

Oral Testimony – October 30, 2017

Massachusetts Legislature Joint Committee on Financial Services

Dr. John Gusha

**In support of H.2197, “An Act Concerning Dental Service Corporations”
(2017)**

My name is Dr. John Gusha, and I am a general dentist located in the central Massachusetts town of Holden. I opened my practice right out of dental school in 1984. I currently employ 15 staff persons along with three dental associates.

I have been asked to come here today to share my thoughts on the changes that are occurring within my dental practice relative to my signing the new Delta Dental contract.

I believe there are legitimate concerns about how dental care will be delivered in the future and how our oral health dollars are being spent.

- I have been a member of the Delta Premier network group for my entire career.
- 1/3 of my practice revenues are generated from the more than 1300 Delta Dental patients in my practice.
- Like a majority of dental offices in Massachusetts, I agreed to sign the new Delta PPO contract because of the long-term relationships that I have with our many Premier patients.

However, the new Delta contract will have a significant impact upon my office. My own analysis of the new agreement shows:

- The new PPO fees are roughly equivalent to fees that I charged in my office 15 years ago.
- My new fee schedule that I received for the PPO product is 37% less than what my non—Delta patients currently pay.
- Fee reductions range from 25% to 50%.
- My 67% non—Delta patients; (which are comprised of senior citizens, working families and those who have no insurance) will shoulder an even greater percentage of the cost of care.

- I have not yet been able to evaluate the impact from the new restrictions placed upon diagnosis, treatment planning, and referrals.

The new contract will change how I manage my dental practice.

- With a 74% overhead, a 33% Delta patient base and a potential 37% loss in revenue from Delta, my practice will have to make adjustments in order to survive economically.
 1. I have attempted to reduce my exposure by shortening treatment times.
 2. I expanded my hours of operation.
 3. I directed my staff to seek “out of state” vendors for my supplies and materials for better pricing.
 4. I have asked both doctors, staff and myself to hold off on any wage increases until we can evaluate the true impact of this new contract.
 5. I have capped my participation in MassHealth and free care in order to offset losses.
 6. I informed my associates that they are no longer on a path to partnership due to the uncertain economic future.
 7. My associates have a tremendous amount of school debt and their professional opportunities are limited.

The delivery of dental treatment will surely change in the coming years. Dental practices will need to continue to become more efficient and cost sensitive. In 2009, 90% of dentists were employed in private practice. That is no longer the case today. Large corporations and special interest groups are having a major impact on workforce issues and the distribution of dental services.

We must all agree that future dental dollars should serve to expand access to care and not the salaries and profit margins of national corporations and dental management groups.

I have been fortunate to practice dentistry in the state of Massachusetts for 33 years and I plan to retire as an independent practitioner. I urge this legislature to protect the relationships that dentists have established with their patients by looking favorably upon the proposed legislation put forth by the Massachusetts Dental Society.