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Dental Industry/DSO Newsletter

Dental Industry/Dental Support Organizations Market Intelligence

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Key Findings

Profitable Dental Practices Push to Increase Patient Satisfaction Through Automation

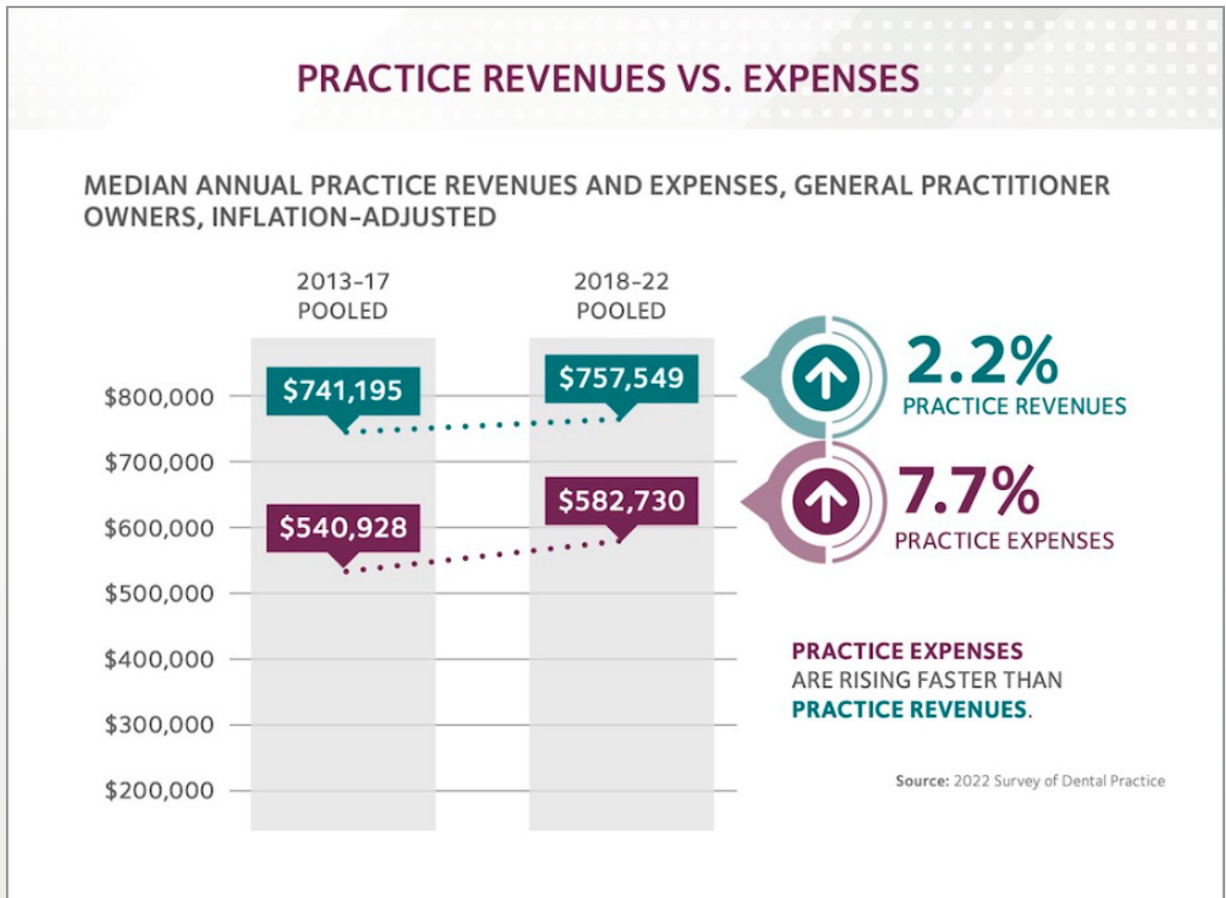
A report by NexHealth, a digital scheduling platform, conducted a survey to determine the state of the dental industry in 2023 by [surveying](#) more than 500 dental professionals. The report found that 60% of its "Elite practice" clients reported revenue growth in 2023, and 57% predicted that growth would continue through the year. To continue this trajectory, the survey results indicated that dental practices are focusing on automation tactics to increase patient satisfaction and are turning to their social media channels to connect with patients. Through social channels, they are promoting their practices by increasing appointments among existing patients, rather than by acquiring new ones.

Automation is enabling growth by streamlining workflows and improving experiences for both staff and patients. Digital forms were identified in the report as representing an opportunity to increase patient satisfaction, with 63% saying digital forms boosted patient satisfaction, even though only 32% currently offer digital forms, according to NexHealth. In addition, practices that automate deploy a mix of tactics to reduce cancellations by holding a waitlist to reduce such cancellations and boost loyalty through reminder texts and automated follow-up.

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Key Findings (continued)

While automation tactics can be a key revenue driver to improve patient satisfaction, reduce cancellations and increase appointments among existing patients, general dental practices overall are reporting revenue declines, [according](#) to the American Dental Association. This is primarily due to rising expenses and ongoing staffing challenges. A [survey](#) by HPI showed that general dentist income declines were due to practice expenses outpacing revenue increases over the past decade.



General dentists also reported working 4.5% more hours in 2022, compared to the average pre-pandemic workday, which translates to around 1.5 more hours per week. With general dental practitioners facing rising expenses, less work-life balance and ongoing staffing challenges, more may be able to counter those challenges by boosting their automation capabilities. Whether it be through adopting a platform that has an existing suite of automation tools tailored to dental practices, or by partnering with a DSO that may be able to offer the benefits of a suite of tools without the added expenses, automation is an important consideration for dental organizations of all sizes.

Sources: NexHealth, The American Dental Association, HPI.

Key Findings (continued)

Six Small DSOs Form Strategic Partnerships, Affiliations and Key Investments

Throughout September, six small DSOs with fewer than 300 practices made moves that illustrate how practice affiliations, industry partnerships and strategic investments are of growing importance to the industry. The updates include how New York City-based Beam St. Dental, which focuses on orthodontics, is [integrating](#) OrthoFi's patient acquisition and revenue cycle management platform. The platform aims to streamline patient experiences by providing more convenience, flexibility and accessibility to patients. Other updates include:

- Southlake, Texas-based Allied OMS [announced](#) that it has tripled its growth by adding 30 practices to its network since its launch in 2020. The network says it has doubled its revenue and EBITDA and that its practices experienced a 20% increase in profitability after joining the network, which now supports 46 locations and 65 doctors in 12 states.
- Boca Raton, Fla.-based Sage Dental, which supports 100 practices in Florida and Georgia, [added](#) practices in both Florida and Georgia. The DSO also launched a three-year partnership with Florida Atlantic University Athletics. The partnership will allow Sage Dental to have signage in arenas during football and men's basketball home games as well as digital and commercial assets that will be aired across radio, television and streaming services throughout the two sports seasons.
- Richmond Hill, Ga.-based SGA Dental Partners [acquired](#) Lane Perio, which has two clinic locations in Alabama. The periodontal group has locations in Florence and Madison, Alabama.
- New Hyde Park, N.Y.-based Dental365 [acquired](#) a six-location group practice in Pennsylvania, its first addition in the state. It also [acquired](#) two practices in Massachusetts and New Jersey, which the company said solidifies its plans for strategic growth in the northeast.
- Tempe, Ariz.-based Gen4 Dental Partners [partnered](#) with Northern Nevada Family Dental. The DSO supports more than 75 practices across 14 states.

Thomas Marler, president and CEO of Sage Dental, [wrote](#) a LinkedIn post about the types of technology DSOs should employ to support growth and profitability, saying "[t]o accelerate growth and improve profitability at a DSO, organizations should leverage many forms of technology that help enrich and expand patient care services, which could include a proprietary tech stack, AI-powered pathology detection, and tele dentistry application.

Sources: Becker's DSO Review, LinkedIn, Gen4 Dental Partners, Sage Dental, Dental365, SGA Dental Partners, Allied OMS and other press releases.

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DSO Expansion & Consolidation

[MB2 Dental welcomed 17 new doctor owners across nine states](#)

In September, MB2 Dental added 17 new doctor owners across nine states. MB2 also fueled its growth with the addition of three de Novos. The additions include:

- First Hill Dental Center in Seattle, WA, Acquisition
- Stonehaven Dental & Orthodontics in Killeen, TX, De Novo
- Dietrich Orthodontics in Canton & Alliance, OH, Acquisition
- Innovative Dental in Webster, NY, Acquisition
- Pike Pediatric Dentistry in Boca Raton, FL, Acquisition
- Andresen Prosthodontics in Reno, NV, Acquisition
- Elvebak Orthodontics in Plano & Dallas, TX, Acquisition
- Grin Pediatric Dentistry in Plano & Dallas, TX, Acquisition
- Lockport Dental Group in Lockport, NY, Acquisition
- Crossroads Dental of Victoria in Victoria, TX, De Novo
- Market Street Dental Studio in Buckeye, AZ, De Novo
- Arden Family Dentistry in Arden, NC, Acquisition
- Marion DDS Family Dentistry in Marion, NC, Acquisition
- North Asheville Family Dentistry in Asheville, NC, Acquisition
- Fletcher Family Dentistry in Fletcher, NC, Acquisition
- West Asheville Family Dentistry in Asheville, NC, Acquisition
- Sky Pediatric Dentistry in Bowling Green, Glasgow, Hopkinsville, KY, Acquisition

Source: Group Dentistry Now

[Sonendo partners with two unnamed DSOs to expand access to the GentleWave procedure for elevated root canal treatment](#)

Sonendo, a leading dental technology company, signed two new strategic partnership agreements with the leading endodontic DSOs. The company previously announced the appointment of a dedicated DSO and special markets leader to accelerate the adoption of the GentleWave System in the fast-growing DSO segment within the industry. These two new agreements represent the progress of this initiative and signal significant opportunities in the space. By leveraging innovative tools like the GentleWave System, the DSO groups can streamline workflows and reduce the administrative burden on doctors, allowing them to spend more time providing high-quality care to patients, while also differentiating their practices.

Source: Sonedo

DSO Expansion & Consolidation (continued)

[Tusk Partners advised two DSO transactions in September](#)

The transaction included Simon Dentistry in its partnership with MB2 Dental. The transaction was led by Kevin Sauer, Director of M&A. Alex Cherniavsky and Taylor Adams spearheaded the diligence and analytics efforts for TUSK. Under the leadership of Dr. Daniel Simon, Simon Dentistry has served the Bowling Green, Kentucky community since 2007. Lane Perio in its partnership with SGA Dental Partners. The transaction was led by Yazen Abusad, Associate of M&A. Alex Cherniavsky and Sam Lupton spearheaded the diligence and analytics efforts for TUSK. Under the leadership of Dr. John Lane, Lane Perio is a two-clinic location periodontal group in Alabama.

Source: Group Dentistry Now

[Perio Health Professionals forms new multi-specialty DSO](#)

Perio Health Professionals (PHP), a fee-for-service periodontics practice in Houston, Texas, formed a new multi-specialty DSO, Rocket Health Partners. The new organization is led by Dr. Todd Scheyer and Dr. Michael K. McGuire. Rocket Health Partners consists of PHP, one orthodontics practice and four general practices in the Greater Houston Area.

Source: Rocket Health Partners

[Dental365 acquires Penn. group practice](#)

The group practice is made up of six general dental practices in Eastern Penn. This acquisition marks Dental365's entry into Pennsylvania, becoming its 7th state of operation. The six office locations acquired include:

- Susquehanna Valley Dental Group in Middleburg, PA
- Back Mountain Dental in Shavertown, PA
- NEPA Dental in Wilkes-Barre
- Polit & Costello Dentistry in Pittston, PA
- NEPA Dental West in Forty-Fort, PA
- Coopersburg Dental in Coopersburg, PA

Source: Dental 365, Dental 365

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Other DSO News

[Dental implant-focused DSO and an oral surgery-focused MSO launched platforms in September](#)

Thurston Group, a private equity investment firm, [launched](#) Modis Dental Partners, a dental organization focused on practices with an emphasis on dental implants. Thurston Group announced the organization's launch on September 25. Separately, Max Surgical Specialty Management, a surgeon-led oral and maxillofacial surgical partnership platform, [launched](#) on September 20. The organization supports 16 offices and 25 surgeons in New Jersey.

Source: Becker's Dental & DSO Review

[MB2 Dental ranks eighth fastest-growing middle market company by Dallas Business Journal](#)

MB2 Dental [ranked](#) eighth on Dallas Business Journal's ninth annual list of the 50 Fastest-Growing Middle Market Companies throughout the Dallas-Fort Worth area. Inclusion in the list of the Dallas-Fort Worth metroplex' 50 fastest-growing companies is based on those with annual revenue of \$10 million to \$1 billion. The 2023 list considered revenue growth over the 2020–2022 period; MB2 Dental said its revenue increase during this period was 269%, which it says it owes to the 8,000+ team members throughout the country. Since its founding in 2007, MB2 has partnered with more than 600 general and specialty dental practices across 39 states.

Source: Dallas Business Journal

Private Equity Deals

[Comvest Credit Partners provided financing to Ala. Specialty DSO HighFive Healthcare](#)

Comvest Credit Partners provided financing to HighFive Healthcare, a Birmingham, Alabama-based specialty DSO. The financing will be used to refinance the company's existing debt and support near-term acquisitions. It follows a recent \$100 million growth investment led by Norwest. Founded in 2018, HighFive focuses on the acquisition and development of endodontic and oral surgery practices in the southeastern United States.

Source: Comvest Credit Partners

[NMS Capital-backed Cordental Group acquires Signature Dental Experience](#)

Cordental Group, a portfolio company of NMS Capital, acquired Bloomington, Ill.-based Signature Dental Experience.

Source: PE Hub (sub.req.)

Private Equity Deals (continued)

[Shared Practices Group announces \\$20M credit facility from CrowdOut Capital](#)

Shared Practices Group (SPG) is using loan proceeds to refinance existing debt and provide additional working capital for its growing business. The group also announced new partnerships, which included:

- Dr. Brenton Ruopp, St. Louis Dentures and Implants;
- Dr. Steven Vorholt, Santa Barbara, California; and
- Dr. Steven Gigli, Sacramento Dentures, and Implants.

Source: *Group Dentistry Now*

Partnerships and Innovation

[42 North Dental to roll out AI technology after seeing positive results in its network](#)

Waltham, Mass.-based 42 North Dental plans to fully roll out the use of VideaHealth's artificial intelligence technology after seeing positive results in its network. VideaHealth's AI-powered diagnostic platform enhances transparency and accuracy for dentists and patients by assisting dentists with analyzing X-rays. The DSO said 90% of patients who received AI-powered diagnoses want to only receive care at practices using the technology.

Source: *42 North Dental*

[Perimetrics, an AI dental diagnostics company, formed a clinical advisory board](#)

The eight-member board will provide the company with strategic and clinical advice, as well as subject-matter expertise, and guide the company as it brings its diagnostic system to market, according to a news release. The members of the board include:

- Jeffrey Dalin, DDS, the owner of Dalin Dental Associates, a private practice in St. Louis;
- Jack Ferracane, PhD, a professor and chair of the oral rehabilitation and biosciences department at Oregon Health & Sciences University in Portland;
- Robert Kelly, DDS, professor emeritus at the University of Connecticut Health Sciences, Institute of Materials Science in Mansfield;
- Kenneth Malament, DDS, a clinical professor of dental medicine and prosthodontics at Tufts University in Medford, Mass.;
- Linda Niessen, DMD, vice provost for oral health affairs at Kansas City (Mo.) University and the founding dean and a professor at the Kansas City University College of Dental Medicine in Joplin, Mo.;
- Clifford Ruddle, DDS, the founder and director of Advanced Endodontics, an educational organization focused on endodontic technologies and techniques;
- Todd Scheyer, DDS, a periodontist at Perio Health Professionals in Houston; and
- John West, DDS, the founder and a practicing endodontist at the Center for Endodontics in Tacoma, Wash.

Source: *Perimetrics*

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Partnerships and Innovation (continued)

[AI-powered dental app launched to provide dental mockups to patients](#)

Presto Smile recently launched an artificial intelligence-powered app to provide dental mockups to patients. The app streamlines dental procedures and provides feedback and guidance on dental care treatments, according to a September 24 news release. It also optimizes workflow for dental hygienists and assistants by automating tasks and streamlining administrative processes, including scheduling, treatment planning and record management.

Source: Presto Smile, LLC

[Bola AI, Pearl partnership will combine two dental AI products into one package](#)

Voice Perio helps dental office staff enter periodontal data in electronic health record systems more efficiently. Second Opinion is a chairside software that provides real-time pathology to help dentists more accurately diagnose and detect diseases. The partnership brings together Bola AI's Voice Perio product with Pearl's Second Opinion software.

Source: Becker's Dental Review

[3Sixty, Atomica.ai partner to create guided dental surgery software](#)

Digital dental solutions provider 3Sixty and AI company Atomica.ai partnered to launch a guided surgery program for dental professionals. The AI-powered software allows dentists to simulate an implant placement procedure before the surgery and create a surgical guide. The software will help dentists increase accuracy, streamline workflow and enhance patient outcomes.

Source: 3Sixty

Staffing Challenges

[DSOs tailoring their recruiting strategies to tackle staffing shortages](#)

DSO execs Stephen Thorne, CEO of Pacific Dental (PDS), Scott Asnis, CEO of Dental365, and Barry Lyon, Chief Dental Officer for the Division of Orthodontics and Pediatric Dentistry at Dental Care Alliance, discussed how workforce shortages are affecting their practices and the DSO field as a whole. Thorne said that major staffing shortages have been impacting practices nationwide, and DSOs are no different. PDS said one of its key initiatives has been investing in education and training dental assistants to attract and retain skilled professionals. The organization said its seeking to elevate the professional stature of dental assisting is key in securing a brighter future for the industry.

Source: Becker's Dental & DSO Review

Staffing Challenges (continued)**[University of Pittsburgh School of Dental Medicine partners with Bola AI to add AI technology to its classrooms](#)**

Bola Technologies, a provider of voice-AI technology for dental professionals, said its solution will now be available to students as well through a new partnership with the University of Pittsburgh School of Dental Medicine. The partnership will take Bola AI's Voice Perio and Clinical Notes solutions into the classroom and allow students to familiarize themselves and train on the latest AI technology in preparation for entering the workforce and their dental practices.

Source: Bola AI

Events

NOVEMBER 29, 2023

10 A.M. – 3 P.M. CT

[11th Annual CEO + CFO Roundtable Virtual Event](#)

CEOs, CFOs and executives from top hospitals and health systems gather at this event to address the most pressing issues in healthcare today. C-level executives are in attendance for conversations and debates about the best strategies to shape the future of healthcare. Discussions on rural healthcare, digital transformation, health equity, C-suite diversity and more.

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