



Q3 2021

DSO Newsletter

Dental Support Organizations Market Intelligence

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Key Issues

Nation's largest DSOs successfully weather the pandemic

Data from the American Dental Association (ADA) shows a steady, long-term growth trend for DSOs. [In 2017](#), the ADA found 7.4% of U.S. dentists were affiliated with DSOs but [in 2019](#) that number had grown to 10.4%.

More recently, there are signs the COVID-19 pandemic didn't curb DSO growth—at least for the largest organizations in the country. Heartland Dental remains one of the largest DSOs in the country, growing by about [200 practices](#) in almost two years. Heartland is poised to grow even more with the recently announced [acquisition of American Dental Partners](#).

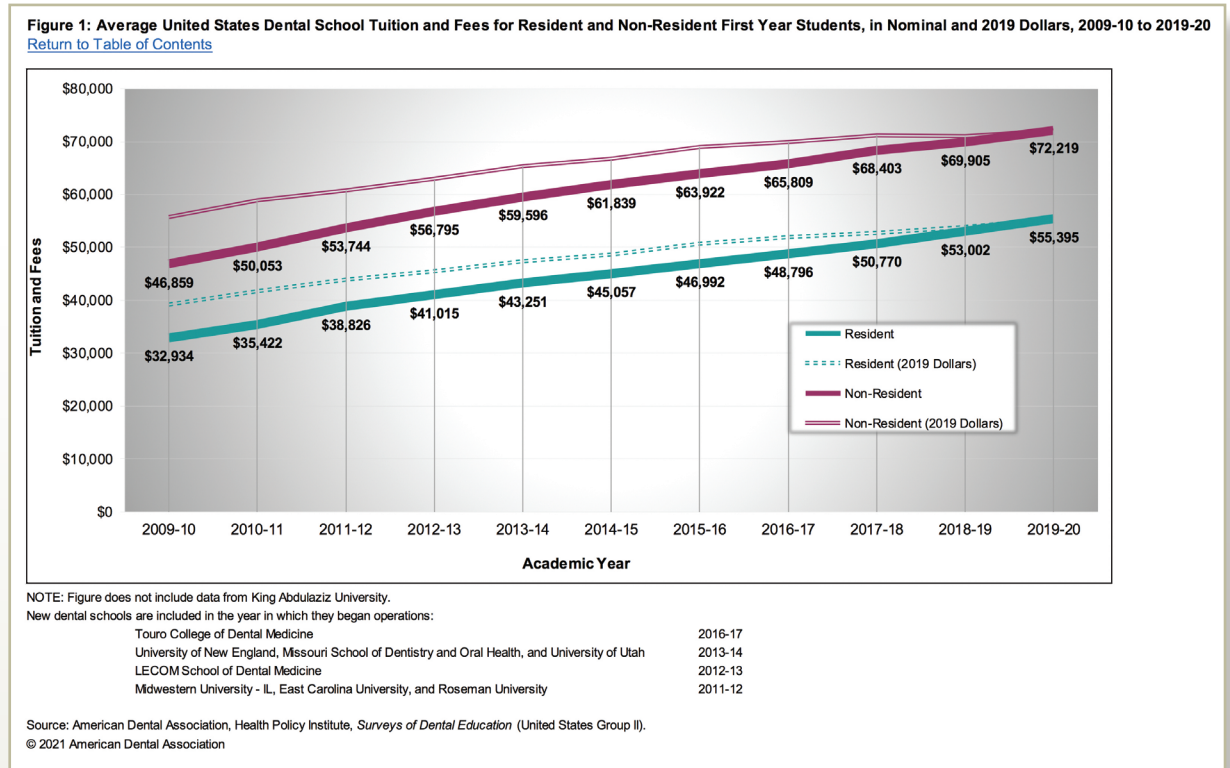
Other leading DSOs have reportedly [grown](#) during the pandemic, though the data is largely inconsistent and largely derived from press releases. The ADA has not yet curated its own data on the growth of DSOs during the COVID-19 pandemic.

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Key Issues (continued)

Dental school tuition continues long-term increase

Data curated by the ADA [shows](#) dental school tuition is steadily increasing, and the latest available data from 2019-2020 shows the trend continued:

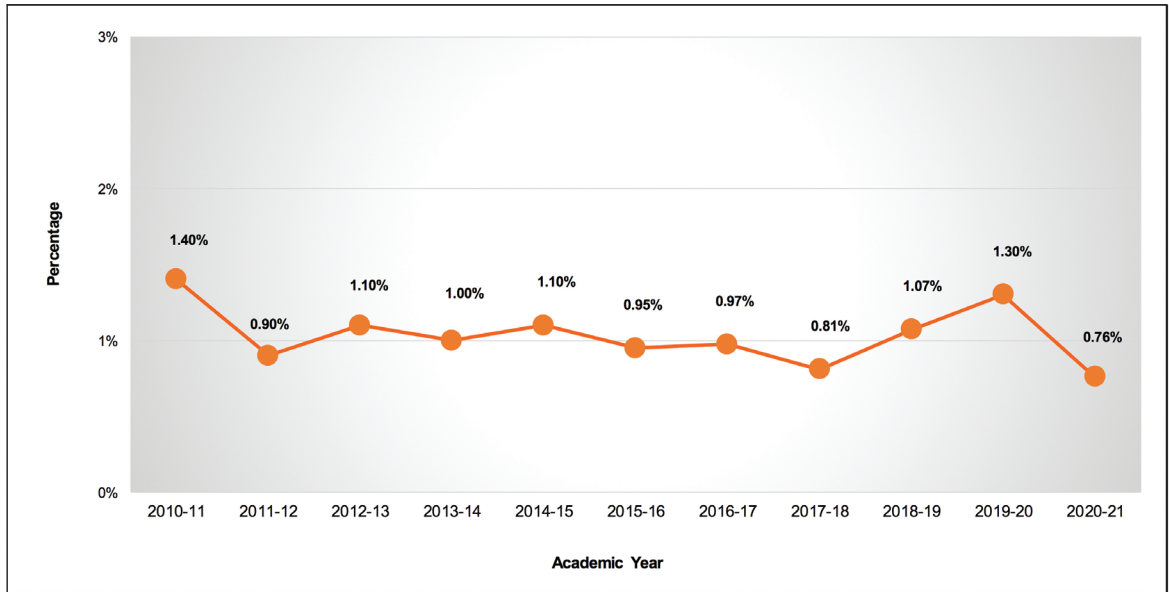


It is unclear whether the COVID-19 pandemic had an impact on dental school tuition as the ADA has not yet published this information.

Key Issues (continued)

However, the ADA has published more recent information on enrolment, potentially showing the pandemic will impact the supply of new graduates in dentistry. The number of applications in 2020-2021 was consistent with previous years (albeit lower than in 2019-2020), and first-year enrollment was up overall; however, the percentage of repeating first-year U.S. dental students was down sharply from 2019, reversing an upwards trend from 2017-2019:

Figure 3: Percentage of Repeating¹ First-Year United States Dental Students, 2010-11 to 2020-21
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NOTE: Data from King Abdulaziz University is not included in this graph.

¹ Refer to glossary for definition.

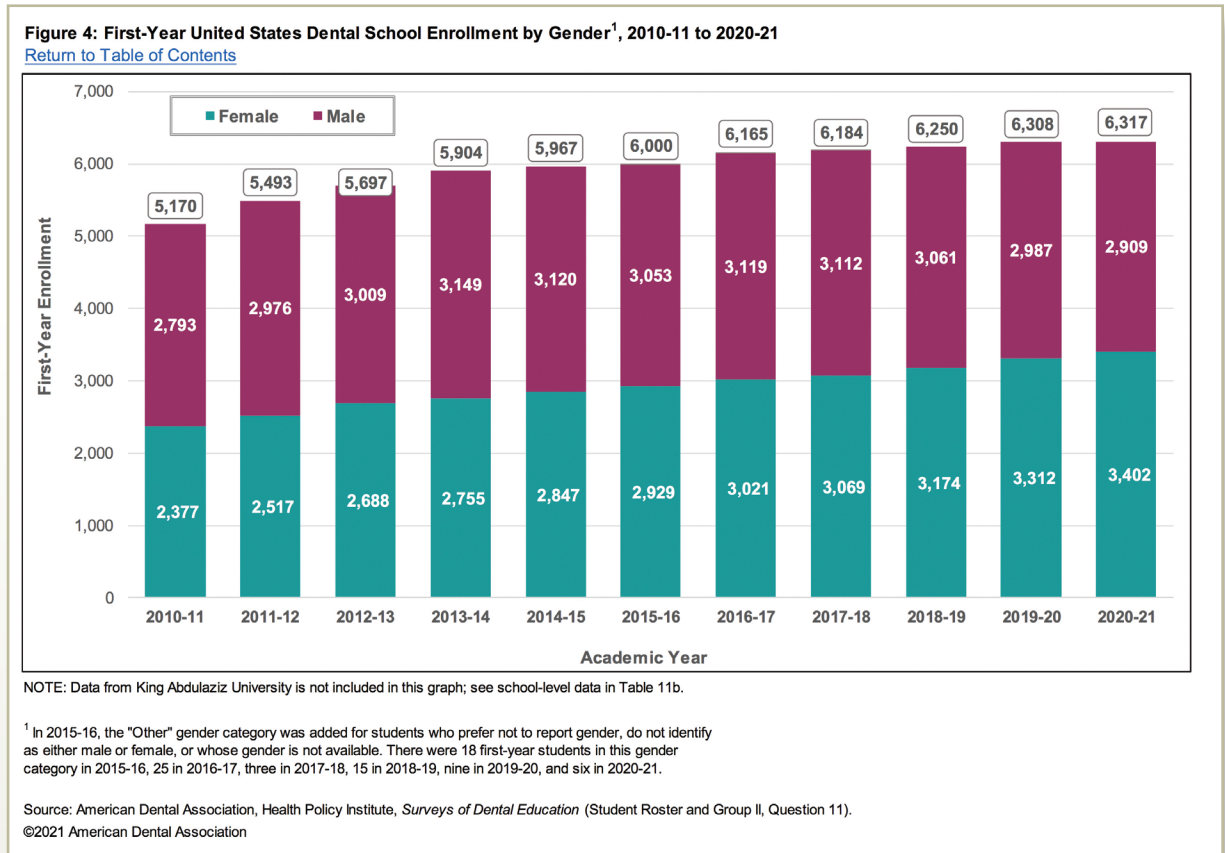
Source: American Dental Association, Health Policy Institute, *Surveys of Dental Education* (Group II, Question 22).
 ©2021 American Dental Association

The fact that applications and enrollment in 2020-2021 showed no significant change from the previous year raises the question whether lower retention of first-year students is attributable to other factors than the COVID-19 pandemic.

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Key Issues (continued)

The data appears to show that increasing tuition is having no impact on long-term first-year enrollment trends, as evidenced by the following chart:



Instead of reducing enrolment, increasing tuition and student debt appear to be nudging graduates towards paid employment rather than practice ownership. Overall, this trend benefits DSOs because it motivates young clinicians to work for larger practices instead of opening their own practice.

Dental Service Organization News

[ADA, University of Pennsylvania get \\$2M grant to study oral mucosa](#)

The American Dental Association and the University of Pennsylvania School of Dental Medicine in Philadelphia received a \$2,269,994 grant from the National Institutes of Health. The two groups will use the grant to examine functions of the mucous membrane inside the mouths of people with periodontal disease and peri-implantitis.

Source: Becker's Dental + DSO Review on Sept. 13, 2021

[Delta Dental of Iowa adds emergency teledentistry coverage](#)

Individuals with Delta Dental of Iowa dental benefits have dental emergency coverage through teledentistry.com. A teledentistry.com dentist will provide an initial consultation and can write prescriptions if appropriate. If additional care is needed, the patient will be referred to a network dentist.

Source: Becker's Dental + DSO Review on Sept. 17, 2021

[Eagle Dental Management launches dental specialty practice partnership initiative across southwest Texas](#)

The DSO is actively investing in specialty dental practices and groups looking to evolve their operations to meet the modern demands of running a practice. To support its specialty practice partnership program, the DSO has secured financial backing from a private investment firm based in Miami.

Source: Eagle Dental Management on Aug. 23, 2021

[MB2 Dental enters Ala.](#)

MB2 Dental expanded its territory into Alabama by partnering with Dr. Meghan Darby, owner of Flint River Dental in Huntsville, Alabama. This brings MB2's acquisition total in 2021 to 59 new partnerships.

Source: MB2 Dental on Aug. 27, 2021

[Smile One Services expands DSO footprint into central Mich.](#)

Smile One Services acquired John Downey, DDS Family Practice in Ithaca, Michigan. The practice will be renamed Smile Ithaca and become part of Smile Dental Partners' West Michigan dental group.

Source: MB2 Dental on Aug. 10, 2021

[Thurston Group forms DSO Gen4 Dental Partners](#)

The PE firm formed a DSO called Gen4 Dental Partners. Thurston is partnering with Gen4 Dental Partners and its management team, led by CEO Lamonte Jensen and COO Dr. Mitch Ellingson, to create the DSO.

Source: Thurston Group on Aug. 2, 2021

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Dental Service Organization News (continued)

Aspen Dental expands into Miami, opens practices in Tenn., Texas and Pa.

Aspen Dental's Florida offices are located in North Miami and River Landing, and are independently and privately owned. The company's 46th Tennessee practice is officially opened in Dyserburg, Tennessee. Aspen's Pasadena, Texas office marks its 47th practice in the state and the Warring, Pennsylvania office marks its 48th in Pennsylvania.

Source: Aspen Dental on Aug. 26, 2021; July 22, 2021; Aug. 5, 2021

Straumann, Aspen Dental partnership will offer dental, prosthetic solutions to 1K+ locations

Straumann Group entered a strategic partnership with Aspen Dental Management (ADMI) to offer dental implant solutions, abutments and CAD/CAM options to more than 1,000 ADMI and affiliated offices across 45 U.S. states. The partnership includes Aspen Dental and ClearChoice Dental Implant Centers.

Source: Straumann Group on Sept. 8, 2021

North American Dental Group appoints Jonathan Walker as CEO

Jonathan Walker, formerly NADG's CFO, was named the company's CEO. He succeeds Ken Cooper, an NADG co-founder who led the company since its inception. The succession was planned and developed in conjunction with NADG's investment partner, Jacobs Holding AG.

Source: NADG on Sept. 8, 2021

Children & Teen Dental Group Announces Name Change to Oak Dental Partners

Children & Teen Dental Group changed its name to Oak Dental Partners. The company says the name reflects the organization's rapid growth trajectory and decision to expand into adult and family dentistry.

Source: Oak Dental Partners on Aug. 30, 2021

Mergers & Acquisitions/ Private Equity

[Curaeos to become part of Colosseum Dental Group](#)

Jacobs Holding, through Colosseum Dental Group reached an agreement with EQT and other minority stakeholders to acquire Curaeos. With this acquisition, Jacobs Holding strengthens its global dental services platform consisting of the pan-European Colosseum Dental Group and the North American Dental Group.

Source: Colosseum Dental Group on Aug. 2, 2021

[Keystone Dental raises \\$25M, acquires Australian technology company](#)

Keystone Dental raised \$25 million financing in a round led by Nantahala, with participation from Accelmed and Accelmed's anchor investor, Migdal Insurance. Proceeds from the financing were used to support Keystone's acquisition of dental implant maker Osteon Medical.

Source: Keystone Dental on Sept. 1, 2021

[Deca Dental Group announces strategic investment from Blackstone Tactical Opportunities](#)

DECA Dental Group received a strategic investment from funds managed by Blackstone Tactical Opportunities. This partnership will support DECA's continued expansion, the company said.

Source: Deca Dental on Aug. 26, 2021

[Guardian Dentistry Partners gets \\$100M+ financing, set to announce 20+ new partnerships](#)

Miami-based Guardian Dentistry Partners has secured more than \$100 million in debt financing from Chicago-based Twin Brook Capital Partners. With the financing Guardian Dentistry Partners says the company is primed to grow even more quickly.

Source: Becker's Dental + DSO Review on Sept. 13, 2021

[Orthodontics company, InBrace, raises \\$102M in Series D financing](#)

InBrace announced the closing of an oversubscribed \$102 million Series D financing by funds affiliated with investor groups co-led by Farallon Capital Management, L.L.C. and Marshall Wace. Additional investors included funds and accounts managed by BlackRock, Endeavour Vision, MVM Partners, RTW Investments, LP and Soleus Capital as well as funds affiliated with existing investors Vivo Capital, Novo Ventures and venBio.

Source: Becker's Dental + DSO Review on Sept. 13, 2021

Innovation & Future of Dental

[Park Dental Research to acquire 3D printing company](#)

Park Dental Research signed an agreement to acquire Orchestrate Corp. a 3D Printing specialty company and manufacturer of dental orthodontic software headquartered in Redlands, California. Terms of the transaction were not disclosed.

Source: *The Daily Ardmoreite* on Sept. 10, 2021

[DentalPost launches screening feature to reduce unconscious bias in hiring](#)

The dental job board launched [SmartView](#), a screening feature to help dental employers expand their candidate pool and find better matches by reducing personal bias in the initial screening process. SmartView helps dental employers stay focused on skills, experience, and assessment insights, rather than a candidate's physical appearance, age, ethnicity or gender.

Source: *DentalPost* on Sept. 7, 2021

[BIOLASE partners with Calif. endodontist to expand dental laser use](#)

BIOLASE entered into a clinical advisory partnership with Dr. L. Stephen Buchanan to expand laser adoption and increase hands-on training programs in endodontics.

Source: *BIOLASE* on Aug. 31, 2021

[Bento, Royal Philips partner to offer oral care products in bundled insurance plans](#)

The companies announced a partnership that enables dental practices, employers and groups to bundle Philips oral care products into their dental benefit plans. Dentists can now include Philips products such as, Sonicare power toothbrushes and Zoom! Teeth Whitening, when creating in-office membership plans powered by Bento.

Source: *Philips Oral Care* on Aug. 31, 2021

Innovation & Future of Dental (continued)

[Dental x-Ray imaging FTG product DC-Air offers Bluetooth, wireless x-ray sensor](#)

Athlos Oy received 510(k) acceptance for DC-Air, an intraoral X-ray imaging sensor with Bluetooth and direct-conversion technology. Its U.S. distributor, Freedom Technologies Group, is accepting pre-orders online.

Source: Freedom Technologies on Sept. 13, 2021

[Smart dental implants could be a reality](#)

Researchers from the University of Pennsylvania are developing a smart dental implant that resists bacterial growth and generates its own electricity through chewing and brushing to power a tissue-rejuvenating light. The innovation, say researchers, could extend the usable life of an implant, adding they hope to further develop the implant system and eventually see it commercialized so it can be used in the dental field.

Source: University of Pennsylvania on Sept. 8, 2021

[Anatamage spins out its 3D dental technology business As Osteoid](#)

Anatamage has spun out its 3D dental business as a wholly owned subsidiary called Osteoid. Calvin Hur will lead Osteoid as its CEO, where he will oversee strategic direction and product roadmap. Anatamage founder and CEO Jack Choi will continue to serve Osteoid as an advisor. The move will allow each company to focus on expanded innovation: Anatamage will focus on its medical and educational solutions and Osteoid will focus solely on 3D dentistry solutions.

Source: Osteoid on Aug. 25, 2021

Dental Practice News

[ADA urges dentists to ask Congress to oppose Medicare Part B dental benefit proposal](#)

The ADA is calling on dentists to contact their members of Congress to oppose a legislative proposal that would put dental care in Medicare Part B. The ADA has proposed an alternative approach to expand access for seniors that adheres to the ADA's policy, which supports the oral health care of those 65 years old and older by including a range of services necessary to achieve and maintain oral health for beneficiaries with incomes up to 300% of the federal poverty level.

Source: American Dental Association on Sept. 10, 2021

[SmileCon to require proof of vaccination or negative COVID-19 tests](#)

To ensure SmileCon attendees have a safe and enjoyable meeting experience, they will need to be fully vaccinated against COVID-19 or submit negative COVID-19 test results, says the ADA. The meeting will take place Oct. 11-13 at Mandalay Bay Resort and Casino in Las Vegas.

Source: American Dental Association on Sept. 14, 2021

[VA launches pilot dental program in New York City](#)

The VA launched VETSmile a program connecting Veterans with dentists in their community in partnership with dental care providers in New York City and New Jersey, the initial sites of a pilot launch. The program is designed to provide a first touchpoint for Veterans that do not have a regular dentist and for those who may need help paying for dental care.

Source: Veteran's Affairs on Aug. 5, 2021

[Keystone Dental announces completion of \\$25M financing to grow dental implant and digital dentistry portfolio](#)

Keystone Dental's \$25-million financing round was led by Nantahala, with participation from Accelmed and Accelmed's anchor investor, Migdal Insurance. Proceeds from the financing were used to support Keystone's acquisition of Osteon Medical, a dental implant provider. In addition, remaining funds will be used for continued growth, including market expansion activities and other strategic investments, says Keystone.

Source: Keystone Dental on Sept. 1, 2021

Litigation & Compliance

[Fla. dentist pleads guilty to bribing Ark. state senator](#)

A Florida dentist, formerly of Arkansas, pleaded guilty to one count of conspiracy to commit honest services fraud in a scheme with former Arkansas State Senator Jeremy Hutchinson that occurred between 2014 and 2016. Benjamin Gray Burris faces a maximum penalty of 20 years in prison, however, the plea agreement also states that if the Court wishes to sentence Burris to a sentence that is not a year and a day in federal prison, Burris will have the right to withdraw from the plea agreement. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors. The FBI and IRS are investigating the case.

Source: Western District of Arkansas Sept. 13, 2021

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