

'I'll trade you one'

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This month's column focuses on bartering. Bartering is one of the oldest documented forms of trade, dating back to the Egyptian era, although it has probably been occurring since the dawn of mankind.¹ By definition, bartering means *to trade goods or services without the exchange of money*.² Dentists may engage in this practice when patients wish to undergo needed dental care and have a service to offer in exchange for that care. There are many forms of bartering, and the possible combinations of trading goods for services are endless. The practice of bartering is not without its challenges, though. This case explores one possible scenario.

Dr. Dan was a dentist in the middle of a large office renovation. His practice was extremely busy, so he decided to purchase the office space adjacent to his own and build 2 more operatories. The construction project was going well, but slower than he had hoped, and like many other construction projects, the cost was escalating beyond the original plan.

Paul was a nice, longtime patient who always showed up for dental appointments. He owned a painting business, and because he was a small business owner, Paul did not have dental insurance and paid for everything out-of-pocket.

At Paul's last dental visit, Dr. Dan diagnosed a fractured tooth No. 5 with a hopeless prognosis. Paul was already missing tooth No. 4, so by extracting tooth No. 5, function and esthetics would be compromised on that side. Paul would have benefited from a bridge from tooth No. 3-6 or 2 implants, but he did not have the money to proceed with the treatment. Paul and Dr. Dan agreed to barter services. Paul would do all of the painting for Dr. Dan's office renovation; in return, Dr. Dan would do the bridge (Paul's preferred treatment plan). It seemed like a good idea, with both parties benefiting equally. They shook hands and called it a deal.

Dr. Dan completed the bridge for Paul, and everything went well. When the time came that the office space was ready for painting, Dr. Dan's office manager tried to call Paul, but he would not answer or return calls in a timely manner. When she finally made contact with him, he said he was extremely busy with another job from a "cash customer" and would get to it when he could. Dr. Dan needed the painting done as soon as possible so that he could move into the space. He didn't know if he could wait for Paul.

What should Dr. Dan do now?

The benefits to engaging in a barter transaction exchanging dental services for other goods or services are clear. The biggest advantage is that patients who might not otherwise be able to access dental care due to a lack of financial means (such as Paul in this case) have an alternative form of payment available if they have a skill or item that the dentist may need or want. The dentist benefits from the barter transaction in a similar manner.

There is some speculation that bartering for health care services may become even more common in the future as health care costs continue to rise.¹

Neither the *American Dental Association's* "Principles of Ethics and Code of Professional Conduct" (ADA Code) nor the *American Medical Association's* "Code of Medical Ethics" (AMA Code) offer specific guidance on bartering: they neither prohibit or condone the practice.^{3,4} The *American Counseling Association's* (ACA) Code of Ethics has some definitive guidance. This code states:

*Counselors may barter only if the relationship is not exploitive or harmful and does not place the counselor in an unfair advantage, if the client requests it, and if such arrangements are an accepted practice among professionals in the community. Counselors consider the cultural implications of bartering and discuss relevant concerns with clients and document such agreements in a clear written contract.*⁵

The ACA's guidance is also good advice for dentists who may choose to engage in bartering. The primary concern should always be the ethical provision of care by following proper informed consent procedures and fair business practices.

One of the biggest concerns with bartering is that some may see this as a dual relationship that blurs the line of professional boundaries.¹ Dual relationships in health care settings often pose ethical problems. With bartering, as demonstrated in this case, there is more occurring than simply an exchange of goods and services when patients are involved. In this scenario, Paul is both the patient and the painting contractor. Dr. Dan is his dentist and a temporary employer. This dual relationship cannot help but complicate the typical doctor/patient relationship.

Another concern with bartering is that while cash and third-party reimbursement have clear value, services may be more subjective. Dentists have fixed fee schedules, and each procedure has a set value, while the patients providing goods or services to the dentist may not. Tensions may rise when the patient or dentist feels his or her services are worth more than the other party's. A consensus may be difficult to achieve.

Dentists must also be careful to treat all patients fairly and honestly and charge consistent fees. Per the ADA Code, Section 5, *Veracity*, dentists should not engage in overbilling or fee differentials not consistent with the code.³

The bartering transaction described in this case had the potential to benefit both parties equally, but it has soured. Though Dr. Dan has done his part, Paul is now procrastinating on the painting work to the point that Dr. Dan must consider hiring another painter, in essence "paying double" for the work, or billing Paul outright for services rendered—a proposition he knows will result in ill will and most likely nonpayment.

The major misstep that occurred in this case was that no written contract was executed. As with any good treatment plan, financial arrangements should be well documented, and patients should be fully informed of all aspects of treatment, including costs. Unfortunately, a handshake is not good enough. A bartering arrangement should be recorded, as any other financial payment plan would be. Perhaps Paul did not fully comprehend the value of the dental treatment he received due to ineffective communication.

Additionally, it is important to note that the Internal Revenue Service (IRS) looks at bartering transactions as a form of income for services rendered. According to IRS Topic 420, the following statement applies to bartering. (It's interesting that the example used in the official IRS document involves a dentist!)

Topic 420-Bartering Income

Bartering occurs when you exchange goods or services without exchanging money. An example of bartering is a plumber doing repair work for a dentist in exchange for dental services. You must include in gross income in the year of receipt the fair market value of goods and services received in exchange for goods or services you provide or may provide under the bartering arrangement.⁶

So what should Dr. Dan do at this point? He could:

1. Hire another painting contractor and forget about Paul, or he could attempt to bill him for services rendered but most likely would not receive the money and would probably lose him as a patient as well; he also may not get the work done any sooner by the time the new contractor came out, bid on the job, and commenced working.
2. Call Paul again and try to explain the value of the dental treatment rendered and the urgency with which he needs to move into the office space. Perhaps a direct call from Dr. Dan would be more motivating since he struck the deal with him directly.
3. Wait for Paul to show up. They have a deal; he will keep his word, as he has been a good patient otherwise. This way, he is assured of keeping Paul happy and keeping him as a patient.

4. Call his attorney and have him deal with Paul, though he has no written contract. He would certainly lose Paul as a patient.

In this scenario, Dr. Dan's best option is to try to contact Paul again (Choice No. 2). If Paul does not respond to Dr. Dan's calls or maintains the same dismissive attitude towards the work, then choice No. 1 may be the next option, depending on how quickly the office space needs to be occupied and how long Dr. Dan can wait for the painting work. Also, Dr. Dan needs to consider whether losing Paul as a patient is something he could accept. Dr. Dan has no written contract with Paul, so legal action may be difficult.

Dr. Dan should learn from this experience with Paul that bartering is a somewhat complicated endeavor and must not be approached lightly. The next time he considers bartering, both Dr. Dan and his patient should be better informed.

Author information

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