar with icons for file operations and help. The main window is divided into several sections:

- Case Probability Case Load:** A table listing various appointment types and their associated costs.
- Case Load Table:** A table with columns for Name, # Apps, Dr., Min/App, Staff, and Min/Staff. It lists categories like Case Inits, Active Patients, Deband Patients, Retention Patients, Supervision Patients, Emergency Appointments, Broken Appointments, and Extended Treatment Appointments.
- Totals:** A summary table for the case load data.
- Staff Requirements:** A table showing the number of doctors and staff required based on appointment volume and treatment time.

Case Probability	Case Load	Name	# Apps	Dr.	Min/App	Staff	Min/Staff
0.00	5.00	Case Inits Per Month	3.00	0.00	0.00	0.00	0.00
500.00	500.00	Active Patients	433.33	0.00	0.00	0.00	0.00
20.00	20.00	Deband Patients Per Month	3.00	0.00	0.00	0.00	0.00
240.00	240.00	Retention Patients	3.00	0.00	0.00	0.00	0.00
120.00	120.00	Supervision Patients	2.00	0.00	0.00	0.00	0.00
0.75	0.75	Emergency Appointments	0.50	0.00	0.00	0.00	0.00
0.15	0.15	Broken Appointments	0.25	0.00	0.00	0.00	0.00
0.25	0.25	Extended Treatment Appointments	1.00	0.00	0.00	0.00	0.00
Totals			# Apps	Dr.	Hours	Staff Hours	
		Case Inits Per Month	60.00	0.00	0.00	0.00	
		Treatment Appointments Per Month	433.33	0.00	0.00	0.00	
		Deband Appointments Per Month	60.00	0.00	0.00	0.00	
		Retention Appointments Per Month	60.00	0.00	0.00	0.00	
		Supervision Appointments Per Month	20.00	0.00	0.00	0.00	
		Total Appointments and Hours Per Month	635.00	0.00	0.00	0.00	
Number of Doctors	0.00	Number of Clinical Staff	0.00				
Required Patient Appointments Per Day	40.00	Required Work Days Per Month	12.00				
Required Number of Work Days Per Month	15.88	Required Number of Appointments Per Day	52.92				
Required Appointment Time Per Day (Hours)	0.00	Required Work Days Per Month	0.00				
Required # of Clinical Staff Appointments	0.00	Required Clinical Time Per Day (Hours)	0.00				
Required # of Staff Work Days Per Month	0.00	Required Staff Time Per Day (Hours)	0.00				

GETTING STARTED GUIDE

TechnoCenter®
GAC orthodontic software solutions

The following pages were designed to assist you in gathering the information that is needed to begin working with Practice Pulse.

Many offices have found that their accountant can fill out the much of the information for them. This is especially true in the Expense section of the program.

INCOME PROJECTION

Collection Rate

The collection rate represents the percentage of all eligible monies that should be collected over a 12-month period. The collection rate of Practice Pulse is calculated by the total accounts collected for a specified 12 month period, less any charged off accounts and the current past due accounts. Most offices will strive to have a collection rate above 96%. In Practice Pulse, the participant can enter the data for the total accounts collected, total past due account, and the total charge off accounts for an automatic calculation of the collection rate. If this data is not available simply enter a specified collection rate. It is possible to change the collection rate for any year by going to the desired field and entering a new collection rate. When a new collection rate is entered, the later fields will automatically be populated with the same rate. Because the collection rate is used in other calculations, it is necessary to have a rate defined for each field.

INCOME PROJECTION	YOUR OFFICE'S INFORMATION
Collection Rate	
Contracts Billed (Previous 12 Months)	
Past Due Accounts (Previous 12 Months)	
Charge Off Accounts (Previous 12 Months)	

New Contract Income

The purpose of the New Contract Income Screen is to evaluate the income generated from new case starts. The critical values involved in new income production include the type of case, the number of case starts, fees, payment arrangements, and the collection rate. In this screen, it is possible to manipulate either single or multiple variables. The resulting combination of variables will generate a 5-year projection of income from new case starts.

Note: You will want to complete the following information for each type of contract.

INCOME PROJECTION	YOUR OFFICE'S INFORMATION
New Contract Income	
Case Name	
Estimated Treatment Time	
Monthly Starts	
Initial Payment	
Number of Monthly Payments	
Monthly Payment Amount	
Final Payment	

Existing Contract Income

The Existing Contract Income represents the income derived from the collection distribution of payments made on existing contracts. The total existing contract value in an orthodontic practice is the sum of all contracts that have been booked, but not yet collected. These funds will be collected over time as determined by the underlying specifications within the patient contracts.

INCOME PROJECTION	YOUR OFFICE'S INFORMATION
Existing Contract Income	
Total Value of Existing Contracts	
Percent of Contracts Collected	
Collection Rate	
Total Existing Contract Income	

Supplemental Income

The Supplemental Income screen incorporates funds that may be earned outside the main practice. These sources may be especially important in the early years of practice.

INCOME PROJECTION	YOUR OFFICE'S INFORMATION
Supplemental Income	
Associate/Contract Labor	
Teaching	
Spousal	
Other	

EXPENSE PROJECTION

Clerical Expenses

Clerical Expenses are those most closely tied to the business portion of patient care, such as office supplies and postage.

EXPENSE PROJECTIONS	YOUR OFFICE'S INFORMATION
Clerical	
Office Supplies	
Postage	
Equipment	
Equipment Lease	
Other	

Clinical Expenses

Clinical Expenses are those most closely tied to clinical patient care, such as orthodontic supplies, lab fees and model fees.

EXPENSE PROJECTIONS	YOUR OFFICE'S INFORMATION
Clinical	
Orthodontic Supplies	
Lab	
Model Fees	
Photos or Printing Supplies	
Equipment	
Equipment Lease	
Other	

Facilities Expenses

Facility Expenses are those most closely tied to occupancy costs for either rental or owner occupied offices, such as rent and taxes.

EXPENSE PROJECTIONS	YOUR OFFICE'S INFORMATION
Facilities	
Rent (Monthly)	
Utilities (Monthly)	
Taxes	
Maintenance (Monthly)	
Leasehold Improvements	
Lawn and Janitorial (Monthly)	

Financial Expenses

Financial Expenses are those most closely tied to the business control of an orthodontic practice, such as business interest and business taxes.

EXPENSE PROJECTIONS	YOUR OFFICE'S INFORMATION
Financial	
Business Interest	
Business Taxes	
Business License	
Depreciation	
Service Charges	
Other	

Insurance Expenses

Insurance Expenses are those related to the asset, business, and personal financial/liability protection, such as the building, auto and workman's compensation.

EXPENSE PROJECTIONS	YOUR OFFICE'S INFORMATION
Insurance	
Auto	
Building	
Business Property	
Employer Liability	
Overhead	
Professional Liability	
Umbrella	
Workman's Compensation	
Other	

Staff Expenses

The Staff Expense screen allows for the comprehensive tracking of staff expenses on both an individual and group basis. For each staff member wages, benefits, and taxes are calculated to determine the total annual and hourly expense for each employee.

Note: You will need to complete the following information for each employee in your practice.

EXPENSE PROJECTIONS	YOUR OFFICE'S INFORMATION
Staff	
Employee Salary	
Employee Hourly Pay Rate	
Employee Hours per Week	
Employee Weeks Worked per Year	
Employee Totals Hours per Year	
Employee Base Wages	
Employee Vacation Hours per Year	
Employee Personal Hours per Year	
Employee Sick Hours per Year	
Employee Bonus	
Employee Insurance	
Employee Retirement	
Employee Other	

Support Expenses

Support Expenses are a diverse group of expenses that are required to grow and sustain an orthodontic practice. Examples include accounting fees, legal fees, and continuing education.

EXPENSE PROJECTIONS	YOUR OFFICE'S INFORMATION
Support	
Accounting Fees	
Auto	
Consultant Fees	
Continuing Education	
Donations	
Dues / Subscriptions	
Entertainment	
Legal Fees	
Management Fees	
Meals	
Promotion	
Student Loan Interest	
Other	

For Technical Support, contact the GAC TechnoCenter at:

Phone – 888-422-2376 (Toll Free)

205-945-8911 (Local)

Email – TechnoCenter@GACIntl.com

Fax – 205-945-8932

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Suite 403

Birmingham, Alabama 35209 U.S.A.