Making the Case for Rural and Remote Dental Practices in Canada

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As a dental practice appraiser and broker, my goal has always been to do the best I can for the vendor dentist whose practice I represent. Doing one's best usually means undertaking measures to get an offer to purchase that includes the best price for the practice with the fewest conditions and that closes within a time frame that suits the owner. In locations where there is high demand and often an insufficient supply, selling practices is not without challenges. Both vendors and buyers may have high expectations and transactions may move quickly with multiple players involved as several prospective buyers compete for a practice.

However, representing dental practices in rural and remote Canada (and I am not sure where these boundaries start and stop) presents a different challenge. In these “geographically challenged” situations, simply getting the vendor (usually a retiring dentist) any offer, for any price and with any conditions that the buyer wishes to impose is sometimes as good as it gets. The economic drivers supply and demand are certainly at work here — and, if I might suggest, are to blame for this.

Although many successful dentists and dental practices — successful according to whatever measuring stick one wishes to use — exist in non-urban settings across Canada, there are, unfortunately, not as many practitioners prepared to move into these communities and take over and operate these practices.

Why is this? It could be because of some ill-informed negative stereotype of small town life (i.e., fewer cultural and entertainment opportunities, decreased ability to practise one’s faith, smaller schools). There may also be a perception that financial success is not possible (due to less disposable income for healthcare in general or no demand for comprehensive care). In my company’s experience, it seems that the desire of a high percentage of today’s young practitioners to live in an urban setting is so strong that it virtually excludes any other possibility.

Reasons for Buying a Remote Practice

I posit that there are ample reasons to buy a rural or remote practice!

- The low demand for these practices has made them very affordable (versus their urban counterparts) all things being equal.
- The (usually) plentiful patient numbers ensure that the chance of business success is very high. These practices will be busy — usually from day one.
- The prevalence of dental insurance benefits should not be a source for practice comparison, as small town residents generally have high coverage rates too, making

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decisions to undertake recommended treatment easier from a financial perspective.

- The demand for comprehensive care by a knowledgeable populace — which is often deemed lower in non-urban settings — is also not a valid argument against owning a rural practice. In my role as an appraiser and observer of hundreds of dental practices, I see as much molar endodontics, Tucker gold inlays, CAD-CAM restorations and cosmetic dentistry being done in rural as in city practices, which indicates to me that there is little difference between locations when it comes to the provision of high-end and challenging services.

- The (perception of a) lower-stress lifestyle associated with rural and remote areas of Canada should, in and of itself, be enough to make them desirable opportunities. I have met dozens of practitioners who have made the move to a smaller community — at mid-career or at retirement — and are pleasantly amazed at the relaxed pace of life and the associated benefits in terms of their general state of well-being. Certainly not having to compete aggressively for patients at the same level as some city practices would manifest in a low-stress environment.

- The ease of travel these days demonstrates that you can have your sports and ballet too — regardless of where you practise and reside.

A Population at Risk

Although I have been agonizing over the difficulty of selling practices for rural and remote practice owners and extolling the virtues of small town life for the practitioner who chooses it, there is a bigger threat looming. At issue primarily is going to be the availability of oral health care in some of these communities (i.e., the lack of it). As retiring dentists are forced to simply shut their doors and walk away — because no one can be found to take over (let alone buy) the practice — patients are going to have to travel farther and farther to have their dental needs met. Others have already written on this subject, so I will not expand beyond this statement.

Possible Solutions

What can be done? I humbly suggest the following.

- A thorough examination of the current Canadian dental school demographic (and the admission criteria for those yet to apply) needs to be undertaken, with a view to determining whether we can predict where today’s graduates might want to settle into practice. Without being prejudicial in any way, schools are going to have to find a way to select students based on the demographic they, as future dentists, are ultimately going to serve.

- Military-like tradeoffs — possibly with reduced tuition — should be considered. For example, require equal time for equal time, where a graduate is expected to work in a certain area for the same amount of time he or she was subsidized while a student. Perhaps more favourable admission criteria (although not from an academic standpoint) for those who commit to practise in specific locations after graduation would be a possible solution.

- Remote-learning opportunities can be created, such as a “residency program” in a private dental office, a local hospital or community clinic. (This is not to be equated with community clinics in underserviced areas of inner cities.) This could expose all dental students — in the senior year or after graduation — to at least some aspect of rural community life.

- Provincial dental associations need to be involved to create links between their members who own practices and brokers with a view to increasing the likelihood of succession in geographically challenged practices. Word of mouth and networking might help dispel misconceptions of small towns and practices.

Brokers and others who appraise practices have to take into account that some practices are just not as valuable as others. As with the 3-bedroom bungalow that is worth $1.2 million in Vancouver and only $120,000 in Tatamagouche, Nova Scotia, it’s all about location, location, location. I would say to the buyers of dental practices in 2008 and beyond, why pay 5 to 10 times the cost of purchasing a practice anywhere other than a rural part of the country? Of course lifestyle decisions are important, but from a strictly business approach, I maintain that both the short- and long-term returns on investment in a rural practice are better (or at least equal) to those in a city practice. Paying more for a practice does not necessarily mean more success.

I hope these observations, which were penned with the knowledge that the pending shortage of dentists in rural and remote Canada was a topic of discussion at the Canadian Dental Regulatory Authorities Federation meeting in St. John’s, Newfoundland, in October 2007, might serve simply as a starting point for further debate and dialogue. This can only be for the good of the rural and remote Canadian dental patient, and of course the dentist owner.

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