

# Dental Support Organizations and Their Impact on the Dental Industry



The dental profession is changing, and it's happening at perhaps a greater rate than ever. There are many factors converging to impact the dental industry, such as technology, education, and insurance, and perhaps no factor has been more influential in recent years as the rise of dental support organizations (DSOs).

## What Are DSOs?

According to their industry trade group, the [Association of Dental Support Organizations](#), DSOs contract with dental practices to provide critical business management and support including non-clinical operations. The creation of DSOs, also commonly referred to as dental service organizations, have allowed dentists to maximize their practice from a clinical perspective while relying on the DSO to handle the “business side” of their operations through professional office management.

Not to be confused with dental group practices, which are simply groups of dentists with ownership stakes in the practice, DSOs position themselves as supporting the work of dentists by managing aspects of the business like billing, IT, marketing, human resources, payroll, accounting, and purchasing. Depending on the states where they do business, DSOs may acquire outright a dentist's practice, while in others, DSOs provide contracted services through an entity independent of the practice.

Proponents of DSOs point out that the business dynamic created in their relationships with dentists enables dentists to focus on patients and delivering excellent care.

## Growing Trend of DSOs

DSOs have seemingly come out of nowhere in the last 20 years to become a force to be reckoned with in the dental industry. While the overall numbers may not be daunting--only 7.4 percent of all dentists practice at DSOs, according to the American Dental Association--the numbers among emerging young dentists show a remarkable trend, as over 16 percent of dentists between the ages of 21 and 34 are affiliated with DSOs.

The growth of DSOs has enabled the industry to at least partially address the challenge of access to quality care. Nearly half of Americans have lacked access to quality care, even though government programs like Medicaid require states to provide dental care for children. According to a [Forbes article](#) by economist Wayne Winegarten, a multi-year study of the effectiveness of the DSO Kool Smiles showed that DSOs are better equipped than solo or group practices to deal with the realities of Medicaid reimbursement, as they are more efficient in their operations and drive costs down to more closely meet government reimbursement for services.

The Kool Smiles study itself predicted that if savings were projected over a seven-state footprint, the potential to save hundreds of millions of dollars or expand access to millions of new patients would be possible.

## Impact on the Dental Industry

DSOs are having a significant impact on the dental industry in a number of ways. By taking the business side off of the plates of traditional dentist/owners, those dentists who want to focus solely on clinical excellence have a means of pursuing such an arrangement.

DSOs are also lowering the financial barrier to entering the profession itself, by offering a new career path for young dentists already saddled with considerable education-related debt. Young dentists are able to join a DSO without having to buy in, as with a group practice, or by outright from an individual, retiring dentist.

As DSOs spread, so, too, does access to quality care and the latest dental technology into rural areas. With their natural, built-in efficiencies, DSOs can become better partners that empower patients by eliminating gaps in reimbursement for services.

While DSOs aren't for everyone--their detractors still maintain that the dentist/owner model still fuels the best patient/caregiver dynamics, without corporate interference. They seemingly offer alternative business arrangements that give dentists and patients real advantages when executed correctly.