

# NYSDA

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## news

### Another View of Dentistry During the Recession

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Despite evidence that the recession's impact on dental business has been, up to now, less serious than in other industries, the fact that dental care, more so than other health services, is funded by out-of-pocket spending portends potential concerns as the slow recovery from the recession continues.

The National Bureau of Economic Research (NBER) announced that the last recession officially began in December 2007.<sup>1</sup> Many economists say the recession ended in June or July of 2009. The NBER (the ones tasked to make the formal call) was a bit more cautious and only made the call in September, pronouncing that the recession had ended in June. It's easy to see why the NBER didn't jump on the recovery bandwagon. "Call it a 'painfully slow' or 'anemic' recovery, but the latest economic indicators suggest that it at least feels like anything but a recovery, even while Fed Chairman Ben Bernanke, in early August 2010, assured better days are here already. While he warned there's still 'a considerable way to go' for a full recovery, 'the economy seems to have stabilized and is expanding again.'"<sup>2</sup>

A previous review in *The NYSDJ* looked at the economic uncertainty of dental practice as the 2007 recession was entering its initial stages.<sup>3</sup> This article considers dental practice as the economics of the country gradually passes beyond the depth of the recession.

#### RECESSION REALITIES

During almost three years since the official start of the recession, the news media has reported the tragedies as millions have lost their jobs, homes, savings, and basic confidence in government efforts and their personal aspirations for the future. Even a cursory reading of lay and dental profession reports indicates that dental practitioners have not been immune from the impact of recession.

"As consumers become more concerned about their economic future, they become less likely to spend money on any product or service that is not considered to be essential. For many people, dentistry falls into this 'elective' category."<sup>4</sup>

"The effects of the recession on the local dental industry have worsened since last year. More than 90 percent of dentists surveyed said their clients are putting off cosmetic procedures...."<sup>5</sup>

"It first became evident in August of 2008. We started having more gaps in the appointment schedule. We had been anticipating a slowdown due to the bobbed ride the stock market was experiencing. But the kind of drop-off we felt was unanticipated."<sup>6</sup>

#### ANOTHER VIEW

In the midst of the recession, there were other voices that presented another view. "With average profit margins at 17%, dentistry outpaced accounting, tax preparation, bookkeeping and payroll services, legal services and mining support services among the top five performing professions in '08."<sup>7</sup> Nevertheless, the writer does add the commentary, "Traditionally, it takes six to 12 months for economic trends to affect dental practice...The full impact of the downturn may be yet to come."<sup>7</sup>

Reports from a series of federal agencies (Bureau of Labor Statistics, Census Bureau and the Centers for Medicare and Medicaid Services) provide information through the early months of 2010 at the national and state levels that may offer indications of how the profession is faring as the nation works its way out of the recession. (Note: national data may not necessarily represent the specifics at particular local levels.)

The CPI reflects spending patterns for each of two population groups: all urban consumers; and urban wage earners and clerical workers. The all urban consumer group represents about 87 percent of the total U.S. population. It is based on the expenditures of almost all residents of urban or metropolitan areas, including professionals, the self-employed, the poor, the unemployed and retired people, as well as urban wage earners and clerical workers. Not included in the CPI are the spending patterns of people living in rural non-metropolitan areas, farm families, people in the Armed Forces and those in institutions, such as prisons and mental hospitals.<sup>8</sup>

By using the CPI to track and eliminate the effects of inflationary factors, it is possible to compare year-to-year changes in actual spending for particular services—in this example, per capita U.S. resident spending for dental services. For example, the per capita current dollar spending for dental services increased from \$166 to \$292 between 1995 and 2005. In actuality, in terms of constant dollars—removing the effects of inflation—the per capita actually increased from \$80 to \$90. Similarly, during the period of the recession, per capita

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Stuart Segelnick, foreground, and Adam Shapiro share a piano and passion for songwriting.

## An Installation Set to Music

Second District president creates his own theme song.

WHEN STUART SEGELNICK is installed as president of the Second District Dental Society, it will be to music of his own making. The Brooklyn periodontist wrote the words and music for a tune he calls "SDDS, You're the Best," which will be played at his installation on Jan. 9.

He won't be performing the song himself, choosing to concentrate instead on his inaugural address. Rather, a band, hired for the occasion, will do the honors, performing what Dr. Segelnick described as an ode to the Second District, which, he said, has had "such a profound, positive influence in my life the last 15 years."

This is hardly Dr. Segelnick's first foray into the musical world. In fact, he and colleague Adam Shapiro, a general dentist who practices in Queens, have been writing music together for nearly 25 years, ever since they met in a chemistry class at Brooklyn College.

While Dr. Shapiro didn't have a hand in the writing of "SDDS, You're the Best," he did contribute to the five complete songs the duo has penned so far. Dr. Segelnick estimates that separately they've written around 30 songs each,

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## An Installation Set to Music continued from page 1

among them, Dr. Segelnick's love song to his wife, "Oh, Tina," which he sang on his wedding day.

"I remember rehearsing it with Adam for months," Dr. Segelnick said. "He was an usher at my wedding and played the keyboard with the band, just for the performance of 'Oh, Tina.' I was so nervous, I forgot one of the verses of my own song and had to improvise."

Things went a little better with Dr. Segelnick's romantic ballad "Helen, I Love You." It was picked up by famed Iranian singer Helen, who made it into a video and linked it to her MySpace page. The video, available on YouTube, has had over 56,000 views.

Dr. Segelnick said he began writing music while a student at South Shore High School in Brooklyn. He recalled the first song he wrote was a rock ballad entitled "I'm Too Afraid of Love," written after a dance party where fear kept him from asking a girl to dance.

While his dental credentials are firm—Dr. Segelnick is a graduate of the University at Buffalo School of Dental Medicine and did his periodontal specialty training at Temple University—his musical training is a bit more rudimentary and consists pretty much of piano lessons when he was in fourth and fifth grade.

"I didn't particularly like the lessons," he recalled. "It could have been the teacher or just me."

An appreciation and desire to emulate the works of artists Billy Joel and Elton John, however, lured him back to music when he was in high school.

"I would sit at the piano for hours practicing their music by myself. But since the piano was in the living room, not far from the kitchen, I remember my mother preparing lunch or dinner and yelling at me to stop playing so loud."

His musical partner, Dr. Shapiro, took a couple of music courses at Brooklyn College and some ear training classes and is aided as well by what Dr. Segelnick said is perfect pitch.

"He can tell you instantaneously what notes and chords you're playing on the piano," Dr. Segelnick said admiringly, noting also that Dr. Shapiro is "100-times better" than he is at playing piano and singing.

Both men said their parents were major influences in their musical avocations. Dr. Segelnick's father wrote country music songs and won a number of songwriting contests, though he never was able to break into the music industry. Dr. Shapiro's father played the violin; his mother plays the piano.

So how do dentists with active practices find time for composing music? Dr. Shapiro works at it mainly at home, or at the piano in his dental office, or in his car. Dr. Segelnick said

he works at home, but lately he's been doing writing in his car as well.

"Adam and I both keep pens and sticky papers in our cars, where we seem to write a number of our songs—though we recommend using a digital recorder when driving."

Are they ready to chuck dentistry and devote themselves full-time to music? Dr. Shapiro is, apparently, not so certain, confessing he would rather be playing 50 percent of the time.

As for Dr. Segelnick, there's no contest.

"I enjoy writing songs," he said. "but I love practicing dentistry more." ❧

# Take Control of Your Practice

Stay away from negative issues to keep your practice operating positively.

*Kenneth I. Metsky, CPA*



While the state of the economy remains uncertain, and the long-term effects of the Gulf region oil spill are still undetermined, there are other things in this world that dentists who own their own practices most certainly have control over. One of them is the success of their practices. What follows is a list of five negative issues we commonly see when

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