

Financial Realities of Owning a Dental Practice in Washington State

Ver. 2026.2.4

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Agenda

1. Intro to Dental Industry Terminology
2. 2026 Salary Survey Data
3. Historical Financial Review & Comparisons
4. Economics of Owning an Average General Dentistry Practice
5. Current Economic Headwinds

Industry Terminology

1

Scheduling & Daily Workflow

How practices organize patient flow and treatment rooms

2

D-Codes & Common Procedures

Standardized procedure codes and what they mean

3

Fee Schedules & Financial Terms

How practices price, bill, and measure revenue

4

Dental Specialties

The recognized areas of dental specialization

5

Additional Private Practice Terms

Key operational and business terms

1

Scheduling & Daily Workflow

How practices organize patient flow and treatment rooms

Column (Production Schedule per Operatory)

A “column” is a single treatment room’s schedule for the day. Each operatory gets its own column showing the patients and procedures planned. Think of it like a lane in a bowling alley—each runs independently but contributes to overall production.

Operatory

The individual treatment room where a patient sits in the dental chair and receives care. Most practices have multiple operatories to see several patients at a time.

Recall

The system used to bring patients back for routine visits (typically every 6 months). A strong recall system proactively schedules and reminds patients about their next visit—critical for steady revenue.

Hygiene Schedule vs. Doctor Schedule

The hygiene schedule covers cleanings, exams, and preventive care (managed by hygienists). The doctor schedule covers complex treatments like crowns, fillings, and root canals. Together they form the daily production plan.

2 **D-Codes & Common Procedures**
 Standardized ADA procedure codes used for billing and tracking

D1110

Prophy

Standard teeth cleaning for patients with healthy gums. One of the most frequently billed procedures.

D0120 / D0150

Exam

Dentist’s clinical evaluation. D0150 = comprehensive (new patients); D0120 = periodic (returning).

D0274

Bite Wings (BW)

X-ray where the patient bites a tab. Detects cavities between teeth and monitors bone levels. Annual.

D4910

Perio Maintenance

Specialized cleaning for patients previously treated for gum disease. More involved than a prophy; every 3–4 months.

D2740 / D2750

Crown Prep

Tooth is reshaped and impressions taken for a custom cap (crown). One of the highest-revenue single procedures.

D1206 / D1208

Fluoride

Topical treatment applied after cleaning to strengthen enamel and prevent cavities. Common for kids, growing for adults.

3 Fee Schedules & Financial Terms

How practices price, bill, and measure revenue

UCR Fee Schedule

Stands for “Usual, Customary, and Reasonable.” This is the practice’s own price list—the full retail rate for each procedure before any insurance adjustments. Think of it as the “sticker price.”

PPO Fee Schedule

PPO=Preferred Provider Organization. When a dentist joins a PPO network, they accept reduced fees. The PPO fee schedule is the discounted rate they charge in-network patients. The difference between UCR and PPO fees is the “write-off.”

Write-Off / Adjustment

The difference between the UCR fee and the contracted PPO fee that the practice cannot collect. Example: UCR fee for a crown is \$1,200, PPO fee is \$900 → the \$300 difference is written off.

Fee-for-Service (FFS)

Payment model where the patient (or insurance) pays the full UCR fee with no contractual discount. FFS patients are the most profitable because there are no write-offs.

3

Production & Collections

The revenue pipeline from work performed to cash collected

Gross Production

Total value of all services at the practice's full UCR fees. Measures how much WORK was done.



Net Production

Gross production minus all write-offs and PPO adjustments. The amount the practice CAN collect.



Net Collections

Actual cash collected. The real money in the door. Healthy target: 98%+ of net production.

4

Dental Specialties

The ADA-recognized areas of dental specialization

GP

General Practice

Ortho

Orthodontics

Peds

Pediatric Dentistry

Dental care for children from infancy through adolescence. Manages the unique behavioral and developmental needs of young patients.

Perio

Periodontics

Focuses on gums and supporting structures. Treats gum disease, places dental implants, and performs gum surgeries.

Endo

Endodontics

Treats the interior of the tooth, most commonly root canals. Patients are referred when a tooth's nerve or pulp is infected or inflamed.

Prosth

Prosthodontics

Often runs a practice similar to General Dentistry, but also replaces and restores missing or damaged teeth with prosthetics: dentures, bridges, implant-supported crowns, and veneers.

OMFS / OMS

Oral & Maxillofacial Surgery

Surgical procedures including wisdom tooth extractions, jaw surgery, facial trauma repair, and implant placement. Often the most complex and highest-fee procedures in dentistry.



5

Additional Private Practice Terms

Key operational and business terms for dental clinic management

Practice Management Software (PMS)

Central software (Dentrix, Eaglesoft, OpenDental) managing scheduling, billing, patient records, insurance claims, and reporting. Most KPIs are pulled from here.

CDT Code

Code on Dental Procedures and Nomenclature, maintained by the ADA. The official coding system for dental procedures (the “D-Codes”). Updated annually.

Explanation of Benefits (EOB)

Statement from insurance detailing what was billed, what insurance paid, what the patient owes, and what was written off. Critical for reconciling payments.

Overhead

Total cost of running the practice excluding dentist compensation: staff wages, rent, supplies, lab fees, equipment, insurance. Healthy benchmark: 55–70% of collections.

Coordination of Benefits (COB)

Process of determining payment responsibility when a patient has 2+ insurance plans. Primary pays first; secondary may cover remaining balance.

Lab Fees

Costs paid to an outside dental laboratory for fabricating crowns, bridges, dentures, and other custom prosthetics. A significant variable expense tied to restorative production.

5

Additional Private Practice Terms (cont.)

Growth metrics and organizational structures

Hygiene Production

Revenue generated by the hygiene department from cleanings, perio maintenance, fluoride, sealants, and X-rays. Benchmark: ~25–33% of total practice production.

Treatment Plan

Documented plan outlining recommended procedures for a patient, including estimated costs and timelines. Drives future production and indicates pending revenue.

New Patient Acquisition

Number of new patients entering the practice each month. Reflects marketing and referral effectiveness. Target: 20–50 new patients/month depending on practice size. Adding 15 or less is “breakeven” factoring in natural patient attrition.

Dental Service Organization (DSO)

Management company providing business support (billing, HR, marketing, purchasing) to dental practices. May own or affiliate with multiple locations. Often backed by Private Equity that focuses on profits more than quality of patient care.

Credentialing

Process of enrolling a dentist with insurance companies so the practice can bill as in-network. Timelines can impact revenue when onboarding new providers.

Annual Survey



Average Profit
35.0%
(money generated by operations, before paying practice loans, student loans, income taxes or paying the doctor)

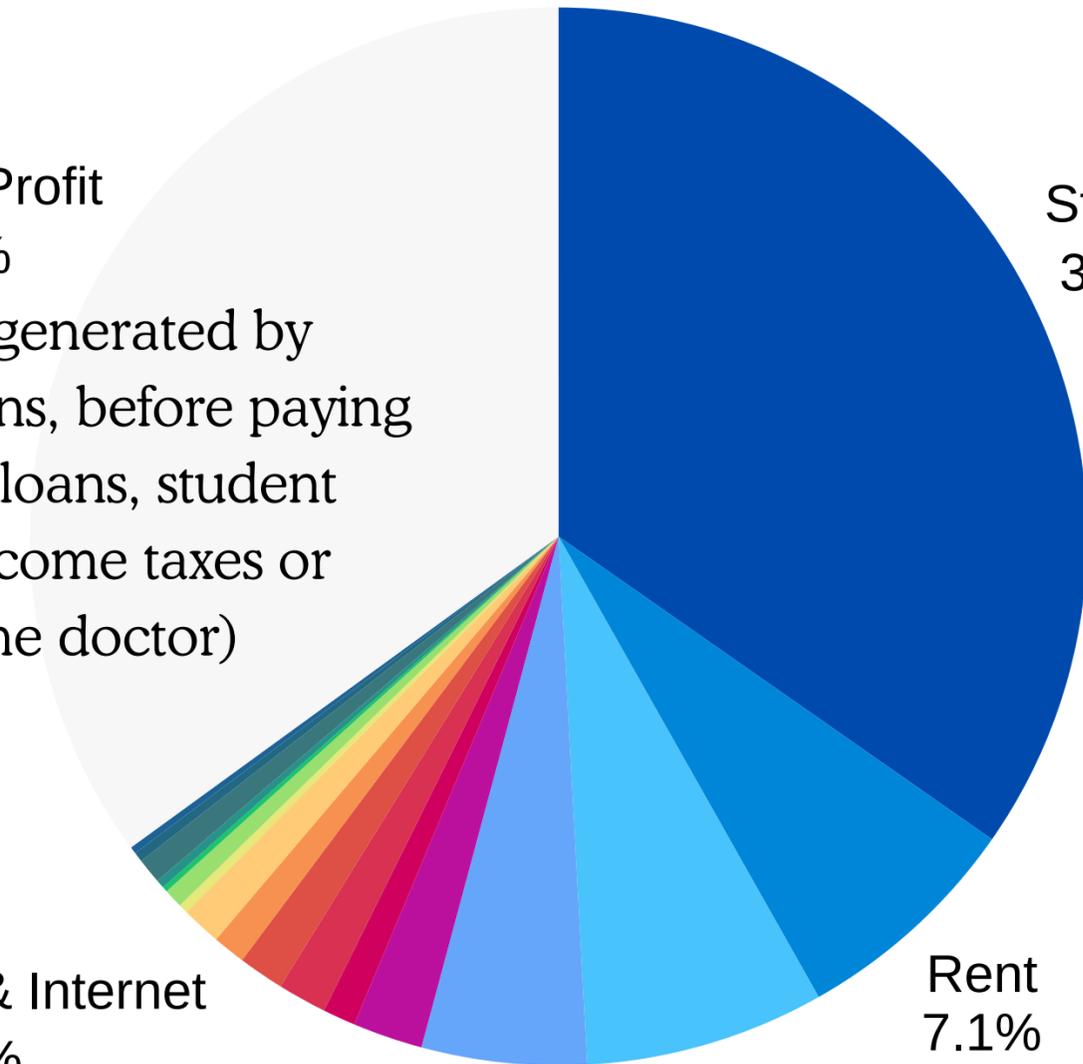
Telephone & Internet
0.8%

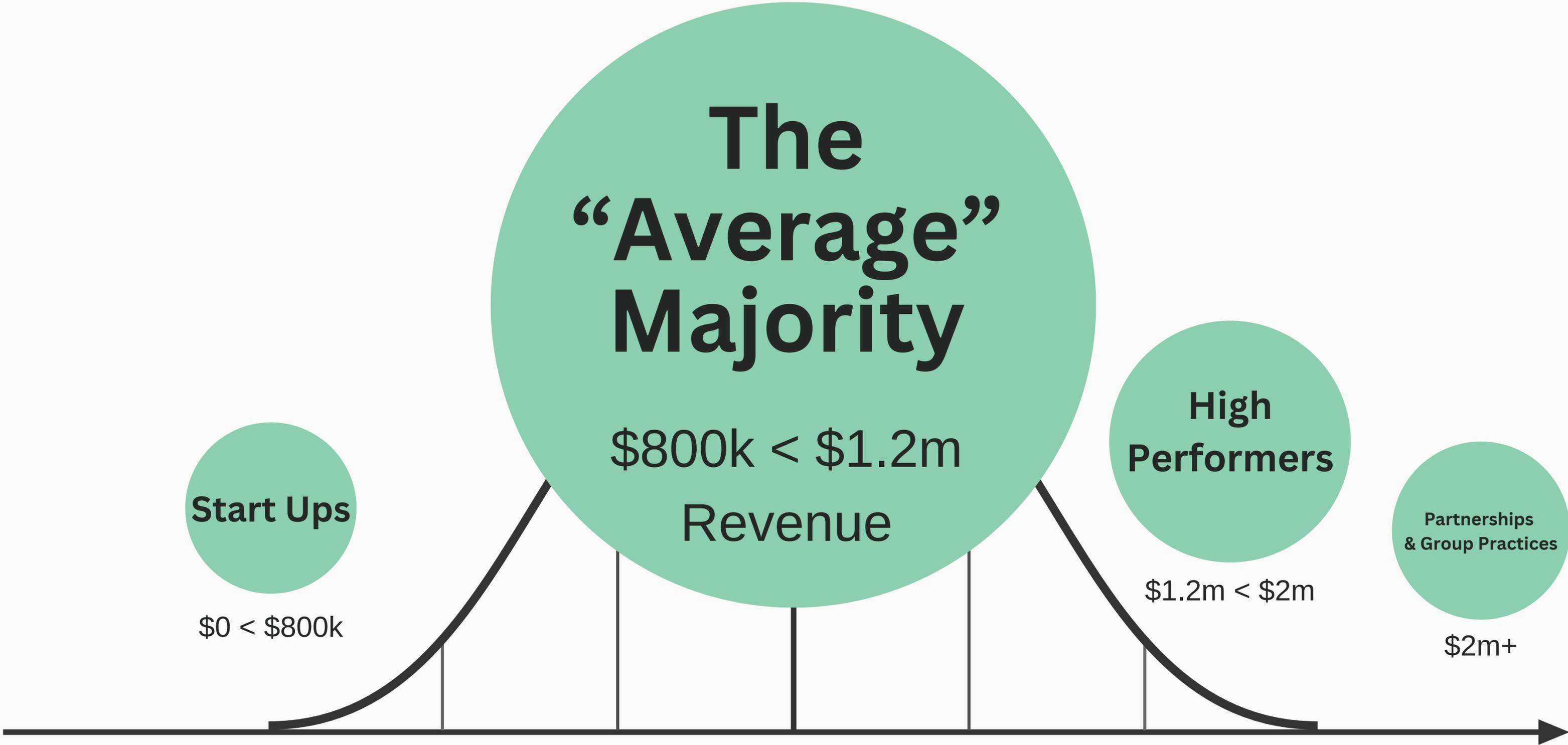
Business Taxes & Licenses
2.1%

Clinical Supplies
7.3%

Rent
7.1%

Staffing
34.7%





Average General Practice Staff Model



1 Owner Dentist

Only paid if company is profitable



**1 Dental Assistant
+ 1 Clinical Floater**

\$25-35 per hour



2 Dental Hygienists

\$65-80 per hour

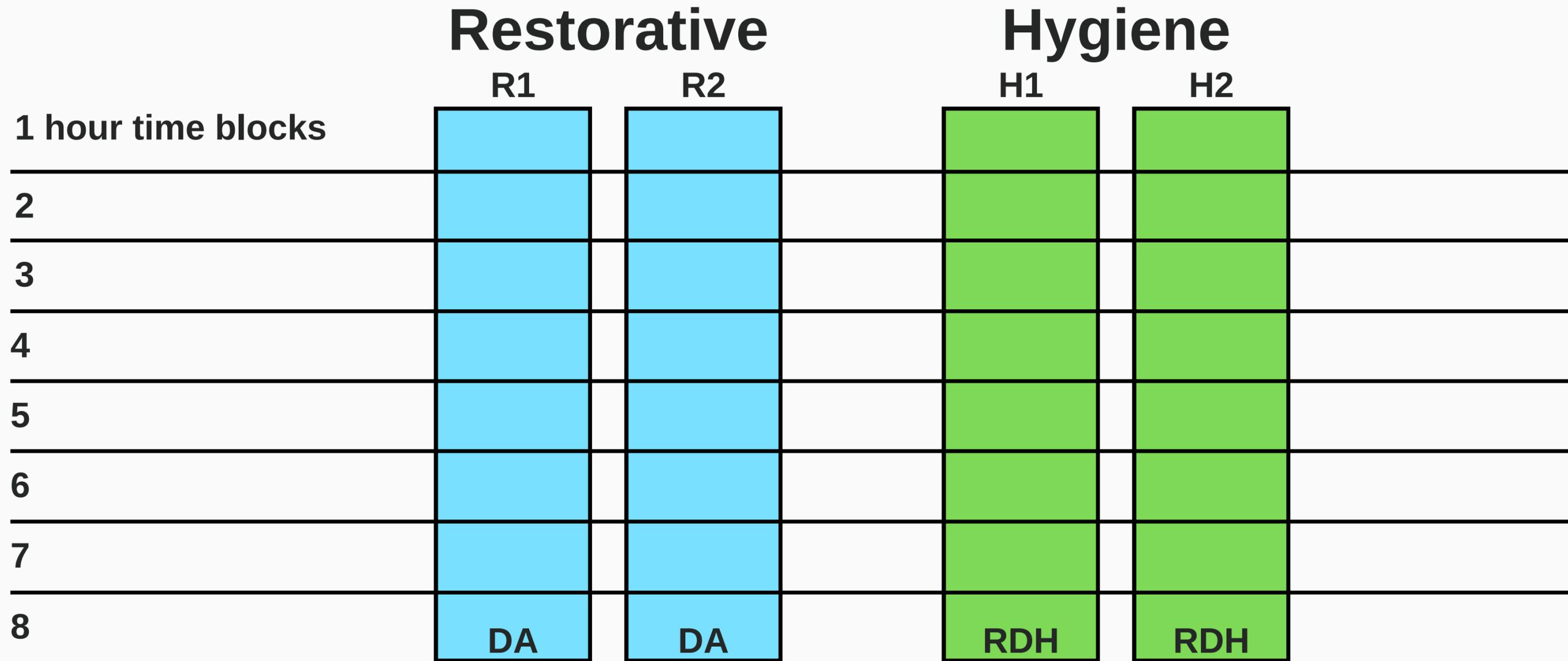


**1 Office Manager
+
1 Support Admin**

\$30-\$50 per hour

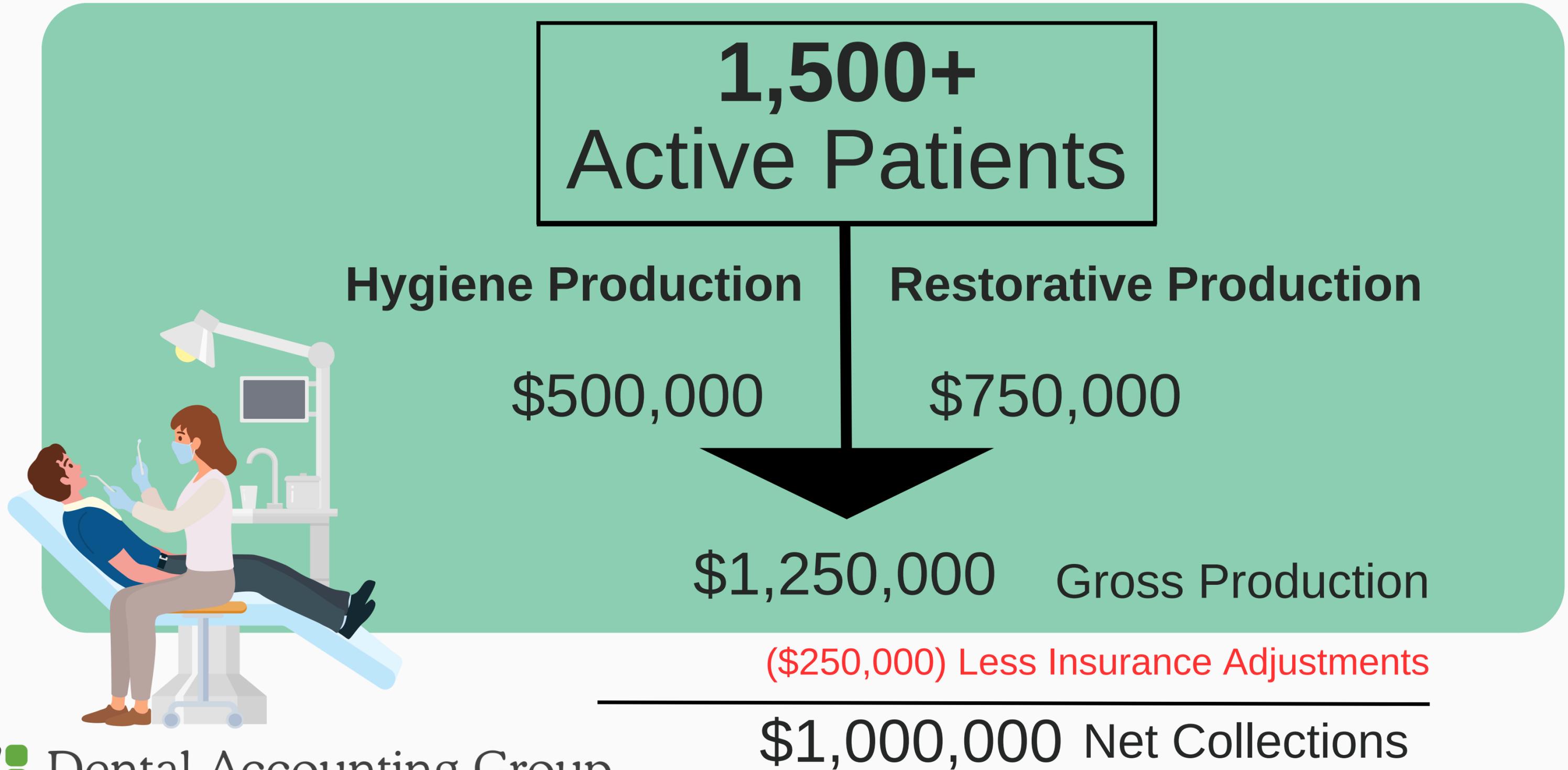
\$20-30 per hour

The Daily Schedule is Organized into “Columns” of Production Assigned to Each Dental Operator



Each Dental Assistant (DA) or Hygienist (RDH) Works 1 Operator/Dental Chair

Understanding General Practice Economics



Understanding General Practice Economics

Based on actual client's practice data that represents an average GP office in a suburban metro
 Figures are rounded for readability

*Does NOT include any doctor compensation

\$1,250,000		Gross Production
(\$250,000)		Less Insurance Adjustments Write-offs/Refunds
\$1,000,000		Net Collections
<hr/>		
(\$372,000)	37%	All Staff* Expenses
(\$119,000)	12%	Clinical Expenses
(\$68,000)	7%	Facility Expenses
(\$113,000)	11%	Operating Expenses
<hr/>		
\$328,000	33%	Gross Profit Margin
(\$110,000)		Practice Reinvestment Debt Service
(\$27,000)		Student Loan Payments
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\$191,000		Doctor Compensation

Understanding General Practice Economics

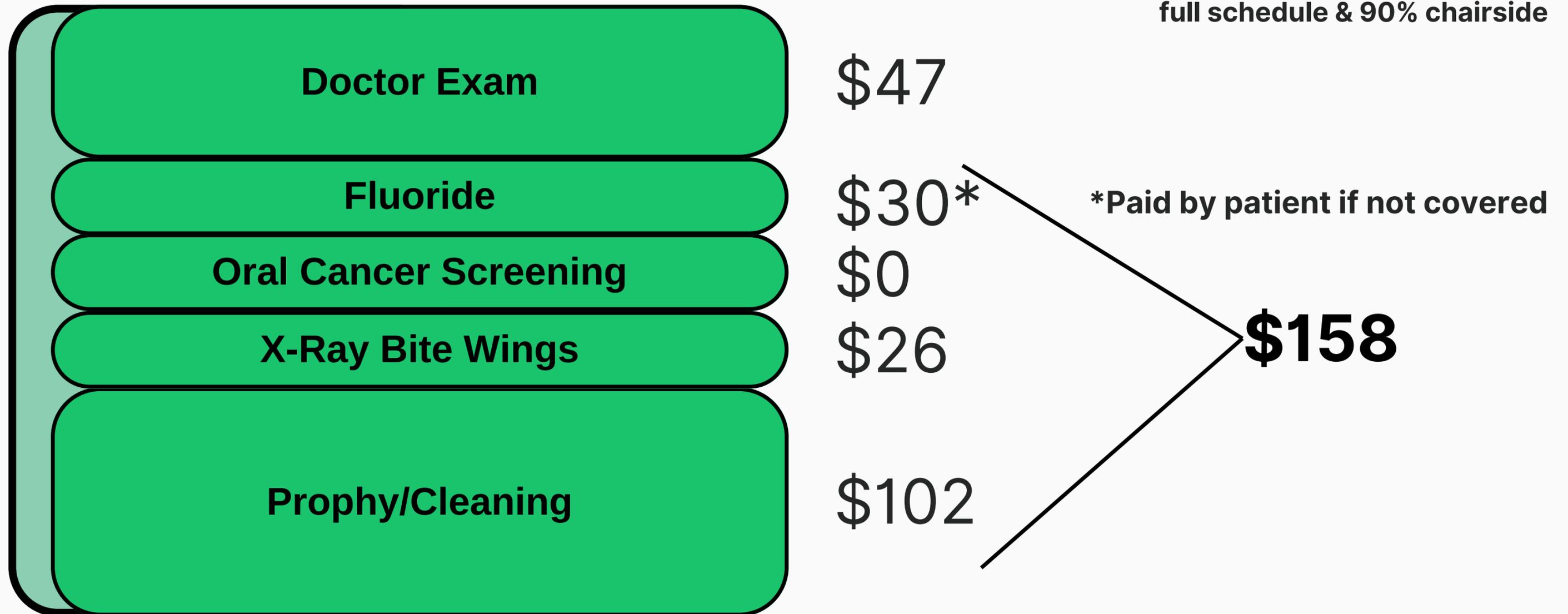
\$1,250,000	Gross Production
(\$250,000)	Less Insurance Adjustments Write-offs/Refunds
\$1,000,000	Net Collections
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(\$372,000)	All Staff* Expenses
(\$119,000)	Clinical Expenses
(\$68,000)	Facility Expenses
(\$113,000)	Operating Expenses
(\$110,000)	10-Year Debt Service
(\$27,000)	Student Loan Payments
<hr/>	
\$191,000	Owners Compensation

- Hygiene Wages
\$198,000
- Clinical Wages
\$82,500
- Admin Wages
\$66,000
- Payroll Taxes
\$26,000

Hygiene Production Example

1 Hour Patient Block

Assumptions:
Average 4 op practice, \$1m in revenue,
average overhead benchmarks,
full schedule & 90% chairside



2018 Hygiene Production Example

1 Hour Patient Block

Assumptions:
Average 4 op practice, \$1m in revenue,
average overhead benchmarks,
full schedule & 90% chairside

\$30

\$0

\$26

\$102

\$158

**Average 2018 WA Hygienist
Wage \$45/Hr**

Benefits & Payroll Taxes \$9/hr

Allocated Overhead \$48

Gross Profit Margin \$56

2023 Hygiene Production Example

1 Hour Patient Block

Assumptions:
Average 4 op practice, \$1m in revenue,
average overhead benchmarks,
full schedule & 90% chairside

\$30

\$0

\$26

\$102

\$158

**Average 2023 WA Hygienist
Wage \$65/Hr**

Benefits & Payroll Taxes \$13/hr

Allocated Overhead \$55

Gross Profit Margin \$25

2023 Hygiene Production Example

1 Hour Patient Block

Assumptions:
Average 4 op practice, \$1m in revenue,
average overhead benchmarks,
full schedule & 90% chairside

\$30

\$0

\$26

\$102

\$158

***Seattle/Urban Hygienist
Wage \$70/Hr***

Benefits & Payroll Taxes \$15/hr

Allocated Overhead \$55

Gross Profit Margin \$18

**If only 1 patient no-shows
or cancels... in the red**

2025 Hygiene Production Example

1 Hour Patient Block

Assumptions:
Average 4 op practice, \$1m in revenue,
average overhead benchmarks,
full schedule & 90% chairside

\$30

\$0

\$26

\$102

\$158

***Seattle/Urban Hygienist
Wage \$75/Hr***

Benefits & Payroll Taxes \$15/hr

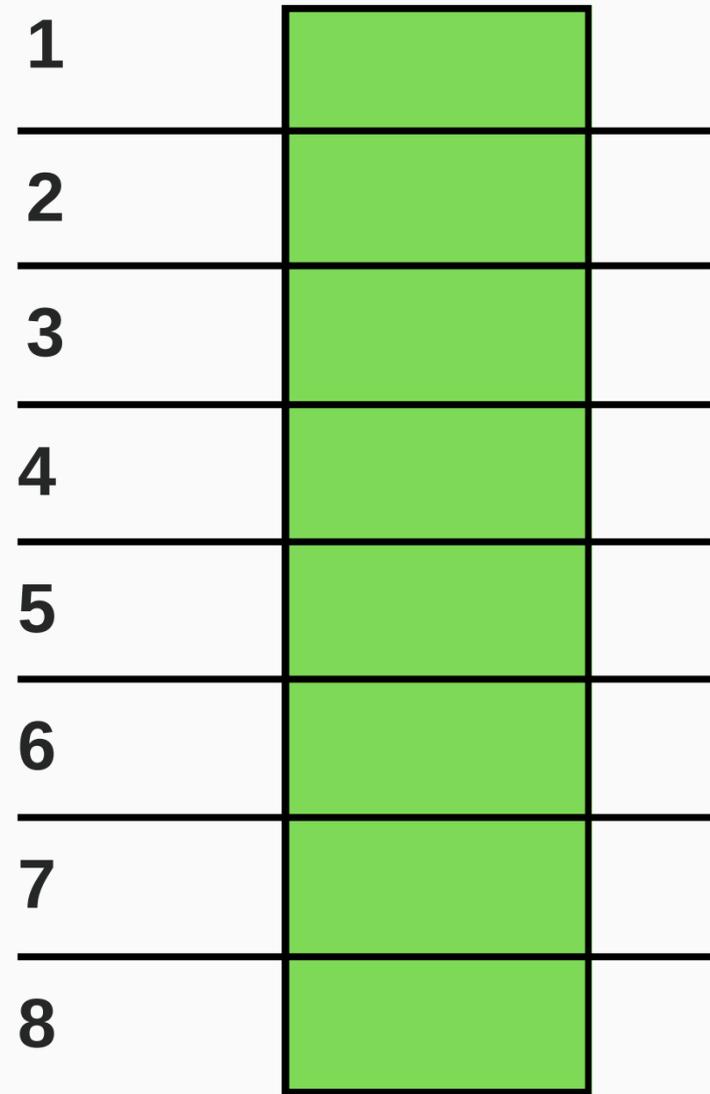
Allocated Overhead \$55

Gross Profit Margin \$13

**RDH pay rates have increased
48.9% (cumulative avr.) since 2018**

Annual Hygiene Production per Column

Hygiene Column



192 Production Days
 x 8 Appointment Blocks
 x \$158 Hygiene Production per Appointment

\$242,000 Hygiene Revenue per Year

(10%) Missed Appointments (3 per week)

\$218,000 Average Chairside Production

1,650 Hygiene Payroll Hours
 x \$75 Hygienist Hourly Base Pay
 x 1.20 payroll taxes & benefits

(\$149,000)

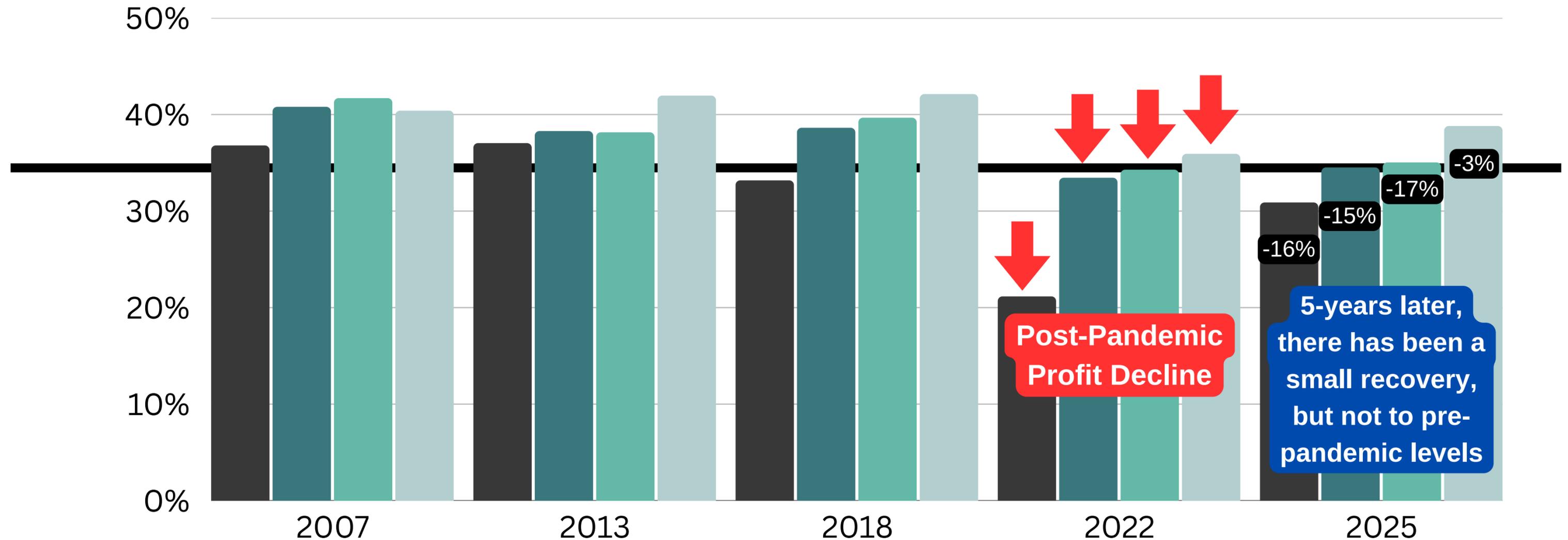
(\$65,400) Allocated Overhead

\$3,600 Annual Profit Margin (per Hygienist)

Historical Comparisons

PROFIT MARGIN TREND (BEFORE OWNER & ASSOCIATE COMPENSATION)

PRACTICE REVENUE ● < \$800k ● \$800k < \$1.2m ● \$1.2m < \$2m ● \$2m+



The average practice (especially those under \$1m in revenue) have experienced significant decline in profitability during the last 2 decades

< \$800k: -16% decrease from 2007 to 2025
 \$800k < \$1.2m: -15% decrease from 2007 to 2025
 \$1.2m < \$2m: -17% decrease from 2007 to 2025
 \$2m+: -3% decrease from 2007 to 2025

2026 SALARY SURVEY

Washington Dental Practice Payroll Analytics

Comprehensive analysis of **3,047** dental professionals across **18 counties**

EXECUTIVE OVERVIEW

Key Metrics at a Glance

 Total Employees

3,047

Washington State

 WA vs National

+53%

Avg staff premium

 Hygienist Median

\$70/hr

\$50 – \$85 range

 Assoc Doctor Avg

\$892/day

Est. \$2,975/day production (at 30%)

 Counties Covered

18

WA state coverage

 Benefits Gap

64.4%

Staff with NO employer benefits

COMPENSATION OVERVIEW

Hourly Rate Statistics by Position

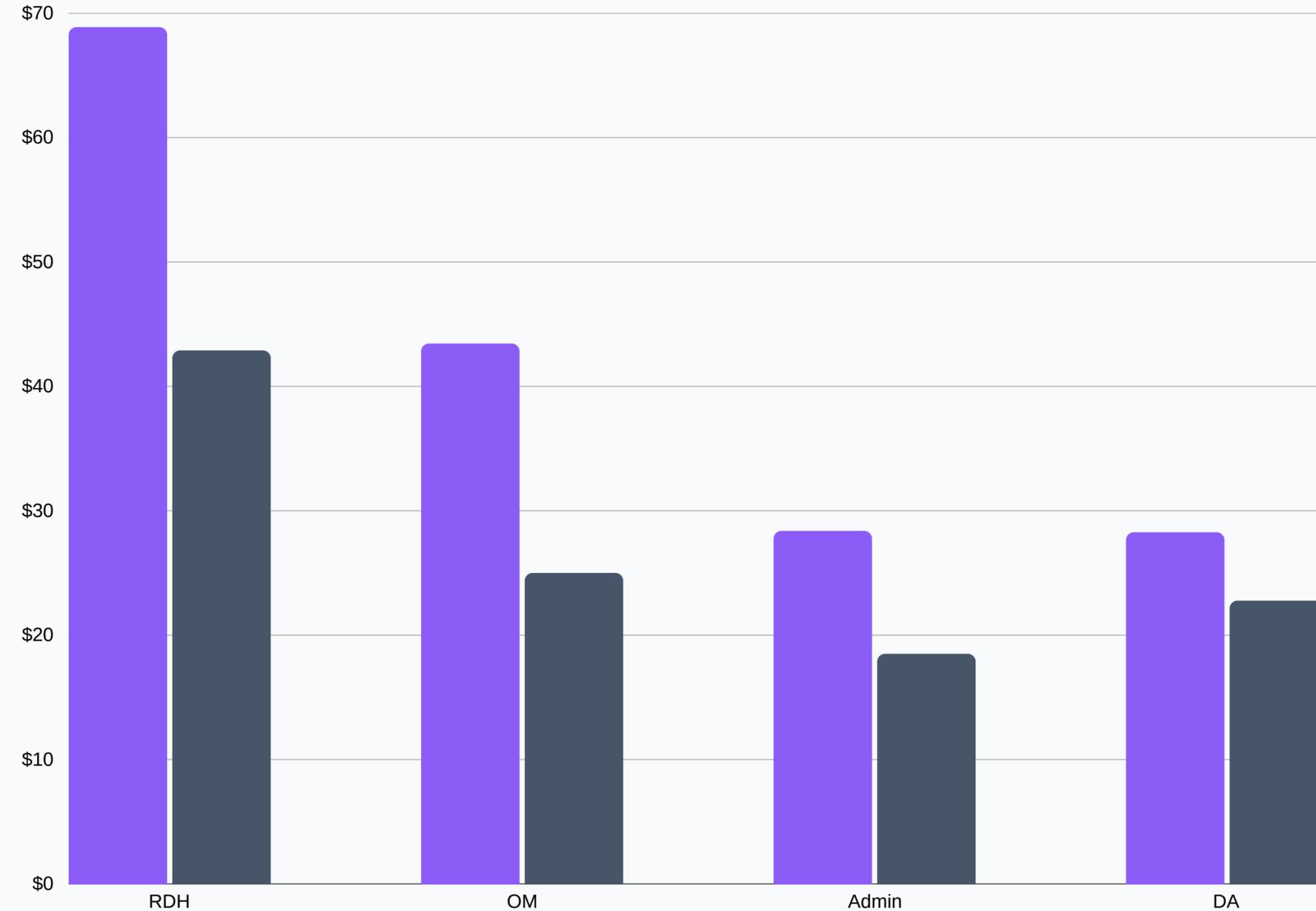
Position	n	Average	Median	Mode	10th–90th %ile	Full Range
Front Office Admin	606	\$28.38	\$28.38	\$30.00	\$21.26 – \$35.00	\$16.66 – \$38.00
Office Manager	92	\$43.44	\$42.17	\$40.00	\$40.00 – \$48.08	\$38.00 – \$62.50
Dental Hygienist	747	\$68.88	\$70.00	\$70.00	\$60.00 – \$75.00	\$50.00 – \$85.00
Dental Assistant	1,085	\$28.27	\$29.00	\$30.00	\$21.00 – \$35.00	\$16.66 – \$38.00
EFDA	66	\$41.85	\$40.00	\$40.00	\$37.58 – \$49.00	\$31.83 – \$60.00
Associate Doctor (daily)	49	\$892/day	\$800/day	\$1,000/day	\$612 – \$1,205	\$554 – \$1,500

EFDA = Expanded Function Dental Auxiliary • Associate Doctor figures use daily rate (8-hour clinical day) • Owner/partner/officer/specialist wages excluded

NATIONAL COMPARISON

Washington vs National Average Wages

● WA Average ● National Avg



Office Manager (OM)

+73.8%

+\$18.44/hr

Dental Hygienist (RDH)

+60.6%

+\$25.99/hr

Front Office Admin

+53.4%

+\$9.88/hr

Dental Assistant (DA)

+24.2%

+\$5.50/hr

WHY WASHINGTON WAGES EXCEED NATIONAL AVERAGES

Structural Factors

- Cost of living 49% above the national average
- State minimum wage (\$16.66 vs federal \$7.25)
- No state income tax drives higher gross wages
- Tech industry wage spillover effect

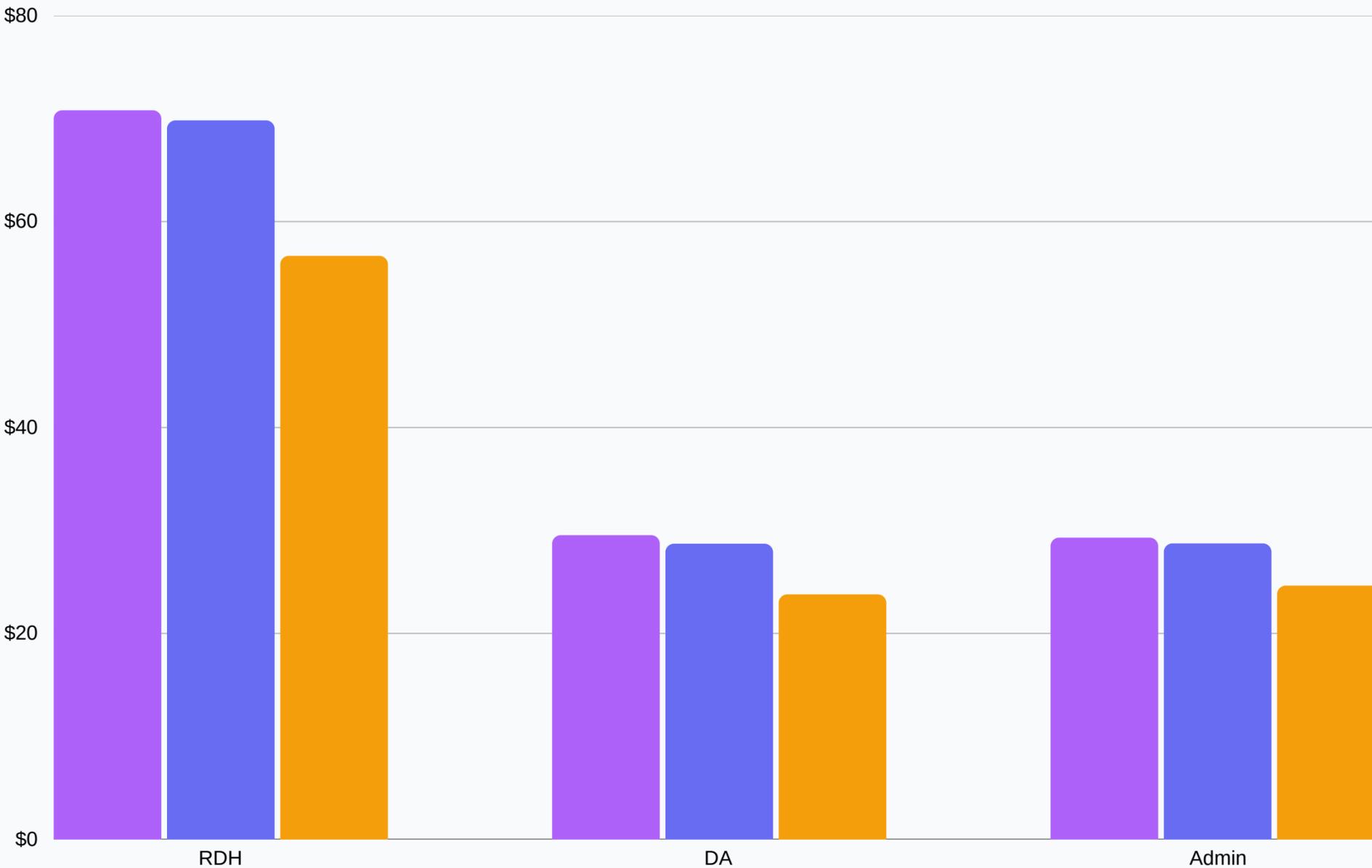
Market Reality

- Consistent 24–74% premium across all positions
- Tighter wage ranges indicate market standardization
- Workforce shortage drives wage competition
- Population growth fuels sustained demand

GEOGRAPHIC ANALYSIS

Western vs Eastern Washington Wage Divide

● Seattle Metro ● Western WA ● Eastern WA



East vs West Divide

Western WA hygienists earn \$69.83/hr avg vs Eastern WA's \$56.67 — a 23% premium. The divide holds across all roles.

Seattle Metro Dominance

The tri-county Seattle Metro (King, Snohomish, Pierce) holds 71% of all payroll records. Metro hygienists average \$70.81/hr.

Population Growth Impact

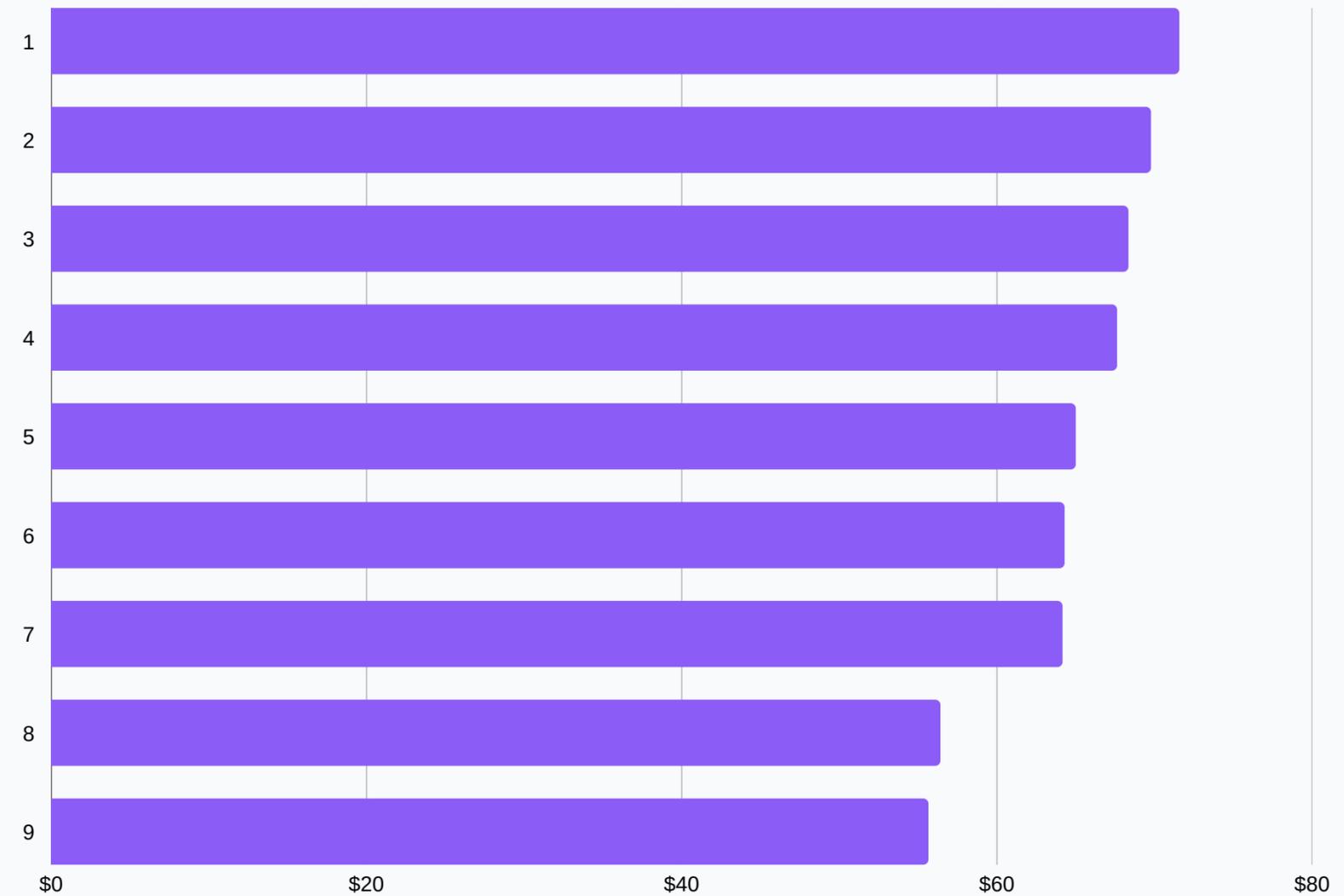
WA's population of 8.04M (2024) is projected to reach 8.74M by 2033. High-growth counties drive wage pressure.

92% of all payroll records are from Western WA • Office Manager & EFDA excluded — insufficient Eastern WA data

COUNTY-LEVEL DATA

Hygienist Wages by County

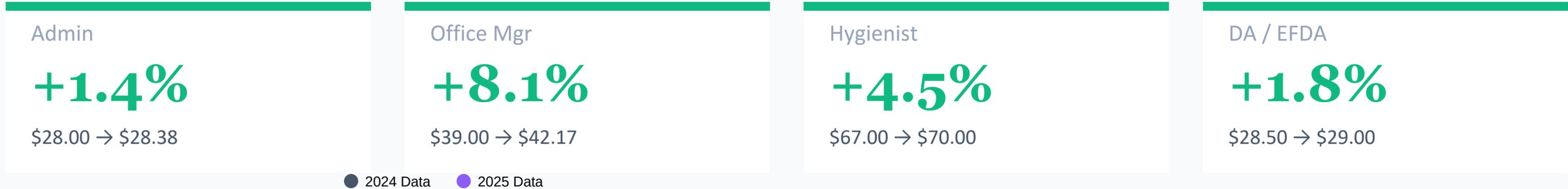
County	Avg Rate	Max Rate	Sample (n)
King	\$71.57	\$85	442
↳ Seattle/Bellevue	\$71.61	\$85	418
Snohomish	\$69.77	\$80	94
Mason	\$68.34	\$78	12
Skagit	\$67.62	\$75	14
Pierce	\$65.00	\$75	41
Whatcom	\$64.29	\$72	24
Kitsap	\$64.16	\$75	37
Spokane	\$56.41	\$65	23
Chelan	\$55.65	\$62	13



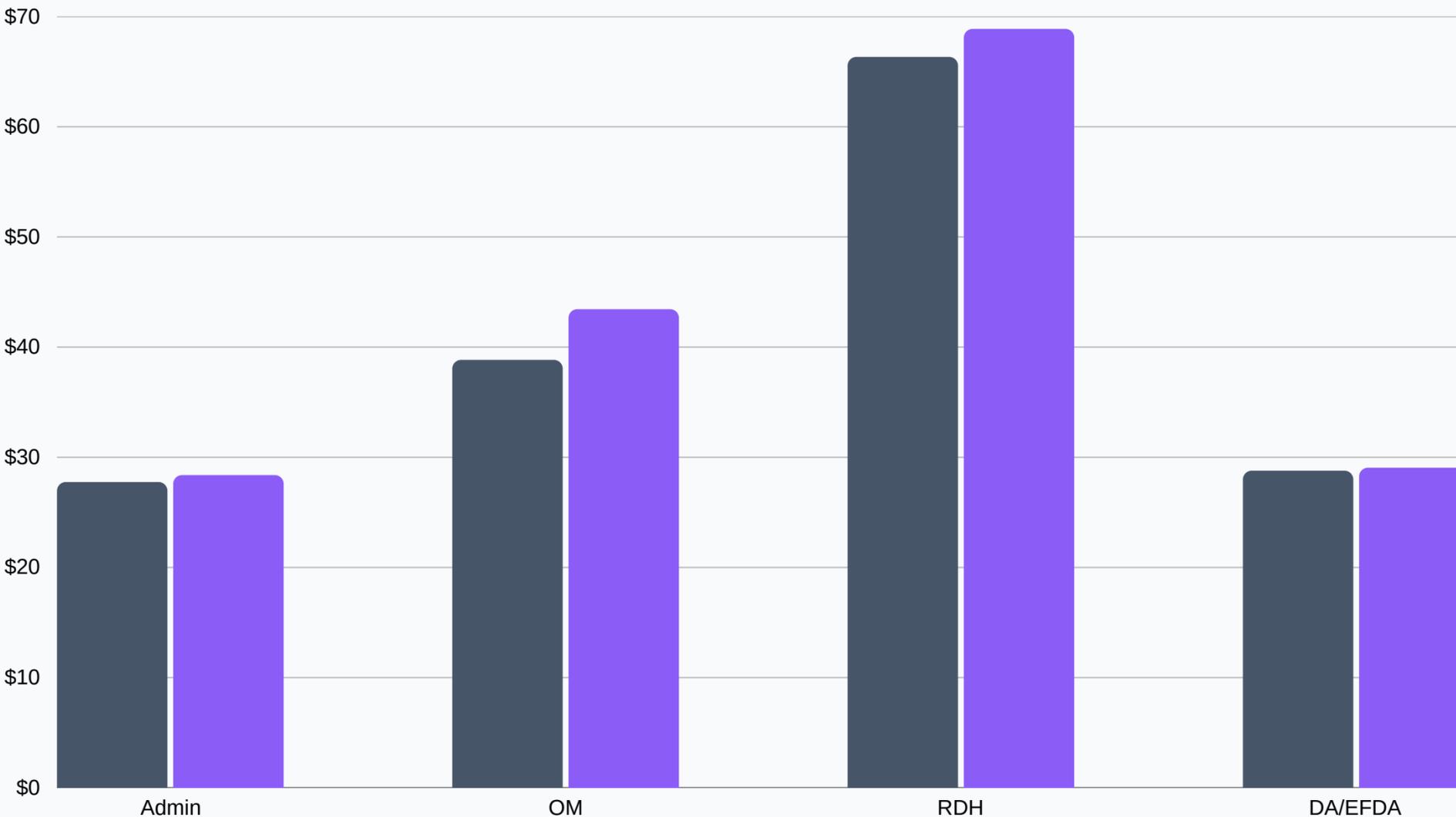
Counties with 10+ data points • Seattle/Bellevue is a metro subset of King County

YEAR-OVER-YEAR TRENDS

2026 Survey (2025 Data) vs 2025 Survey (2024 Data)



● 2024 Data ● 2025 Data



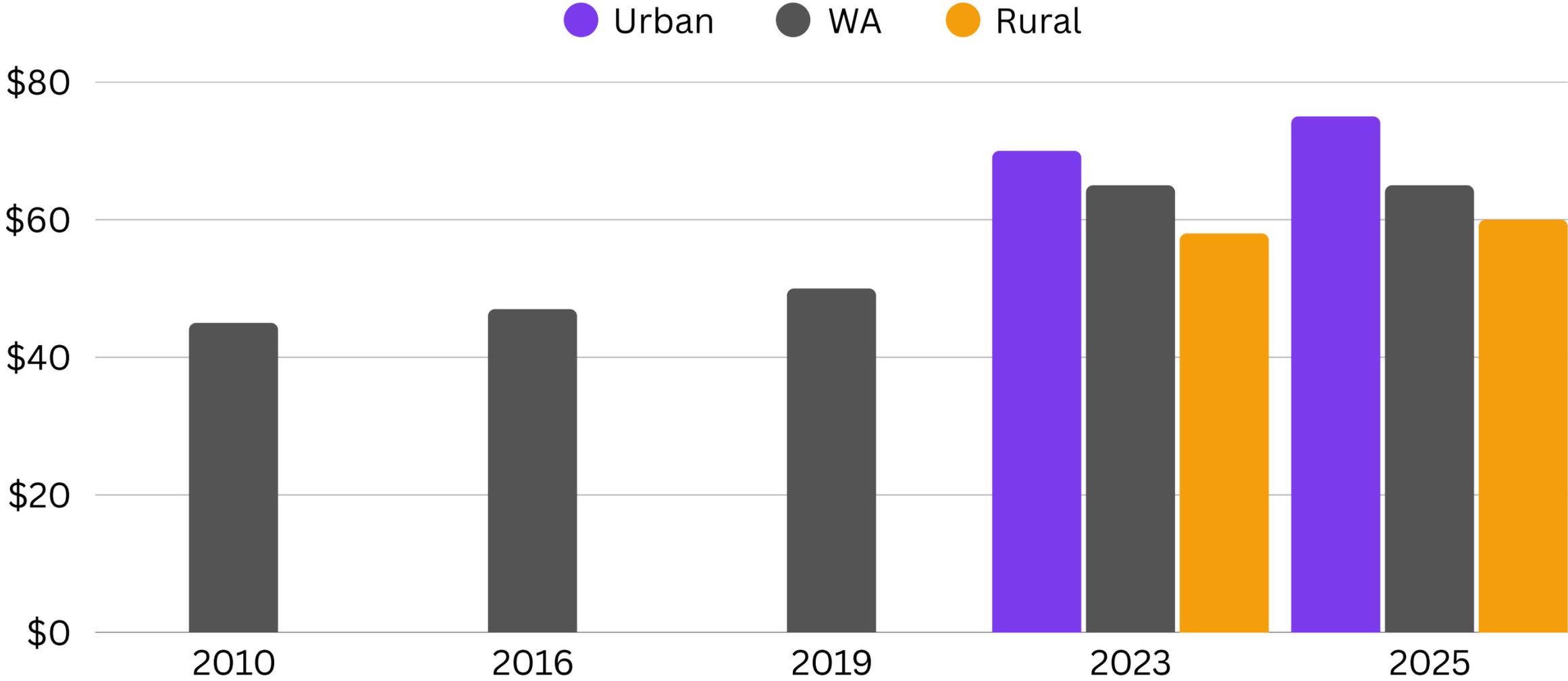
Key Year-over-Year Insights

- Hygienists saw the largest absolute gain at +\$3.00/hr median
- Office Managers +\$3.17/hr median (partly due to reclassification at \$38 threshold)
- Hygienist floor rose \$5/hr (10th %ile: \$55→\$60)
- DA/EFDA modest +\$0.50/hr median growth
- Sample sizes grew substantially — stronger statistical confidence

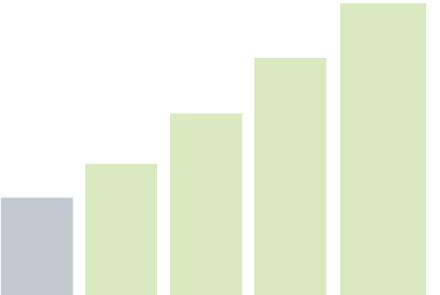


Hygiene Pay Rate Trend 2010-2025

MEDIAN HOURLY BASE PAY RATES



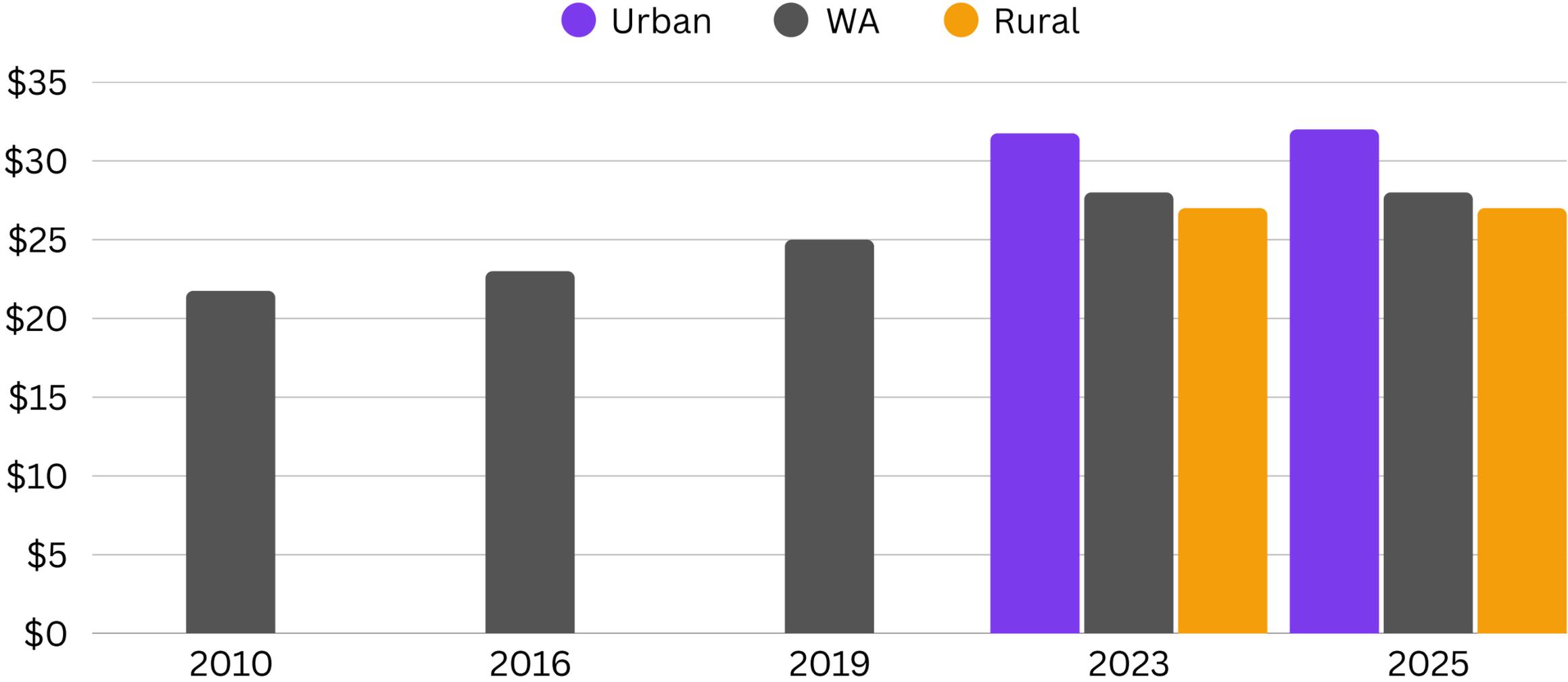
Note: We did not start tracking urban vs rural data until 2023



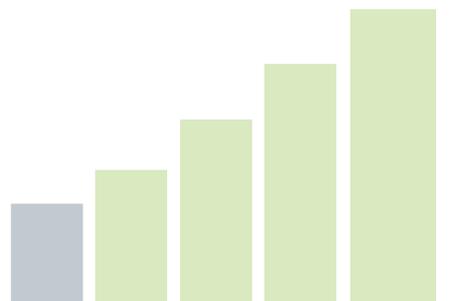


Clinical Pay Rate Trend 2010-2025

MEDIAN HOURLY BASE PAY RATES



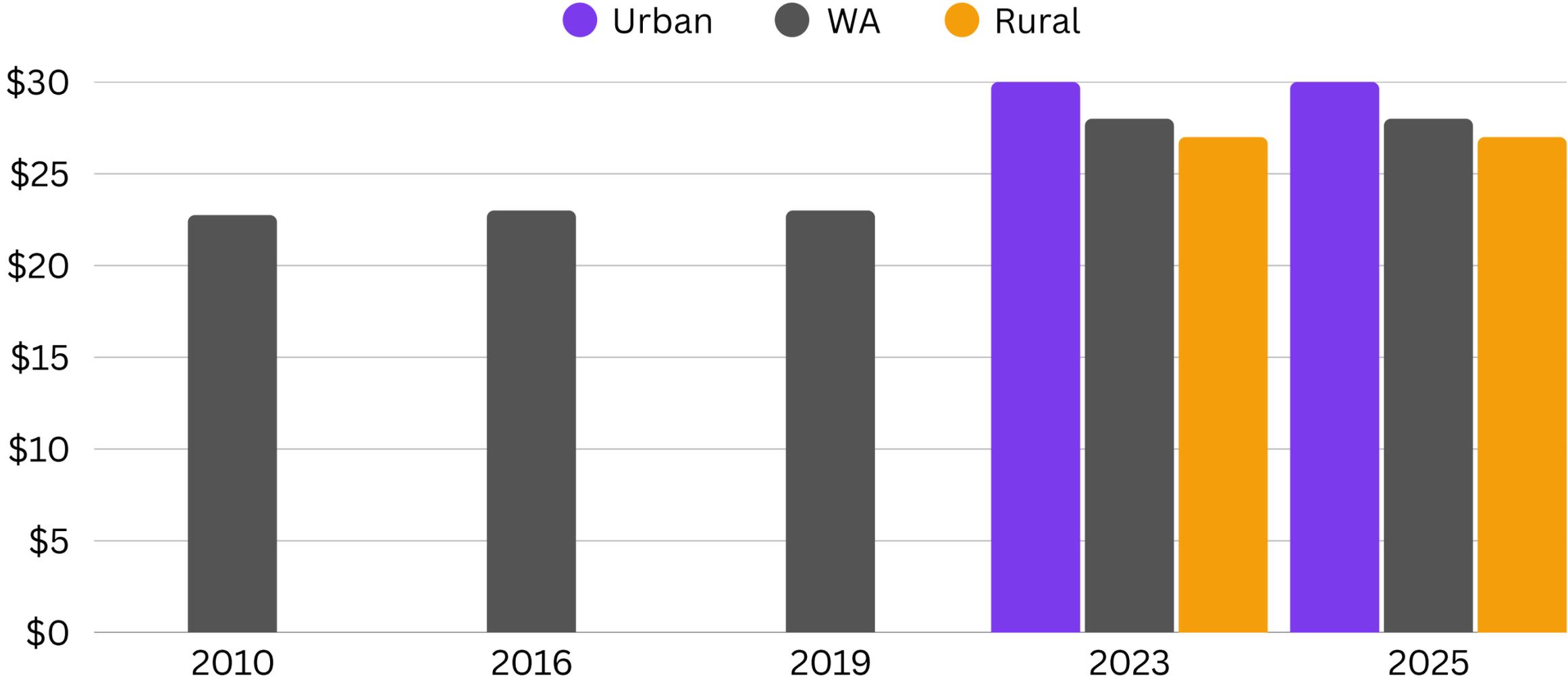
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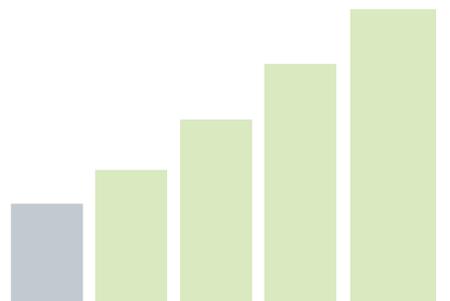


Admin Pay Rate Trend 2010-2025

MEDIAN HOURLY BASE PAY RATES



Note: We did not start tracking urban vs rural data until 2023



MARKET OUTLOOK

Forecast & Market Dynamics

Washington Market Reality

- 33% wage gap between highest/lowest counties for hygienists
- Western WA commands 20–30% premium over Eastern WA
- King County represents 59% of hygienist data
- Tech corridor effect strongest in King/Snohomish
- 3,047 payroll records analyzed — WA exclusively

National Context

- WA consistently 29–66% above national averages
- Post-COVID workforce losses continue nationwide
- Insurance reimbursement stagnation pressures margins
- Structural factors (COL, no income tax) maintain WA premium
- 54% of WA offices now offer health insurance

With 8.74M projected population by 2033, continued workforce shortages, and rising benefits expectations, expect sustained upward wage pressure. Budget for 3–5% annual compensation increases.

Current Headwinds

- Student debt
- Practice debt
- Revenue not keeping pace with practice expenses & general cost of living
- Staffing costs



The current PPO financial framework in Washington is not sustainable for private practice dentistry to thrive



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