

Editor

Eugene L. Gottlieb, DDS

Associate Editors

Harry G. Barrer, DDS

Sidney Brandt, DDS

Contributing Editors Board

Lawrence F. Andrews, DDS

J.W. Barnett, DDS

Charles J. Burstone, DDS

R.S. Callender, DDS

W. Kelley Carr, DDS

T.D. Creekmore, DDS

Harry S. Galblum, DDS

Warren Hamula, DDS

Thomas F. Mulligan, DDS

Paul L. Ouellette, DDS

Homer W. Phillips, DDS

Ronald H. Roth, DDS

R.P. Scholz, DDS

J.M. Servoss, DDS

R.L. Vanarsdall, DDS

Jay K. Weiss, DDS

Dr. Jack G. Dale

(Canada)

Dr. Jorge Fastlicht

(Mexico)

Dr. A van Hillegondsberg

(Holland)

Dr. James P. Moss

(England)

Dr. Edmondo Muzj

(Italy)

Dr. Ane Ten Hoeve

(Holland)

The material in each issue of JCO is protected by copyright. None of it may be duplicated, reprinted, or reproduced in any manner without written permission from the publisher, JPO, Inc.

Address all communications to the JOURNAL OF CLINICAL ORTHODONTICS, 1828 Pearl Street, Boulder, Colorado 80302. Phone (303) 443-1720. The Journal of Clinical Orthodontics is published monthly by JPO, Inc. Subscription rates: INDIVIDUALS — Domestic: \$39.00 for one year, \$69.00 for two years. Foreign: \$44.00 for one year, \$78.00 for two years. INSTITUTIONAL (multi-reader, hospitals, clinics, libraries, schools, government agencies, businesses) — Domestic: \$51.00 for one year. Foreign: \$58.00 for one year. STUDENTS — Domestic: \$19.00 for one year. SINGLE COPY — Domestic: \$5.50. Foreign: \$5.75. All orders must be accompanied by payment in full, in U.S. Funds drawn on a U.S. Bank only. All rights reserved. 2nd Class postage paid at Boulder, Colorado and at additional mailing offices.

POSTMASTER: Send form 3579 to the JOURNAL OF CLINICAL ORTHODONTICS, 1828 Pearl Street, Boulder, Colorado 80302. Phone (303) 443-1720.

the editor's corner

Dentists and orthodontists are under the impression that everyone else but dentists and orthodontists has some rational way of determining a price for a product or a service. This has led to the recent appearance of plans advocating cost accounting as an honest and equitable method of establishing dental fees. The method usually involves adding a figure for desired dentist salary to office costs and computing an hourly rate based on the number of hours the office is expected to work. Further refinements break down the hourly rate into categories, depending on what staff member at what salary performed the task or portion of the task.

This idea probably ranks high as a nail in the coffin of dentistry as a profession. It profiles dentistry as a highly skilled piecework craft. It fractionates dental procedures. It plays into the hands of those third parties — insurance companies, unions, government — who would like to install a cost-plus system, with control of both the cost allowance and the plus. Beyond that, linking the production of dentistry to time has been tried and found wanting. We have been through a period fifty years ago when dentists had time clocks in the operatory; not to improve their efficiency by finding out how long procedures took, but to make their fee charges based on time. Woe to the dentist who spent any of the patient's time in idle chatter like, "Hello, how are you?" It is paradoxical in this age of holistic health efforts toward whole person dentistry, that a mechanism would be advanced that would fractionate dentistry; that in this age

EDITOR'S CORNER

of recognition of the consequences of stress, a mechanism would be advanced that enhances stress.

There are many potential sources of stress in a dental office — the demands of the work itself, the difficulties of interpersonal relationships with patients and staff, and the dentists' hangups with the infliction of pain and the drive for perfection. However, perhaps the greatest producer of stress is time. Linking the fee to time can only result in greater stress in practice.

Cost accounting seems like an attempt to establish a standardized method of fee determination, but time may not be the best way to do that, since there is quantitative time and qualitative time. It is like asking Pablo Picasso to add up what he spent a year for paints, brushes, and canvas and adding a unit fee for time spent on the canvas.

It is a tenet of pricing that so long as you cannot predict the demand side of the price equation, you cannot decide in advance what your income ought to be and you can't use a cost-plus basis for determining a unit price or fee. Monopolies and utilities, which have a much surer estimate of their demand side, and which are price regulated, are more suitable for cost-plus price determination. Even they have trouble making it work, and the rest of the business world does not use this system. They are undoubtedly paying attention to their costs and their break even point, but when it comes to pricing, they agonize as much as a dentist or orthodontist, and they establish prices by administrative decision. If the price is set too high, not enough people will buy and the price will be lowered. If the price is set too low, demand will indicate that and the price can be raised. Since orthodontists failed to raise fees very much during the Fifties and Six-

ties, when practices were growing and incomes were constantly increasing and inflation was not an important factor, orthodontic fees are in the latter category.

There may be a number of rationales for cost accounting fees. One of the more frequent ones is that it is "fair". However, this type of fee is no more automatically fair or equitable than fees established in other ways. It might give the orthodontist the idea that he is being fair; or give the patient the idea that the orthodontist is being fair. It becomes a device to make the orthodontist more comfortable and the patient possibly more receptive, but fairness is not even relevant. The orthodontist really does not know what is fair to somebody else. Even acceptance on the part of the patient does not mean that they believe the fee is fair. There is evidence that 10-20% of patients do not believe the fee is fair. Nevertheless, the vast majority of patients accept the present range of fees and methods of fee determination as fair. Fairness on the part of the orthodontist exists on the other side of the transaction — giving the patient the service that he needs and deserves and for which he agreed to a fee which he perceived to be fair. □