



March–  
May 2022

# DSO Newsletter

Dental Support Organizations Market Intelligence

## In This Issue:

Key Issues .....	1
Dental Service Organization News .....	4
Mergers and Acquisitions .....	4
Private Equity .....	5
Innovation & Future of Dental .....	5
Dental Practice News .....	8

## Key Issues

### Dentists continue to shift toward DSO-supported practices amid ongoing labor challenges

According to the American Dental Association, DSO-supported practices are now [considered](#) one of the fastest growing practice models in dentistry. The ADA Health Policy Institute estimates that solo practices are becoming less and less common, and more dentists are gravitating toward large group practices. According to HPI's most current data, more than 10% of all dentists were affiliated with a DSO in 2019, a number that is likely much higher today. The percentage of dental school seniors who plan to join a DSO-supported practice also increased from 12% in 2015 to 30% in 2020, according to the 2020 American Dental Education Association Survey of U.S. Dental School Seniors.

The ADA also [reported](#) that more dentists are retiring and more dental hygienists are exiting the workforce, further stalling the industry's recovery, according to Health Policy Institute. Dental offices lost 1,500 jobs from February to March, according to the Bureau of Labor Statistics' Current Employment Statistics report. This decline was the first experienced by the dental sector since April 2020.

Stagnant employment in the dental industry can be attributed, in a large part, to the exit of dental hygienists from the workforce. According to the latest analysis by the American Dental Hygienists' Association and the ADA Health Policy Institute, hygienist employment has declined since September 2020.

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## Key Issues (continued)

The departure of dental hygienists is [largely voluntary](#), with some hygienists saying they have decided to retire from dental hygiene entirely. Others continue to cite workplace safety concerns and the inability to find sufficient childcare as reasons why they do not return. A [study](#) by DentalPost found that feeling underpaid is the most common reason for job dissatisfaction among dental hygienists.

*Sources: American Dental Association, Health Policy Institute, DentalPost, ADA News*

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## ADA reports cyber incident, signals threats are on the rise in dental industry

The American Dental Association (ADA) said it was hit with a cyberattack, [reportedly](#) by the ransomware group “Black Basta” which caused a disruption to certain systems, including membership services software Aptify, ADA email, phone and Web chat. The ADA said it was working with third-party cybersecurity specialists to investigate the impact on ADA systems and restore full system functionality and said there was no indication any member information or other data had been compromised. The ADA issued a [follow-up](#) on May 13, 2022, two weeks after the initial report, saying that while the investigation continues, there continues to be no evidence that sensitive information had been hacked.

Similar incidents have also affected some state dental associations, [including](#) the New York State Dental Association. Also, in October 2021, the Professional Dental Alliance (PDA), which owns dental practices in 15 states, notified more than 170,000 individuals of a March 2021 phishing incident involving an affiliated vendor, North American Dental Management, which provides nonclinical management services to dental practices owned by PDA. Another incident includes Texas-based JDC Healthcare Management, which dubbed itself the ‘Official Dentist’ of NBA team the Dallas Mavericks [reported](#) a hacking incident that affected 1 million individuals.

One expert [said](#) that information compromised through the security incidents involving organizations that serve the medical community are particularly sensitive because it can expose patients to significant financial fraud or harm the organization’s reputation. He also said healthcare professionals are especially vulnerable to identity theft and organizations should carefully assess why sensitive, personally identifiable information is collected and minimize access to the data to only those with an appropriate role in the organization. He also said organizations should not create unnecessary or duplicative collections of sensitive information stored on backup servers, network drives or unencrypted drives or applications. He also recommends that organizations securely delete electronic files containing sensitive information that is no longer needed.

*Sources: American Dental Association, New York State Dental Association, Gov. Info Security, Bleeping Computer, Healthcare Info Security, April, 2022*

## Key Issues (continued)

### [Conn. Becomes fifth state to pass comprehensive privacy law](#)

The Connecticut Data Privacy Act, [S.B. 6](#), goes into effect July 1, 2023. The law goes into effect at the same time as a similar law in Colo., joining Calif., Utah, and Va. in passing a comprehensive privacy law. The law allows residents to opt out of sales, targeted advertising, and profiling. By 2025, the law will require companies to acknowledge opt-out preference signals for targeted advertising and sales. Websites and companies now have to get consent to process sensitive data and need to offer Conn. residents ways to revoke that consent. Companies preparing for these new laws will want to keep in mind the following five things about this fifth general U.S. state privacy law, including:

1. Individual Rights: Like other states, Conn. provides consumers with the right to access, correction, portability and deletion. Customers also have the right to opt-out of processing data for targeted advertising, sales, and profiling. This opt-out requirement will go into effect Jan. 2025 and companies must get consent to process sensitive data.
2. Contractual Requirements: data controllers will need to enter into contractual agreements with processors. Those contracts must hold a processor to at least the same protections as the controller.
3. Data Security and Governance: The new law provides more detailed requirements and companies will need to establish, implement and maintain reasonable administrative, technical and physical data security practices.
4. Enforcement: businesses will be given a temporary 60-day right to cure violations until December 31, 2024. Starting in 2025, the Attorney General will have discretion to determine whether to grant a cure period. Violations can result in civil penalties of up to \$5,000 per violation plus actual and punitive damages, and attorneys' fees and costs.
5. Putting it into Practice: The law is a reminder of the importance of adaptive privacy programs. As 2023 approaches, companies will want to balance these laws' similarities -providing rights, contractual provisions, security obligations- with the laws' nuances.

*Source: The National Law Review, May 12, 2022*

## Dental Service Organization News

### [Overjet becomes only dental company to land on Forbes AI 50 list](#)

The Forbes “AI 50” [list](#) ranks the most promising artificial intelligence companies in the U.S. and is published in partnership with venture capital firm Sequoia Capital. Founded in 2018, Overjet uses a dental AI platform to support providers and payers to improve clinical care and administrative efforts. The list’s selection process included 400 submissions that detailed each company’s technology, business model, customers, and financials. Sequoia Capital used an algorithm to identify around 120 companies with the highest quantitative scores. A panel of 12 AI judges then identified the 50 most compelling companies.

*Source: Overjet, May 11, 2022*

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### [Smile Brands forms affiliate partnership with Radiate by McQuitty](#)

Dr. Patrick J. McQuitty leads a team of 10 from his growing Santa Fe location whose team’s goal is to provide innovative dentistry in a comfortable and compassionate environment. The office provides general dentistry, cosmetic dentistry, and emergency dental services to patients in Santa Fe and the surrounding area. Smile Brands will provide administrative support and services to the practice including purchasing, payroll, accounting, IT, billing, facilities management and marketing. The business will continue to operate under the Radiate by McQuitty name and the existing staff will remain with the office. Smile Brands supports nearly 700 affiliated practices, with more than 7,500 team members across 30 states.

*Source: Smile Brands, April 22, 2022*

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## Mergers and Acquisitions

### [Enable Dental acquires Healer, in effort to expand at-home dental care](#)

The acquisition of Healer, a dental software company focused on helping care teams organize work, provides organizational technical software to Enable’s operations, helping them grow to be the largest portable, at-home dental service organization in the country. Their combined technology and operational workflow capabilities will advance treatment coordination and propel digitized dentistry. The addition of Healer and its staff will accelerate its geographic expansion and deepen its investments in technology to further its teledentistry and digital capabilities while bringing equitable dental care to geriatric and special needs patients across the U.S.

*Source: Enable Dental, May 5, 2022*

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### [TUSK advises Endodontic Associates on its sale to Endo1 Partners](#)

TUSK Partners advised Endodontic Associates in their sale to Endo1 Partners, a portfolio company of VSS. Founded in 1960, Endodontic Associates is a leading Endodontic group in Southeast Michigan with 9 clinic locations. The company employ around 30% of all endodontists in Southeast Mich.

*Source: TUSK Partners, April 7, 2022*

## Mergers and Acquisitions (continued)

### [Western Dental acquires 215-office DSO with 215 dental offices](#)

Western Dental is acquiring Mid-Atlantic Dental Partners, which operates in 17 states and consists of four regional brands: Dental One Partners, DentalWorks, Perfect Teeth and Mid-Atlantic Dental Partners. This acquisition brings Western Dental to 571 offices.

*Source: Western Dental, May 5, 2022*

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## Private Equity

### [SmileDirectClub completed a new \\$255M secured debt facility to ‘fuel its continued operations’](#)

The company announced that its wholly-owned special purpose subsidiary SDC U.S. SmilePay SPV (SPV) completed a \$255 million secured debt facility, in an effort to strengthen its liquidity to provide greater flexibility to fuel its continued operations and future growth plans. The company entered into a Loan Agreement by and among SPV, as borrower, SmileDirectClub, LLC as the seller and servicer, the lenders from time to time party thereto, and HPS Investment Partners, LLC, as administrative agent and collateral agent, providing a 42-month secured delayed-draw term loan facility to SPV in an aggregate maximum principal amount of up to \$255 million. On April 27, 2022, \$65 million was outstanding under the new loan agreement.

*Source: SmileDirectClub, April 28, 2022*

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## Innovation & Future of Dental

### [Dental 3D-printing market projected to double to \\$8B in five years, DSOs on the rise](#)

A global forecast predicted a doubling of the dental 3D-printing market value by 2027, fueled by patient demand for same-day 3D services that require in-house printing, by increasing rates of clinic consolidation, by a growing geriatric population around the world, and by a skyrocketing incidence of caries and related diseases. According to the American Dental Association, group practice affiliation managed by large DSOs is on the rise. Over one-tenth (10.4%) of dentists in the U.S. in 2019 were part of a DSO, a 2.4% increase in just two years. These figures coincide with a steady drop in practice ownership, down to 73.0% in 2021 from 84.7% in 2005. This trend is likely to continue as a survey of students leaving dental school in 2020 showed that 30% planned to join a DSO, up compared with 12% who planned to join one upon leaving dental school in 2015.

*Source: Tribune International, April 8, 2022*

## Innovation & Future of Dental (continued)

### [NYU dental school completed the first U.S. student-led robot-assisted implant surgery](#)

New York University College of Dentistry students performed the first student-led robot-assisted dental implant surgery in the U.S. on May 5, using the Yomi robotic system. Since receiving the Yomi robot last year, NYU faculty and postdoctoral students have performed about 150 dental implant cases, however this was the first time dental students have led the procedure. New York University College of Dentistry is in the pilot phase of introducing the robot into its doctoral of dental surgery program with interdisciplinary participation from other dental departments.

*Source: NYU, May 5, 2022*

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### [Scientists develop probe for detecting temperature, pH changes associated with gum disease](#)

Scientists with the American Dental Association Science & Research Institute developed a probe that measures the temperature, pH and depth of periodontal pockets that could help dentists detect gum disease earlier. The researchers created temperature and pH sensors on the end of disposable, 3D-printed periodontal probe tips with dimensions and features similar to commercially available probes. The tips can be inserted into a reusable handheld body system containing electronics and software capable of signal processing, power control, display and wireless data transfer. The disposable probe tips and wireless body system are designed to be portable and easy to use chairside. The researchers found the sensors could measure temperature and pH differences between healthy and inflamed periodontal sites within seconds, providing valuable information to detect disease activity.

*Source: The ADA, April 6, 2022*

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### [CDC mobile app allows users to review basic infection prevention principles](#)

The CDC developed an [app](#) that puts the Infection Prevention Checklist for Dental Settings in an easy-to-use format for use on a phone or tablet. The app allows users to review basic infection prevention principles and links to full recommendations and source documents for dental health care settings. It also has the capability to export or save results and notes for records management. The app is available for iOS in the Apple App Store and Android devices on Google Play.

*Source: The ADA, April 11, 2022*

## Innovation & Future of Dental (continued)

### [SmileDirectClub uses AI and 3D-printing robots](#)

SmileDirectClub’s manufacturing warehouse in South Nashville was profiled by The Tennessean, which looked at its dozens of robotic arms and their computer systems as well as the company’s mission to “democratize orthodontics” with its growing army of robots using software powered by AI, informed by data from its 1.5 million customers. A second manufacturing site called “Smile Farm” is set to open in Columbia with an initial fleet of about fifteen 3D printers.

*Source: The Tennessean, Feb. 21, 2022*

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### [Enable Dental adds three to senior leadership team](#)

Enable Dental, a leading provider of at-home dental services, expanded its leadership team by adding Susan Lanese as Chief Operations Officer, Dr. Nathan Suter as Chief Innovation Officer, and Matt Schreiber as Senior VP of Sales and Marketing. Lanese will work to scale portable, at-home dental services while improving holistic care to access-limited populations after having most recently been VP of Market Operations for DispatchHealth, a leading at-home urgent care provider, where she oversaw their East Coast expansion from five to 25 markets. Suter will oversee clinical and technology innovations at Enable after having consulted with provider groups, state boards, and payers on how teledentistry can expand access to quality dental care. Schreiber is responsible for leading Enable Dental’s Sales, Marketing, and Account Management teams after having worked over 30 years in various leadership positions at fast-growing healthcare companies.

*Source: Enable Dental, April 26, 2022*

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### [SmileDirectClub awarded ‘Best Telehealth Platform’ by MedTech Breakthrough](#)

Since the start of the pandemic, SmileDirectClub has introduced additional advancements to its telehealth platform, including a video chat capability that connects dental professionals with customers and the SmileDirectClub App which helps customers stay on track throughout treatment. Additionally, the company’s telehealth platform is further enhanced by its proprietary treatment planning software SmileOS that leverages AI to deliver enhanced treatment outcomes and more accurately predict tooth movements. SmileDirectClub has treated more than 1.7 million people in less than eight years.

*Source: SmileDirectClub, May 5, 2022*

## Dental Practice News

### Study finds many Americans unaware of link between oral health and health conditions

Delta Dental's "State of America's Oral Health and Wellness Report" examined opinions and behaviors relating to oral health of U.S. adults and parents of children ages 12 and younger. The report found that 92% of adults and 96% of parents consider oral health to be very, if not extremely, important to overall health. However, many were unaware of how oral and overall health are connected and were unable to recognize medical conditions linked to poor oral health, including stroke, high blood pressure and diabetes. Despite these statistics, 90% of adults indicated they were interested in learning about oral health's connection to overall health. The report also found that 89% of children and 72% of adults visited the dentist in 2021 and fewer parents also reported that their children were experiencing or had experienced oral health issues compared to previous surveys.

*Source: Delta Dental Plans Association, May 5, 2022*

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### Survey finds many Americans not getting dental care they need

CareQuest Institute released its second annual State of Oral Health Equity in America survey, a national survey of adults' knowledge, attitudes, experiences, and behaviors related to oral health. The survey is the largest and most comprehensive of its kind, with more than 5,000 participants and 170 questions. Findings include:

- Forty-three percent of adults identified cost as a reason they avoid dental care in 2022, more than the 38% who reported the same in 2021.
- Fifty-five percent of adults reported some type of oral health problem in 2022, similar to the 56% who reported the same in 2021.
- Nine-six percent of adults in this survey said they knew there was a connection between the oral health of the mouth and the rest of the body.

*Source: Dentistry IQ, April 27, 2022*

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