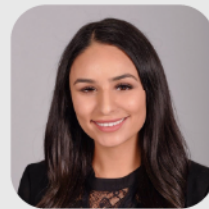




RECORDED WEBINAR

How CHCs Are Turning Rising Dental Costs into **Savings** **Opportunities**



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National Government & Institutions Manager
Patterson Dental

Current Operational & Financial Challenges

- Workforce shortages
 - Difficulty recruiting dentists, hygienists and dental assistants
- Growing demand for advanced patient oral health needs
 - Longer treatment plans and more chair time
- Constrained financial environment
 - Revenue instability, funding limitations, thin operating margins,
 - Long-term planning challenges
 - Operating expenses are outpacing revenue
- Budget and Forecasting Complications
 - Labor, supplies, overhead cost increases

Supply & Equipment Price Increases

- Higher costs for raw materials
- Increased manufacturing costs
 - Costing more to manufacturer and get products to consumer
- Supply chain disruptions
 - Pricing volatility
 - Tariffs

Patterson Dental

- In business for nearly 150 years
- Local Support in every market
 - 53 branches nationwide
 - Dedicated Territory Representative, Equipment Specialist, Digital Equipment Specialist & CHC Account Manager
- Equipment and Service Excellence
 - 725+ certified service technicians in the US
 - Robust Service and Preventative Maintenance Agreements tailored to CHCs
 - Equipment Asset & Life Cycle management resources and tools
 - 4-hour emergency support to avoid downtime
- 8 distribution centers nationwide
 - 87% of Patterson customers are serviced by 1 day ground delivery



Patterson Dental & CNECT GPO Benefits

- Competitive supply costs
 - Access to a market basket of 38,000+ items with average discounts of 38% off MSRP
 - Firm pricing for 6 months
- Exclusive equipment manufacturer discounts
- Access to Patterson Insights Reporting Dashboard
- Free installation on equipment purchases
- Priority service response times



Case Study – FQHC in Portland, Oregon

- 6 dental locations
- **Challenge:** No supply standardization across locations, causing increased costs and inventory inefficiencies
- **Solution:** Utilized CNECT GPO formulary to standardize supplies, reduce redundancies across categories, and increase cost savings.
- **Results:** Patterson Dental and CNECT GPO were able to find 8% savings in the supply spend, equating to \$35,000 in annual savings.
- Patterson Dental helped this CHC create a standardized formulary list for their supplies. The process includes identifying cost-effective alternative items, reducing redundancies across categories, consolidating manufacturers, maximizing private label and essentially creating a master list of approved items that the organization order for their dental program.
- Reduced skus being ordered by 40%
- Patterson's Insights Reporting Dashboard – available to CNECT GPO members, allowed this customer to see formulary compliance by location, ensuring compliance and promoting long-term budget success
- CHC up for success in managing their costs and making informed purchasing decisions that impact their organization positively and in the long-term.



Case Study – FQHC in Southern California

- 4 dental locations
- **Challenge:** High service and repair costs, lack of internal data to support and understand where repair costs were being allocated
- **Solution:** Patterson Dental was able to propose an annual Preventative Maintenance Program as an offering through our CNECT GPO contract. The PM program was designed to make sure all major dental equipment maintenance is performed properly and consistently. This program gives our service technicians the opportunity to essentially identify problems before they occur and gives the CHC the peace of mind that their equipment is being maintained.
- **Results:** Reactive approach → Proactive approach; 1 year later and the service and repair costs are down 40% for all of the locations
- Formal reporting was produced for the CHC with records of all maintenance performed during the Preventative Maintenance. Following, an Equipment Specialist presents the overall condition of equipment and equipment that is reaching the end of its life cycle.
- Upon the implementation of the PM program for this CHC, Patterson recommended that this CHC utilize the Equipment Asset Management analytics sections in Patterson Insights Reporting Dashboard. Going forward, every time a Patterson service technician services a piece of equipment, the equipment information including serial number is recorded in the dashboard. Through time, the dashboard calculates live service and repair costs per each piece of equipment.
- This CHC now has the service and repair data they were missing before. This data will allow them to make informed purchasing decisions (repair vs. replace) and essentially have the tools to see where service and repair dollars are being allocated.



Case Study – FQHC in Minneapolis, Minnesota

- 12 dental locations
- **Challenge:** Ordering from 3 differential dental distributors with clinic staff shopping for the best possible price at all locations
- **Solution:** Consolidate all purchasing through Patterson Dental and the CNECT GPO Formulary.
- **Measurable Results:** Patterson Dental was able to consolidate manufacturers, maximize private label, and standardize all dental purchasing through Patterson Dental as the primary distributor. The staff placing orders in each of the 12 dental clinics went from placing 3 orders a week to ordering one time per month.
- \$43,000 in annual savings was found due to the consolidation and the number of skus being ordered went from 2,500 to 1,000.
- Patterson Dental was able to recommend a manufacturer rebate program to this CHC. Based on \$60,000 of spend with this manufacturer, the CHC is expected to receive a 5-7% rebate check at the end of year on products that were already being purchased.
- Additional to the rebate program, Patterson Dental was also able to recommend a manufacturer consolidation program that passed along greater discounts on products currently being ordered.
- Patterson Dental was able to assist this CHC in maximizing private label for most of their disposable products. Standardizing and implementing private label products accounted for \$15,000 in annual savings and this is due to the very competitive pricing in place on the CNECT GPO pricing contract.



Thank You!

Next Steps:

- Contact your local CNECT representative
- Identify savings opportunities together
- *Start saving!*

Contact us:

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