



May—  
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# DSO Newsletter

Dental Support Organizations Market Intelligence

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## Key Issues

### Court Square Capital acquisition of West Coast Dental could fuel M&A in Calif. and neighboring states

The acquisition was [reportedly](#) valued around \$250 million and plans for the acquisition include accelerating new de novo clinic openings in Los Angeles, which industry experts say could potentially fuel M&A throughout California and neighboring states. Ongoing fragmentation in the dental sector space has persisted despite a strong private equity [appetite](#) for scaled dental platforms. The aging population, a steady, repeat customer base has been a barrier to more dental platforms scaling at an efficient pace, however that could be about to change.

West Coast Dental has 40 multi-specialty dental and orthodontic offices across California, employing 130-plus general and specialist dentists. Court Square plans to invest in digital marketing that could fuel the continued market growth, tapping into the growing demand for dental cosmetic procedures and technological developments that present significant opportunity despite the continued COVID-19-related closures and cancellations that have been pervasive in the industry since 2020.

According to a June 2022 [poll](#) from the American Dental Association’s Health Policy Institute, dental practices are reporting that their schedules are only 86% full in June (compared to 88% in March 2022) and only 16% have confidence in the U.S. economic recovery. In order to counter these challenges, dental practices say staff recruitment is a priority for dental practitioners and hiring dental hygienists presents the most significant challenge for dentists. Other challenges include

## Key Issues (continued)

paying raises for dental teams, which dental practices say have commonly been in the 4-6% range for dental teams in the past year. The potential for increased M&A activity in the sector has the potential to be part of the solution to coping with ongoing scheduling and staffing concerns by optimizing efficiency through growing platforms at scale and benefiting from more efficient processes to solve the most persistent challenges for dental practices.

*Sources: Axios, Research and Markets, American Dental Association*

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## CMS proposes to pay for more dental services in 2023, as dental groups push for greater access for vulnerable patients

Dental groups, including The American Academy of Pediatric Dentistry, American Dental Association and the American Association of Oral and Maxillofacial Surgeons are asking the CMS to improve access to dental surgeries for children and adults with special needs and disabilities. The groups sent a [joint letter](#) to Meena Seshamani, M.D., Ph.D., deputy administrator and director, CMS Center for Medicare, and Daniel Tsai, deputy administrator and director, CMS Center for Medicaid and CHIP Services. The groups asked for a meeting to address the limits to access to discuss their ongoing concerns relating to dental rehabilitation surgery in hospital outpatient and ambulatory surgical center access, which it noted were exacerbated due to the pandemic and disproportionately affect high risk Medicaid patients and those who require an operating room.

[According](#) to the American Dental Association, fourteen states have worked to improve access to dental coverage for those under Medicaid this year, including Connecticut, Florida, Georgia, Illinois, Kansas, Louisiana, Maryland, Mississippi, Missouri, Nebraska, South Dakota, Tennessee, Vermont and Virginia. In addition, three other states have introduced legislation in order to provide additional dental benefits, including Hawaii, Michigan and New Hampshire.

The ADA [said](#) that it believes that ensuring comprehensive dental services to all is an important issue for dentists, patients and the dental profession as a whole. While this represents progress, its significance cannot be over stated, [according](#) to the KFF, which conducted a Health care debt survey as part of its broader investigation into health care debt, which includes dental bills people are unable to pay and its effects on individuals and the industry as a whole. The survey found that 24% of respondents currently had dental or medical bills that they were past due or unable to pay, either for them or a child, spouse or parent currently in their care.

*Sources: Dentistry Today on Nov. 2020; Group Dentistry Now.com on April 27, 2021*

## Dental Service Organization News

### [Chicago-based DSO Aspen Dental gave out free dental care to more than 3,000 military veterans and their families during the eighth annual Aspen Dental Day of Service on June 11](#)

On Saturday, June 11th, more than 400 Aspen Dental offices participated in the 8th annual Aspen Dental Day of Service, providing care to more than 3,000 United States military veterans and their families, with nearly \$1.8 million in donated dental services. More than 2,000 Aspen Dental doctors and dental care team members volunteered their time to break down barriers to care and treat the most urgent dental needs – to help get veterans out of pain, from fillings and extractions to hygiene and basic denture repairs. The Aspen Dental Day of Service builds on the ongoing impact of Aspen’s Healthy Mouth Movement, a community-giving initiative launched in 2014 to deliver free dental care to veterans in need in communities across the country. Since the launch of the Health Mouth Movement, doctors and their dental care teams from nearly 1,000 Aspen Dental-branded offices have donated more than \$26 million in dentistry services to nearly 35,000 veterans and people in need.

*Source: Aspen Dental on June 16, 2022*

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## Mergers & Acquisitions

### [PE-backed itrac makes three DSO acquisitions](#)

itrac has been implementing an aggressive M&A strategy which has resulted in three businesses joining the itrac family, including - DentalPost, SmartBox Dental, and Local Search for Dentists. itrac is a portfolio company of HealthEdge Investment Partners and 424 Capital, and has expanded its product and service offering through the completion of these three strategic add-on investments. With offices in Oregon, Texas, Indiana, Georgia, and Florida, itrac is a longest-standing dental marketing agencies in the U.S., offering a suite of marketing technology, outsourced marketing, training, and club software solutions to assist dentists and their practices achieve their goals.

*Source: itrac LLC on May 26, 2022*

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### [Sonrava Health completed its acquisition of Plymouth Meeting, Pa.-based DSO Mid-Atlantic Dental Partners](#)

Sonrava Health completed its acquisition of Mid-Atlantic Dental Partners, a PA-based DSO. The 215-office DSO was first acquired by Orange, Calif.-based DSO Western Dental in May. Sonrava became the new parent company of Western Dental earlier in June. The acquisition expands the multispecialty health and wellness company’s DSO portfolio to include Western Dental & Orthodontics, Brident Dental & Orthodontics and Vital Smiles. The organization now has 572 offices in 20 states.

*Source: Sonrava Health on June 22, 2022*

## Mergers and Aquisitions (continued)

### Sonrava Health acquired two DSOs, four other mergers took place in June

Sonrava Health acquired two DSOs, and four other acquisitions that took place in June 2022, which include:

1. Dental electronic data interchange company DentalXChange acquired dental software company ExtraDent;
2. Sonrava Health completed its acquisition of Plymouth Meeting, Pa.-based DSO Mid-Atlantic Dental Partners;
3. Abra Health, an integrated dental and medical provider, purchased a multispecialty dental practice in Kearny, N.J.;
4. New Hyde Park, N.Y.-based Premier Care Dental Management acquired Coventry, R.I.-based Eric George, DMD & Associates; and
5. Sun Life Financial, a global financial services firm, completed its acquisition of DentaQuest, a dental benefits provider.

*Source: Becker's Dental and DSO Review on July 5, 2022*

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## Private Equity

### West Coast Dental lands private equity investment

West Coast Dental, which has 40 multispecialty dental and orthodontic practices in Calif. has received an investment from private equity firm Court Square Capital Partners. The DSO's founders, Farid Pakravan, Soleyman Cohen-Sedgh, and Farhad Manavi will remain investors in addition to Court Square. West Coast Dental CEO and President Payam Sohrab will remain in his position. In addition to West Coast Dental, the DSO functions under the brand Magicland, its pediatric practice.

*Source: West Coast Dental on July 11, 2022*

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### Ideal Dental lands private equity investment

Ideal Dental Management Partners, a Calif.-based DSO, received a private equity investment from ONCAP Partners. Ideal Dental partners with dentists who independently diagnose and treat patients and provide orthodontic, pedodontics, oral surgery and other therapeutic services. The terms of the deal have not been disclosed, though the press release calls the investment "significant".

*Source: Ideal Dental on July 5, 2022*

## Litigation & Compliance

### [Three dental practices subject to enforcement actions for potential HIPAA violations](#)

The U.S. Department of Health and Human Services Office for Civil Rights resolved three investigations in March related to dental offices' compliance with the Health Insurance Portability and Accountability Act Privacy Rule. "Between the rising pace of breaches of unsecured protected health information and continued cyber security threats impacting the health care industry, it is critical that covered entities take their HIPAA compliance responsibilities seriously," said Office for Civil Rights Director Lisa J. Pino who added that "we will pursue civil money penalties for violations that are not addressed."

*Source: ADA News on May 17, 2022*

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### [Over 600 dental practices hit in ransomware attack](#)

Professional Finance Co. detected a total of 657 ransomware attacks on dental practices' accounts receivable, which it said it was able to detect and stop Feb 26. During the incident, however, an unauthorized third party accessed and disabled some of the company's computers. The company launched an investigation, which found that the unauthorized party accessed files containing some individuals' personal information. Information such as first and last names, addresses, accounts receivable balances and information regarding payments made to accounts, dates of birth, Social Security numbers and health insurance and medical treatment information may have been accessed, according to the notice. The company has not found evidence of personal information being misused.

*Source: Becker's Dental and DSO Review on July 8, 2022*



## Innovation & Future of Dental

### [Formlabs launches Dental Academy, a hub for professional education, training in dental 3D printing](#)

Formlabs, which manufactures desktop Stereolithography 3D printers, launched Formlabs Dental Academy, an educational platform dedicated to advancing dental 3D printing through online and in-person courses, step-by-step guides, webinars, and more. The platform offers free and paid courses for dental professionals that include dental lab technicians, orthodontists, and clinicians learn and successfully implement 3D printing technology in their practices. Dental Academy courses are open and available both online and in-person. Incorporating 3D printing into a dental treatment plan benefits practitioners by allowing for more efficient workflows and less downtime, while providing patients with personalized yet affordable solutions such as custom dental models, crowns, dentures, implants, and more.

*Source: Manufactur3D on June 17, 2022*

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### [Global Dental 3D printing market expected to grow \\$8.2B during 2022-2029](#)

A report on the Global Dental 3D Printing Market by Maximize Market Research provides analysis for the forecast period of 2022 to 2029. The report provides market insights for industry stakeholders, including an explanation of market data as well as expected market size and trends. The report includes market leaders, followers, and new entrants in the Global Dental 3D Printing market by goods and services, revenue, financial situation, portfolio, growth plans, and geographical presence makes the study an investor's guide.

*Source: Digital Journal on July 11, 2022*

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### [AI expected to have significant impact on the field of dentistry](#)

The patient experience in the dentist's chair is changing, however, and the patient trust deficit may soon shrink due to artificial intelligence, according to Fortune. AI algorithms that help dentist detect and track oral health issues with sensitivity and precision that is equal to and often better than that of the human eye promises to bring greater accuracy, consistency, and transparency to a field of medicine that has long been beset by patient mistrust. There are a number of reasons, however, that AI will have an outsized impact on the field of dentistry. For instance, dentistry sees way more X-rays than any other healthcare fields. The volume of available imagery enables training of highly accurate machine learning (ML) algorithms trained to recognize humans through exposure to numerous images of faces that can detect oral ailments more accurately than the human eye.

*Source: Fast Company on July 1, 2022*

## Dental Practice News

### [Overjet partners with Affinity Dental Management to utilize dental AI solution to improve patient care](#)

The partnership will provide the practices with Overjet's AI-powered radiograph analysis solution to improve patient care, clinical excellence, and practice efficiency. Overjet is the only dental AI company that is FDA-cleared for both quantifying bone level measurements to aid in the diagnosis of periodontal disease and for detecting and outlining caries on X-rays. Affinity Dental Management has 35 affiliated practices and more than 70 dentists providing general dentistry and specialty services to families in Massachusetts, Connecticut, Vermont, and New York.

*Source: Dentistry Today on July 11, 2022*

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### [Patient cancellations continue to be a major problem affecting dental practices across the U.S., preventing them from filling their schedules, leads to revenue losses](#)

According to the American Dental Association's Health Policy Institute, patient cancellations have been a main factor preventing practices from filling their schedules over the past few months. In June, 82% of dental practices said patient cancellations affected their practice schedules, followed by a lack of appointments being made and staff shortages. Robert Trager, a dentist at JFK and LaGuardia airports, said that while his practice has always experienced cancellations, now more than ever, airline cancellations and delays have exacerbated the situation. Many other dentists around the country are experiencing the same problem. Even though COVID-19 restrictions have eased and many patients have been vaccinated, cancellations persist in the industry.

*Source: Becker's Dental and DSO Review on July 5, 2022*

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### [British dentists warn common baby food pouches contain 'more sugary than Coca-Cola' despite false advertising claims of 'no added sugar'](#)

The British Dental Association (BDA) is warning that many baby food pouches contain more sugar than Coca-Cola. The BDA are concerned over an "epidemic" of tooth decay among young children. A survey by the organization found that more than a quarter of 109 baby food pouches aimed at children under 12 months old were found to contain more sugar by volume than Coca-Cola. The fruit-based pouches marketed for infants between four and 12 months old were found to contain sugar levels equivalent to up to 150% of the soda drinks. Some products that were examined even contained up to two-thirds of an adult's recommended daily allowance of sugar, the report found. The BDA said that the results contrasted with the products' claims that they contained only "naturally occurring sugars" or "no added sugar".

*Source: The Independent on July 8, 2022*

## Events

### ICDO 2022

August 2022, Chicago

### International Conference on Advanced Aesthetic Dentistry and Oral Treatments

September 2022, San Francisco

### American Association of Oral and Maxillofacial Surgeons

September 2022, New Orleans

### Straumann Symposium

October 2022, Boston

### Pacific Northwest Dental Conference

November 2022, Seattle

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