Let’s begin this discussion with a question: Do you know what your annual patient attrition rate is? No? Don’t worry—you’re not alone.

For most of us, “attrition” brings to mind parafunctional habits, occlusal guards, and worn dentition. However, there is another form of attrition that we should be even more concerned about: patient attrition.

Across the country, patient attrition rates average around 17%.\(^1\) Put in practical terms, if you have a healthy patient base of 2,500 active patients, then every year roughly 425 stop visiting your practice. This means that in order for your practice to grow, you have to make up for the lost patients before you can start counting positive gains. It’s harder to fill your bucket if there’s a hole in it.

In many cases, all that our marketing dollars are doing is driving new patients through the front door to replace the ones who are leaving out the back door. It’s an expensive way to solve the problem. Don’t get me wrong—new patients are incredibly important and are a great barometer for your practice, but reducing attrition rates can mean far more profitability over the life of your business.

If you consider that the average lifetime value of a patient is between $12,000 and $15,000,\(^2\) patients lost through attrition can add up to millions of dollars lost over the lifetime of a practice. Obviously, this is not good. But what can we do?

Over the past two years, I expanded my original dental office and opened a third location. We were adding new patients every month. I thought we were growing, but it turns out we had been complacent with our existing patients—in reality, we were nearly stagnant and were losing almost as many patients to attrition as we were gaining new patients. I had a huge problem on my hands.
It was a realization . . . a true “apple falling on my head” moment: I needed to actively tackle my patient attrition problem.

After doing a ton of research, and after a lot of trial and error, I boiled it all down to three phases that I’d like to share with you: **analysis**, **prevention**, and **reactivation**.

**Phase 1: Analysis—measure twice, drill once**
For us to truly grow, we must constantly be taking measurements of our practice. We all measure income and expenses, of course, but to solve the patient attrition problem we need to go deeper. There are a number of third-party platforms and software applications that allow us to track and monitor many different practice metrics; I chose Dental Intelligence. I worked with them in solving the attrition crisis in my practice and spoke with them in writing this article.

I believe there are three metrics that we should all measure and know to analyze the health of our practice:

1. total active patients;
2. annual attrition rate; and
3. annual patient growth rate.

Let’s start by quickly calculating your **total active patients** (figure 1). Open your practice management software and pull a list of all patients who were in your office for an appointment in the past 18 months. These are your total active patients: anyone who has been in your office for any appointment on a rolling 18-month basis. We use 18 months to give some leeway on annual visits before considering the patient inactive.

If you want to do a quick eye-opening exercise, now run the numbers dating all the way back to the day you opened your practice. The difference between the number of patients with an appointment since you opened your doors and your total active patients is the **total attrition** your practice has seen over the life of the practice—and for most of us who have practiced for any reasonable amount of time, the number is staggering.

Now let’s calculate your current **annual attrition rate** (figure 2). First, we calculate the patients who became inactive in the past year: take the total number of patients with an appointment in the past 30
months and subtract the total active patients. Then divide this inactive total by your total active patients.

As an example, let’s say your current active patient count is 800, and your total patients with an appointment in the last 30 months is 1,000. This means that 200 patients became inactive over the past year. Divide that 200 by the total active patients, and you get 200/800 = .25, or 25%.

Whereas historically the average attrition rate in the United States is close to 17%, the practice management software company Dental Intelligence has found that in the over 4,000 offices they work with, the average is closer to 25%, meaning that one of every four patients you see will be lost to attrition each year.

The final statistic for analyzing the health of your practice is your true annual patient growth rate (figure 3). This can be easily calculated by subtracting the total patients in a year who have been lost to attrition (patients who have reached 18 months without an appointment) from the total new patients in a year and then dividing this number by the total active patients. Ideally this number should be calculated every year, if not every quarter.

If this number is positive, then you are growing. If it is near zero or negative, then you need to understand why. Dental Intelligence has found that the average practice only has a true growth rate of around 3%–4%.

For most of you, these numbers are probably quite shocking—and it’s more shocking that this topic is rarely discussed. We generally don’t hear about it because it’s not as sexy as patient acquisition; marketing companies are bombarding you with emails, phone calls, and postcards to help you acquire new patients, but they are unable to profit from helping you improve your retention rates.

The great news is that this is a problem you can actually address for free. It’s not an overnight fix, but now that you’ve analyzed your practice and have more insight into your patient trends, you can determine the proper strategies for righting the ship. We can then move to the next phase and practice what we all preach every day to our patients, prevention.

**Phase 2: Prevention—don’t let them leave**
The best way to solve the problem of patient attrition is to not have the problem in the first place. Of course, there will be some patients who will leave your practice no matter what you do (e.g., they’re moving out of the area, etc.). But most of the time, if you make a concerted effort to focus on retention, you will find your attrition rate numbers declining. Here are a few focus areas I’ve found to be particularly effective.

**Make it personal.**
Creating a personal experience for your patients—one where they feel like a part of the family—will create a stronger relationship to your practice and improve the chances of their returning regularly for care. These are some simple, but often overlooked, ways to achieve this:

Know your patients and welcome them by name when they come into your practice. This takes some work on the part of your office staff, but you'll be amazed at how effective it can be.

Make more personal connections. Acknowledge their birthdays and other major life events.

Be polite. Chick-fil-A, one of the most profitable fast food franchises in America, trains their employees to say “please” and “thank you” and “my pleasure.” It’s a part of who they are. Make it part of who you are, too.

Thank your patients for being an integral part of your practice. Whether it’s sending small gifts or simply sending thank-you cards, make the effort to show your appreciation.

Communicate. Monthly newsletters with updates on what is happening in your practice create a higher level of connection.

**Give your patients clear financial options.**
Dental treatment can be expensive, and it should come as no surprise that a major reason some patients leave your practice is that they feel like they can’t afford your services. The good news is that there are a number of available financial options that give your patients flexibility in paying for the cost of care. Whether it is a prepayment discount, in-house payment plans, or third-party financing, a clearly defined policy giving your patients options should be a part of your treatment plan presentation arsenal.

**Offer in-house membership plans.**
Sadly, only around 20% of consumers without insurance come to the dentist, according to the American Dental Association, and the top reason cited is cost. It seems intuitive to assume that patients without dental insurance would have a significantly higher attrition rate than those with dental insurance whose cleaning is “free.”

A great solution that I have implemented in my office for almost a decade is an in-house membership program for patients without insurance. Membership plans give patients a clearly defined and affordable monthly payment option for their preventative care. Not only is it great for attracting new patients, but it provides the type of “sticky” solution that significantly reduces the attrition rates of this high-risk population of your patients.

DentalHQ, a company I created based on my own practice’s experiences, increases dental offices’ fee-for-service patient bases by helping them set up, automate, and manage their in-house membership program. Statistics from our partner offices all over the country show an average 5% subscription cancellation rate year-over-year, which is substantially lower than the national attrition average of 17–
25%. If you do not offer an in-house membership plan, you should consider one to reduce attrition rates of your uninsured patient base.

Applying these prevention strategies in my practice, along with a few others that we’ll discuss in part two of this article, has dramatically reduced our attrition rates. The great news here is that none of these strategies are difficult to implement—a little focused effort and planning can go a long way to help your practice as well.

**Author’s note:** In a future issue, look for part two, in which we’ll learn the most important system for reducing patient attrition, and hear from Laura Hatch about her recommendation for patient reactivation.

**References**

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