

Here and Now in Dental Economy and Access

Missouri Oral Health Policy Conference

March 7, 2024

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Health Policy Institute

ADA Health Policy Institute



Most dental offices' patient volume nearing normal, data suggests

The latest polling from American Association's Health Policy Institute suggests over 60% of dental offices are running business as usual

TheUpshot *The New York Times*

How's the Economy Doing? Watch the Dentists

THE WALL STREET JOURNAL.

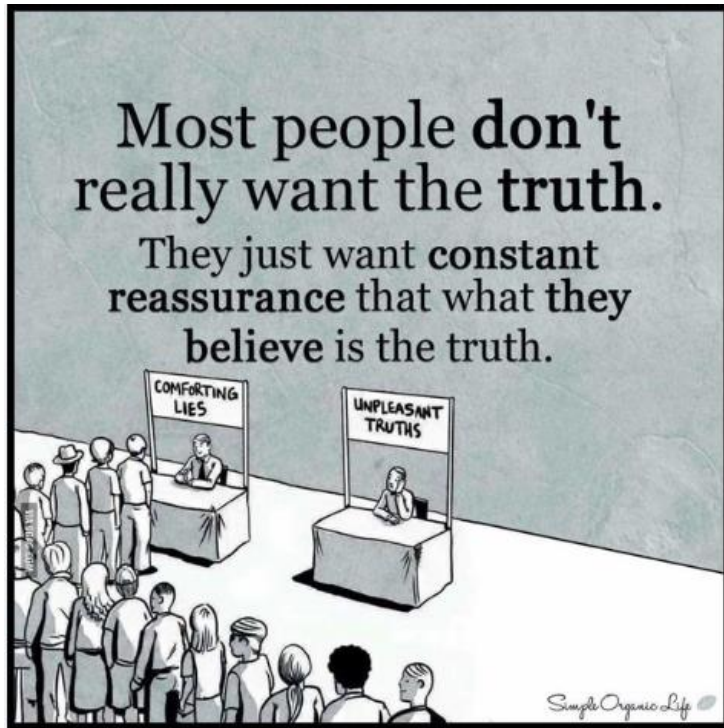
Millions of Americans Are Skipping the Dentist. Lenders See a Financing Niche.



Why you don't need dental insurance to go to the dentist

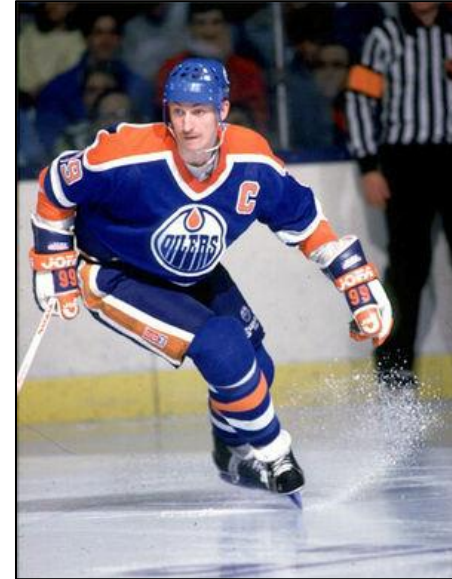


Interpreting Data



Today

1. *Expenditures, Utilization, Cost Barriers*
2. *Reimbursement- Medicaid Versus Commercial*
3. *Busyness, Staffing, Wages*
4. *Looking Ahead – 3 Big Trends to Discuss*

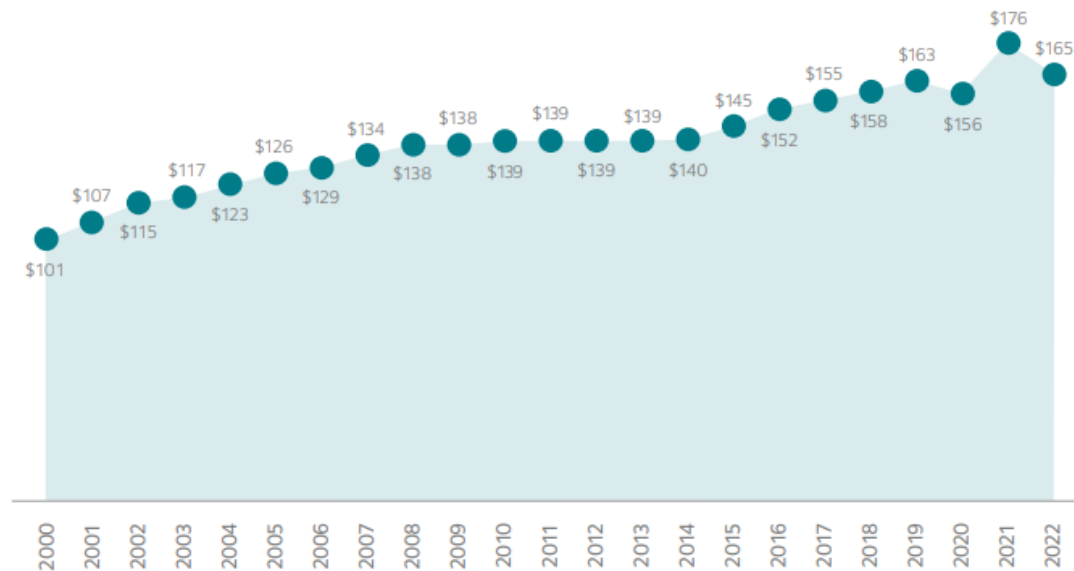


“Skate to where the puck is going...not where it is.”

Dental Expenditures

↓ **6.3%**

NATIONAL DENTAL EXPENDITURES DECREASED by 6.3% from \$176 billion in 2021 to \$165 billion in 2022 (constant 2022 dollars).

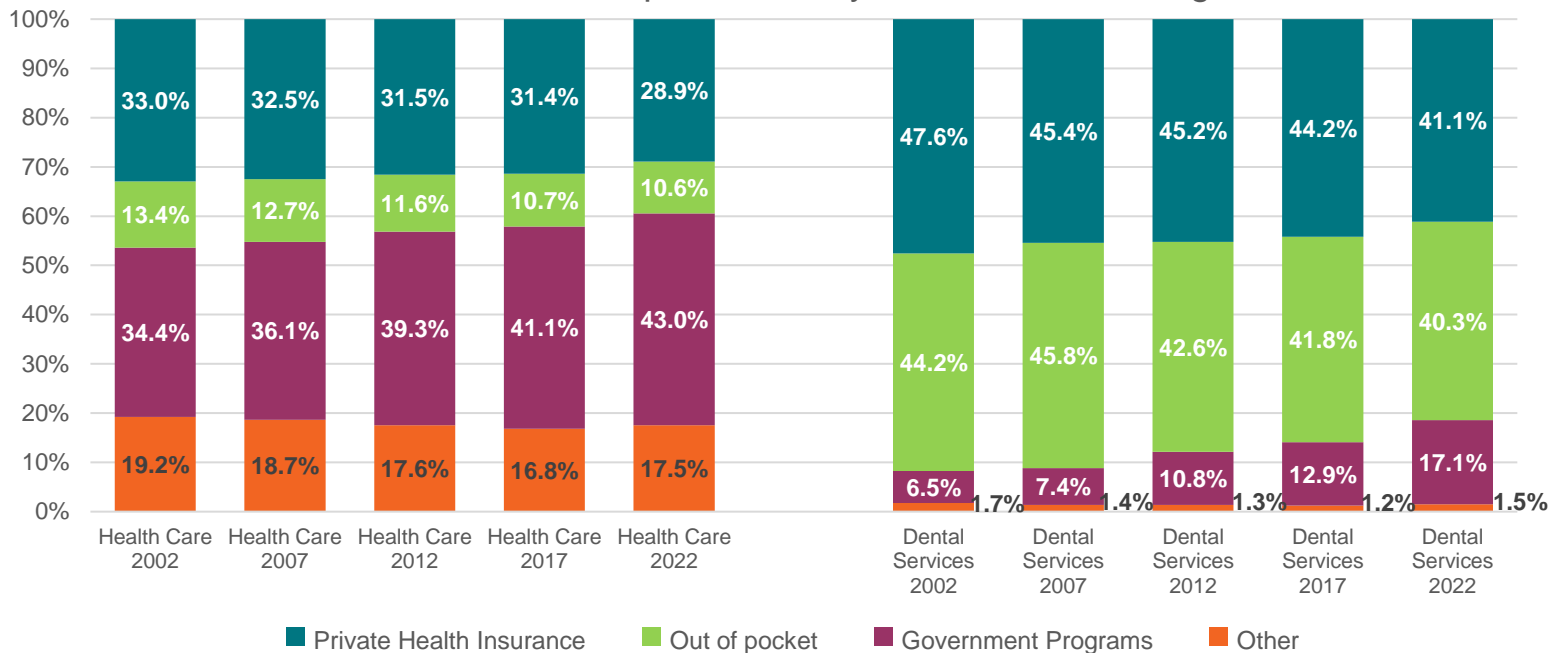


IN CONSTANT DOLLARS, 2022 DENTAL SPENDING IS SIMILAR TO 2019 SPENDING. From 2019 to 2022, the share of dental spending from government programs increased from 13% to 17%.

NATIONAL DENTAL EXPENDITURES, 2000-2022 (Constant 2022 \$, Billions)

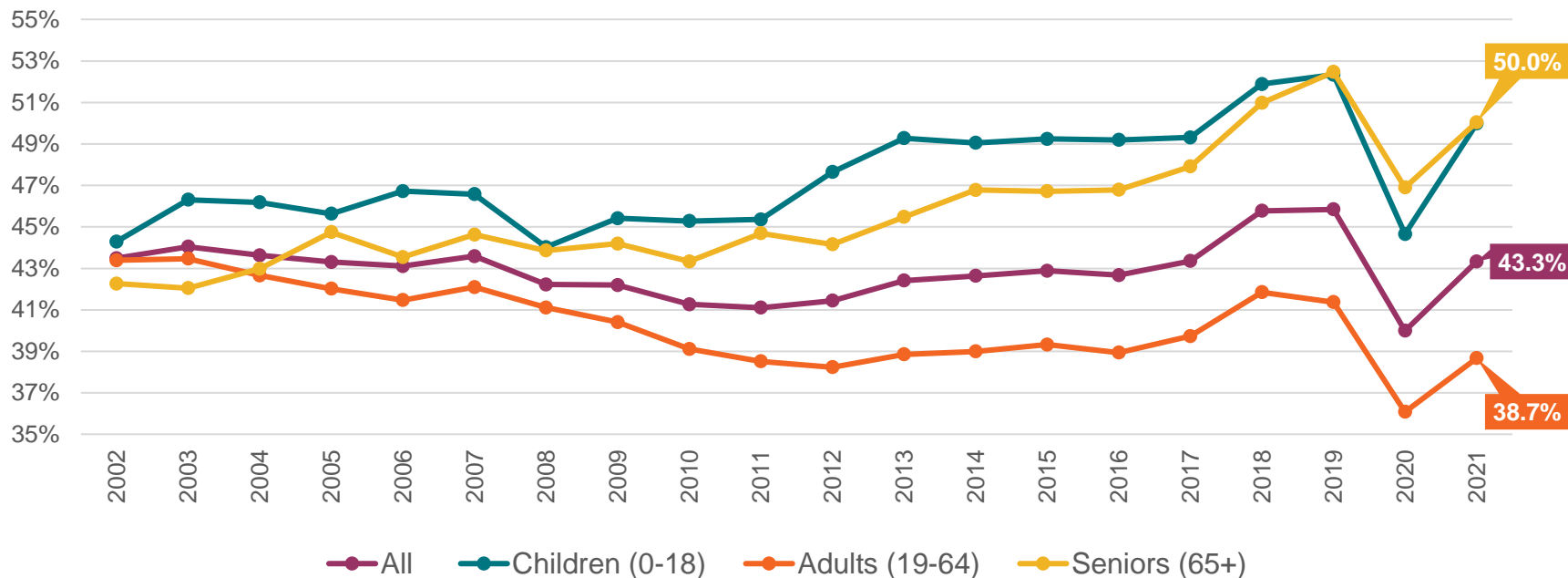
Dental Spending vs. Overall Healthcare Spending

National Health Expenditures by Source of Financing



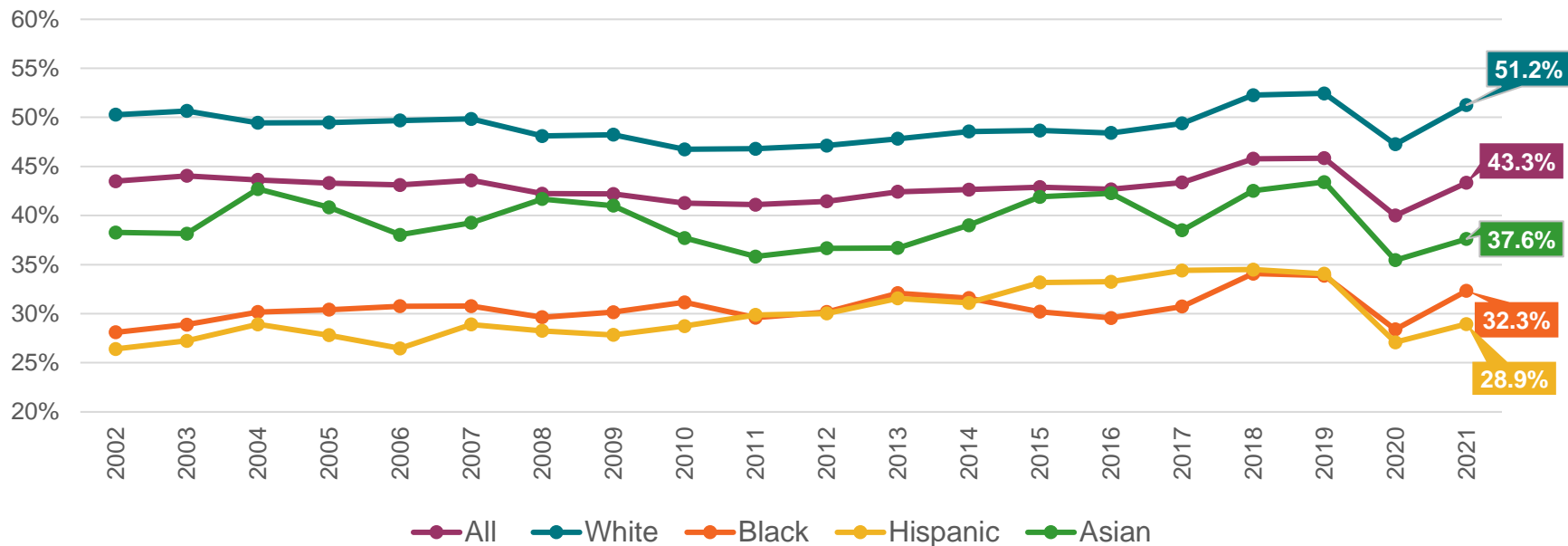
Dental Care Utilization

Percentage with a Dental Visit in the Past Year



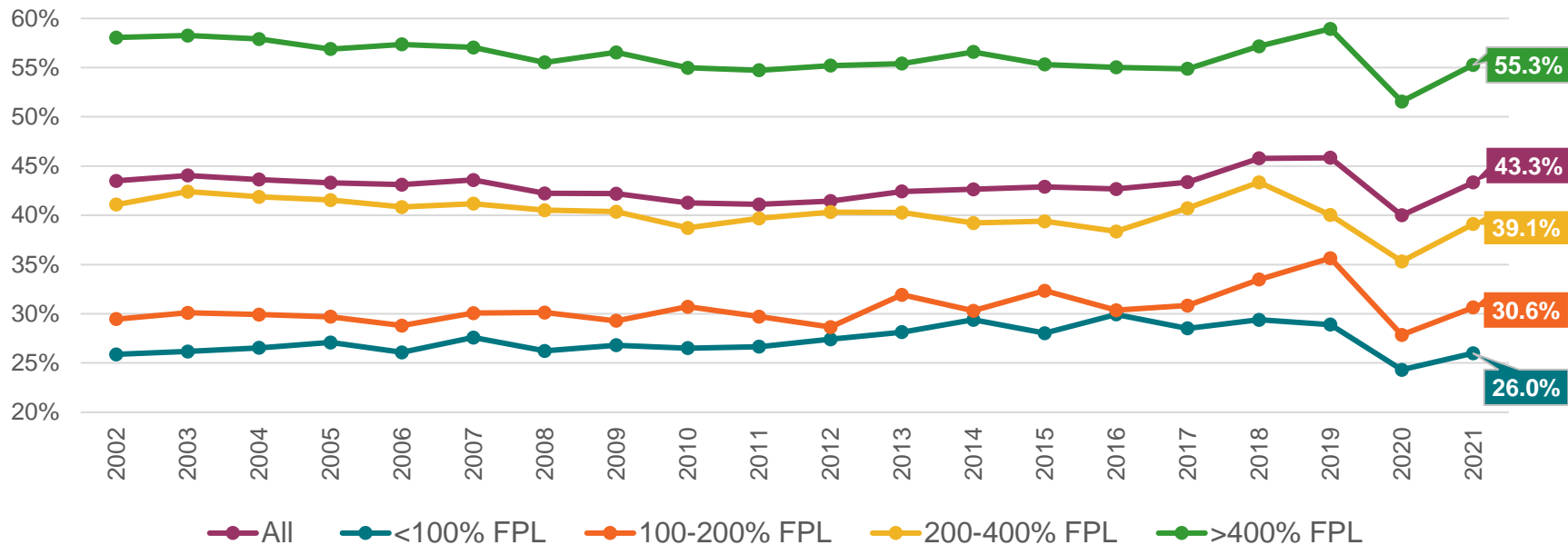
Dental Care Use by Race/Ethnicity

Percentage with a Dental Visit in the Past Year



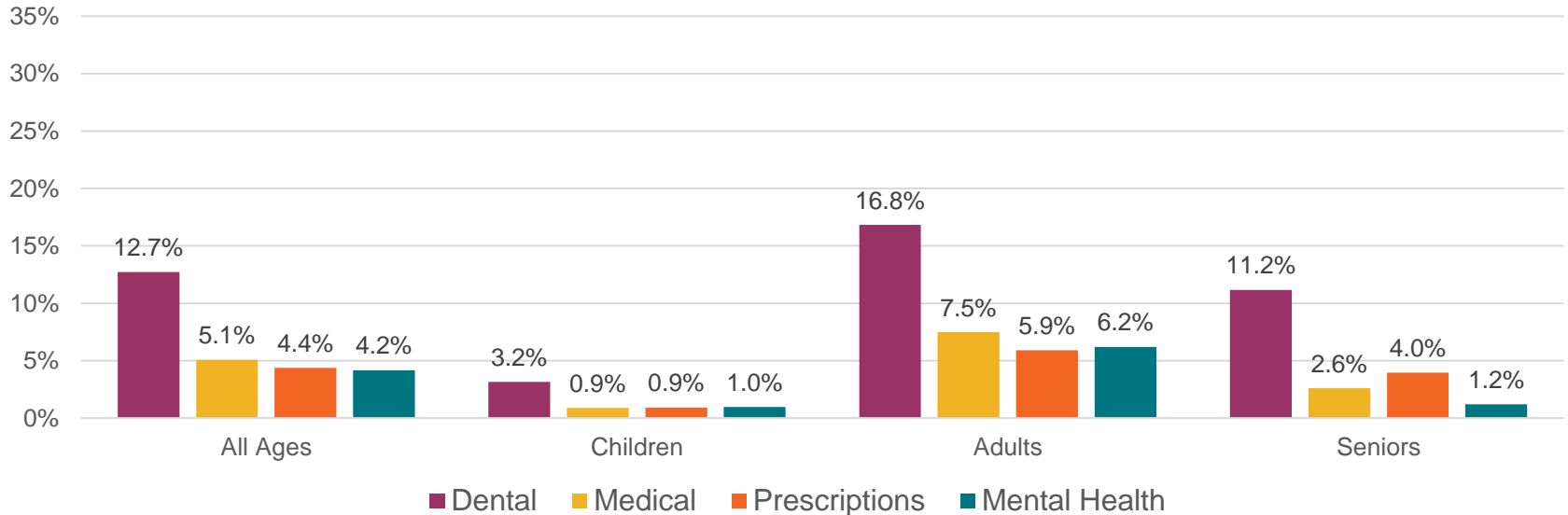
Dental Care Use by Income Level

Percentage with a Dental Visit in the Past Year



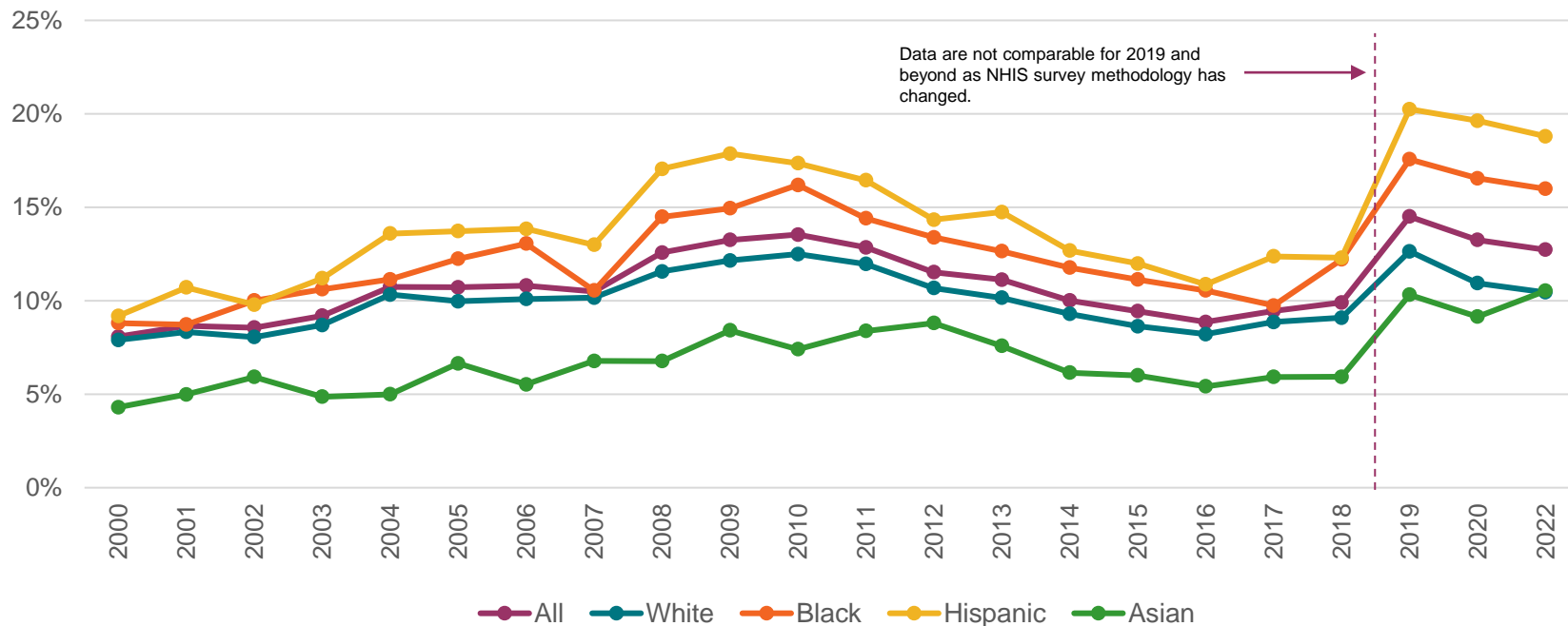
Cost Barriers to Care

Percentage Who Did Not Obtain Needed Health Care Services During the Past 12 Months Due to Cost, 2022



Cost Barriers to Dental Care by Race/Ethnicity

Percentage Who Did Not Obtain Needed Dental Care Services During the Past 12 Months Due to Cost

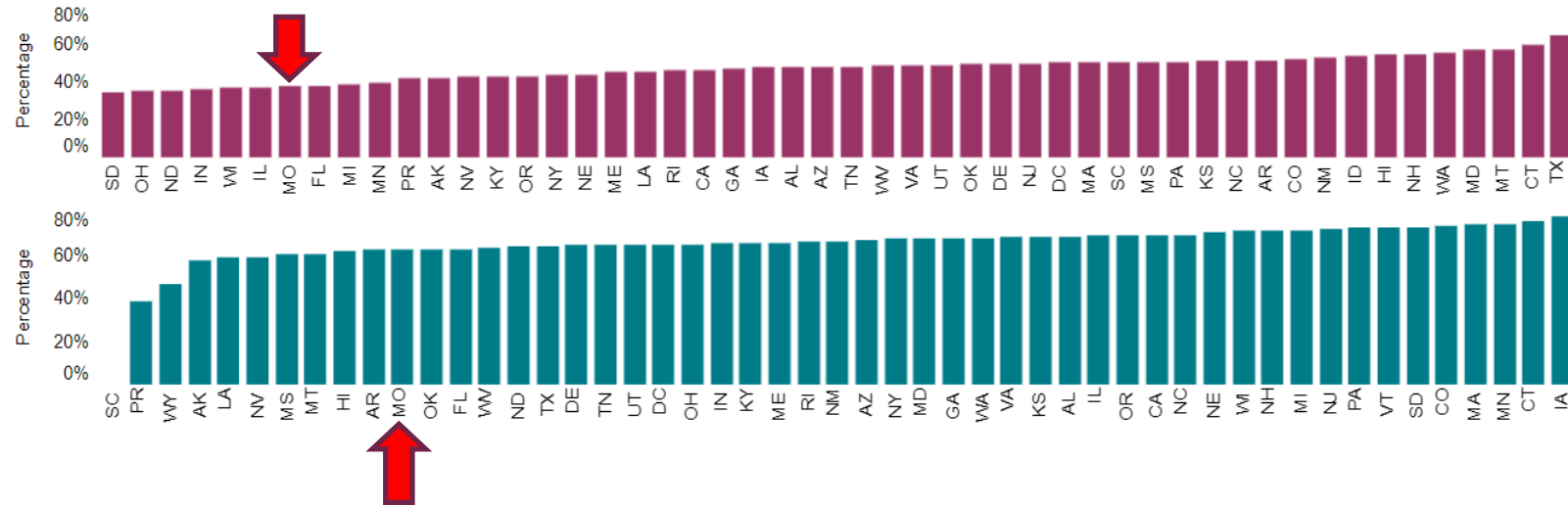


Pediatric Dental Care Utilization

MEDICAID INSURED CHILDREN	
47% United States	37% Missouri

PRIVATE INSURED CHILDREN	
66% United States	63% Missouri

ALL STATES, 2021



Adult Dental Care Utilization

MEDICAID INSURED ADULTS

18%
United States

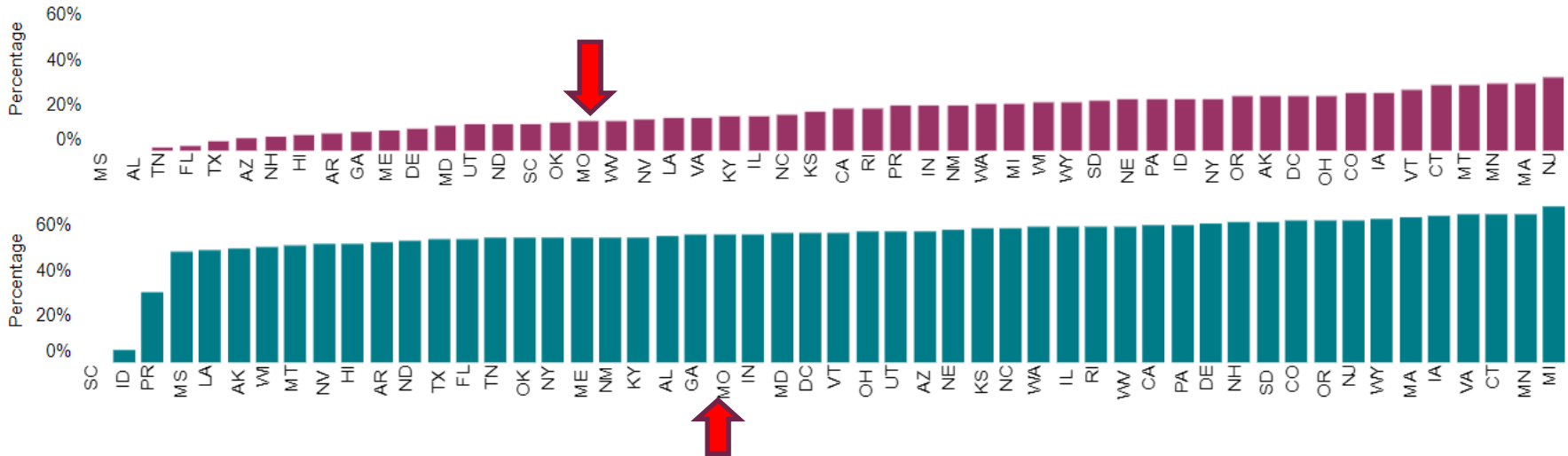
13%
Missouri

PRIVATE INSURED ADULTS

57%
United States

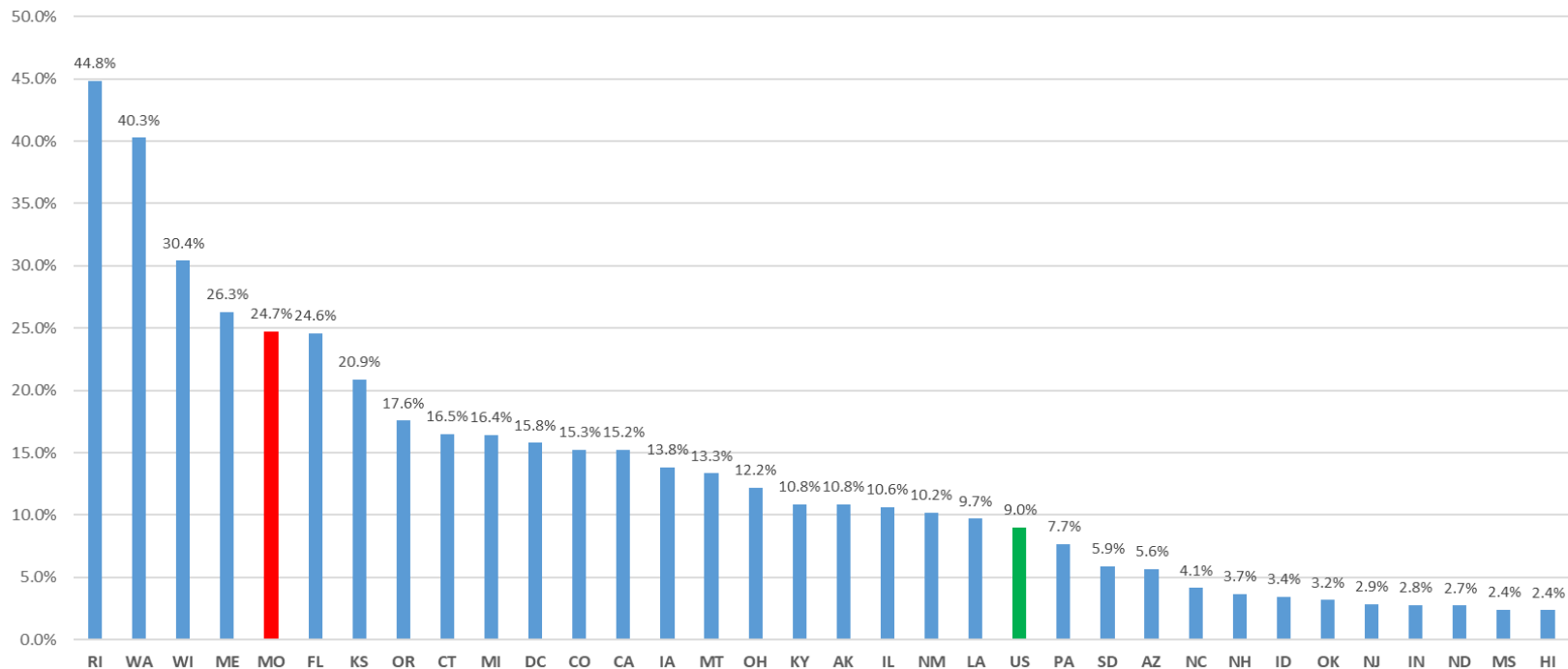
55%
Missouri

ALL STATES, 2021

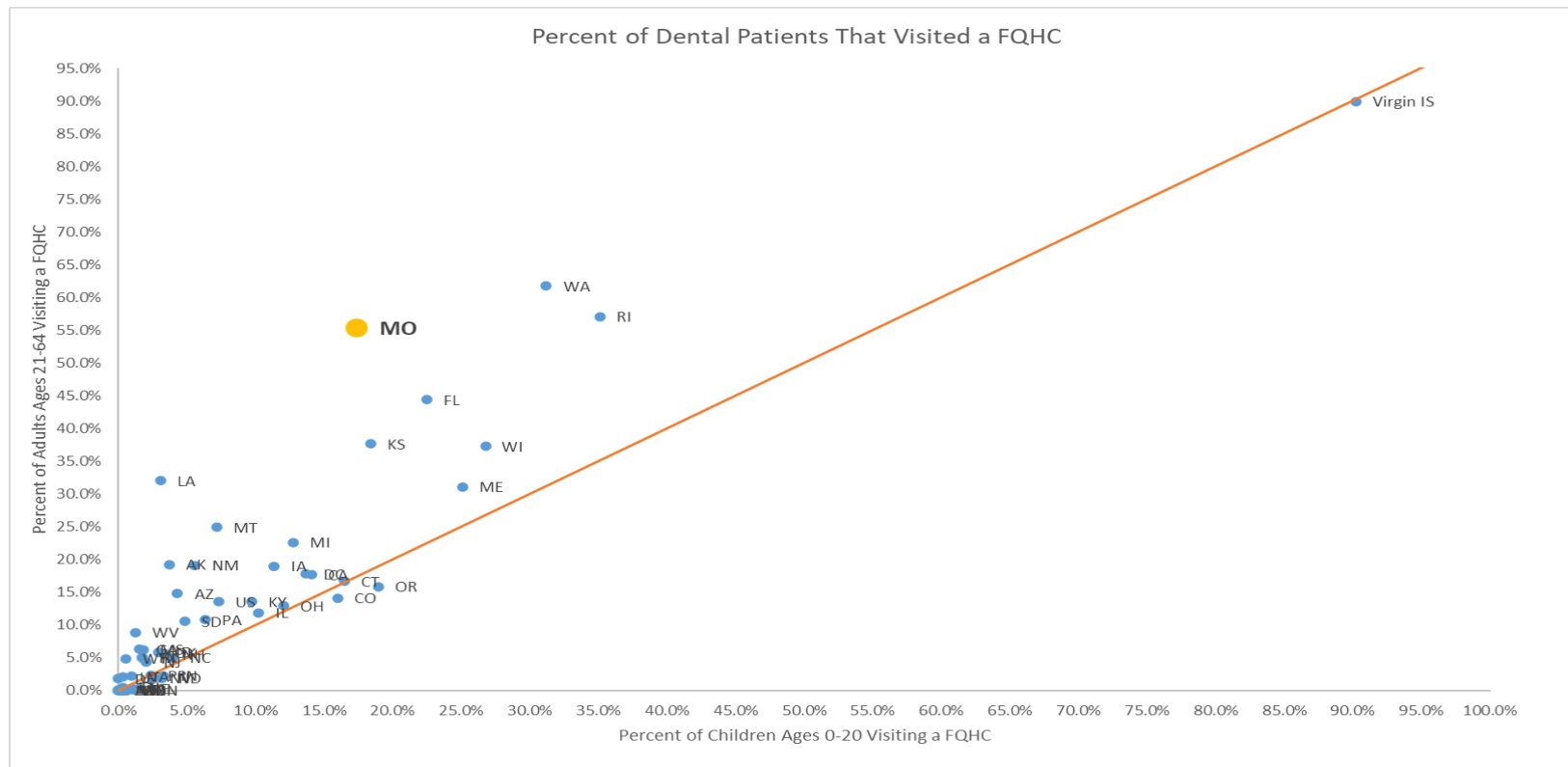


FQHC Dental Care Utilization

Overall Percentage of Patients Visiting a FQHC by State, Select States, All Ages, 2019

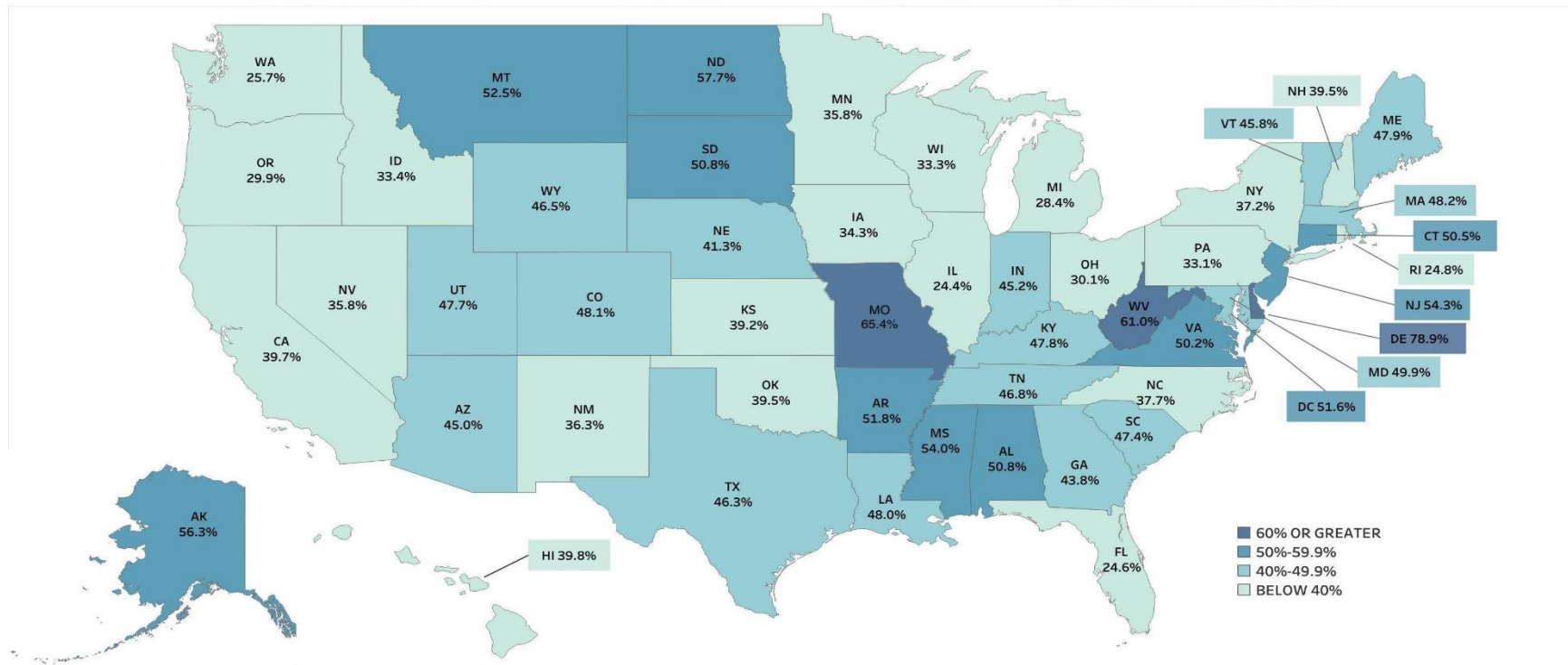


FQHC Dental Care Utilization



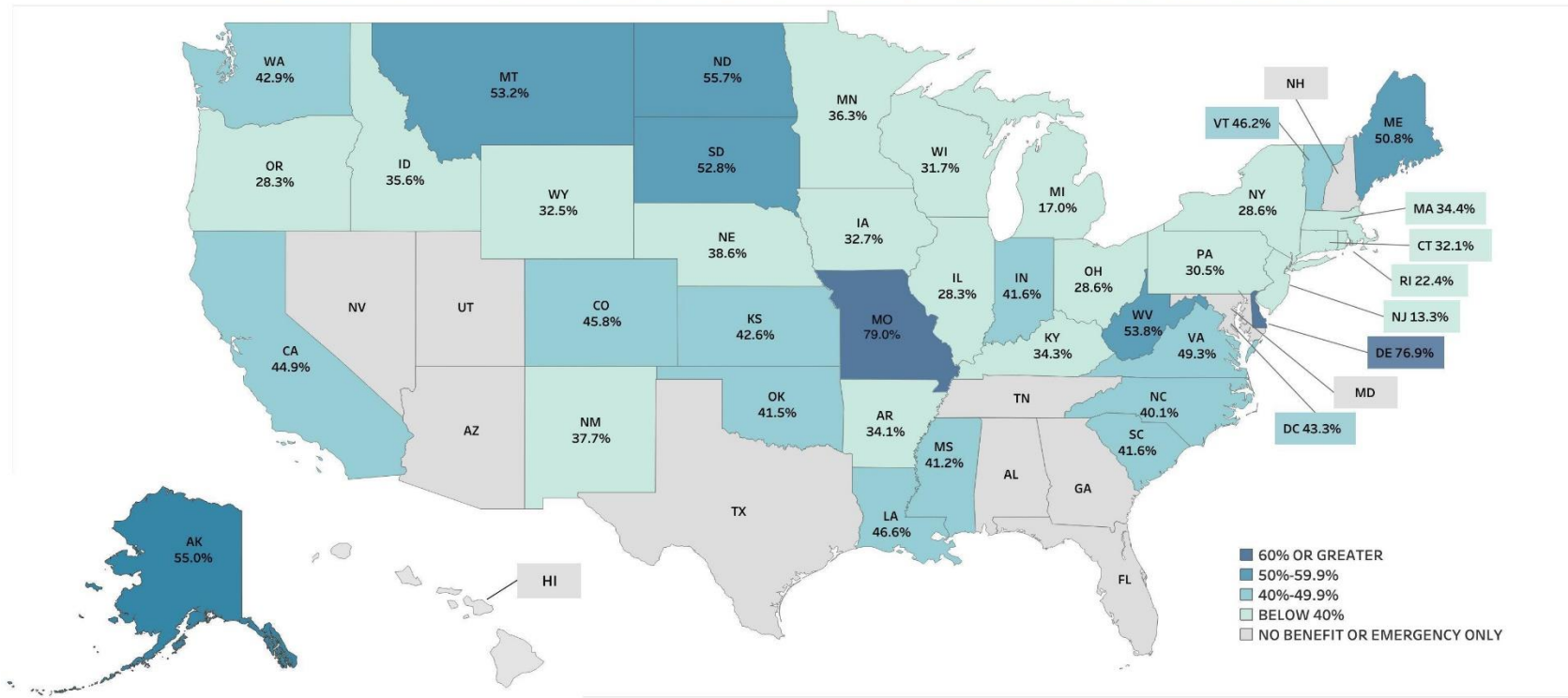
Reimbursement-Child Services

Medicaid FFS Reimbursement as a Percent of Dentist Charges, Child Dental Services, 2022



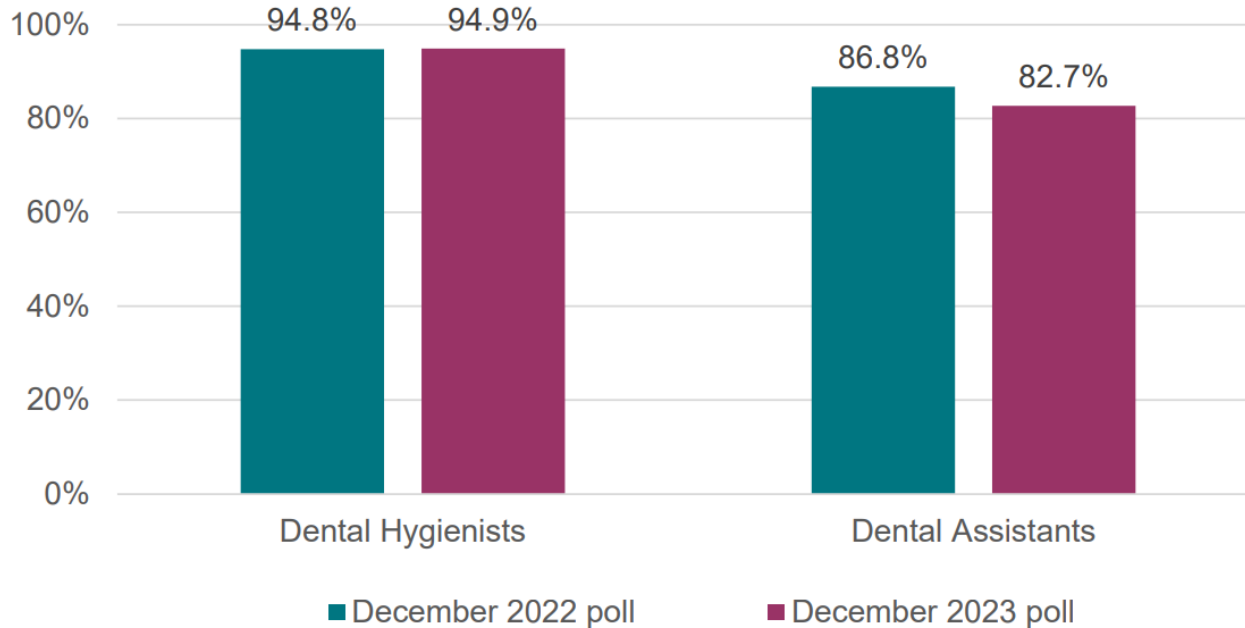
Reimbursement- Adult Services

Medicaid FFS Reimbursement as a Percent of Dentist Charges, Adult Dental Services, 2022



Staffing Shortages Have not Eased

How challenging has it been to recruit the position(s) below? (Percentage indicating “Extremely Challenging” and “Very Challenging”) December 2022 vs. December 2023



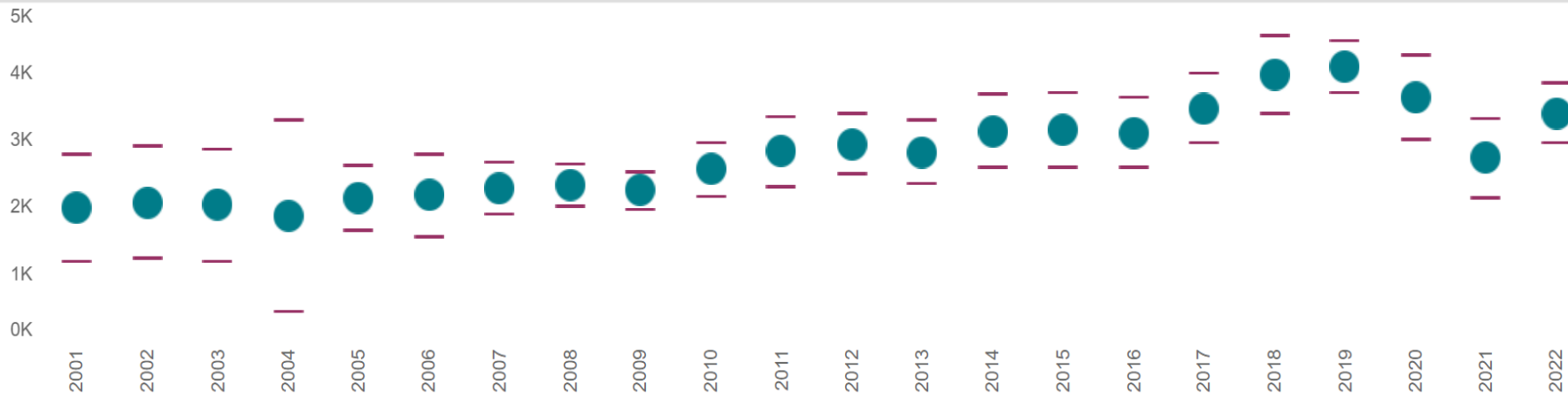
Dentists' perceived difficulty in recruiting dental hygienists and assistants is around the same as it was one year ago.

Hygienist and Assistant Employment #s

Estimated Job Counts: Missouri

DENTAL HYGIENISTS:

Total Job Count:
3,400
+24.5% from 2021 to 2022



Hygienist and Assistant Employment #s

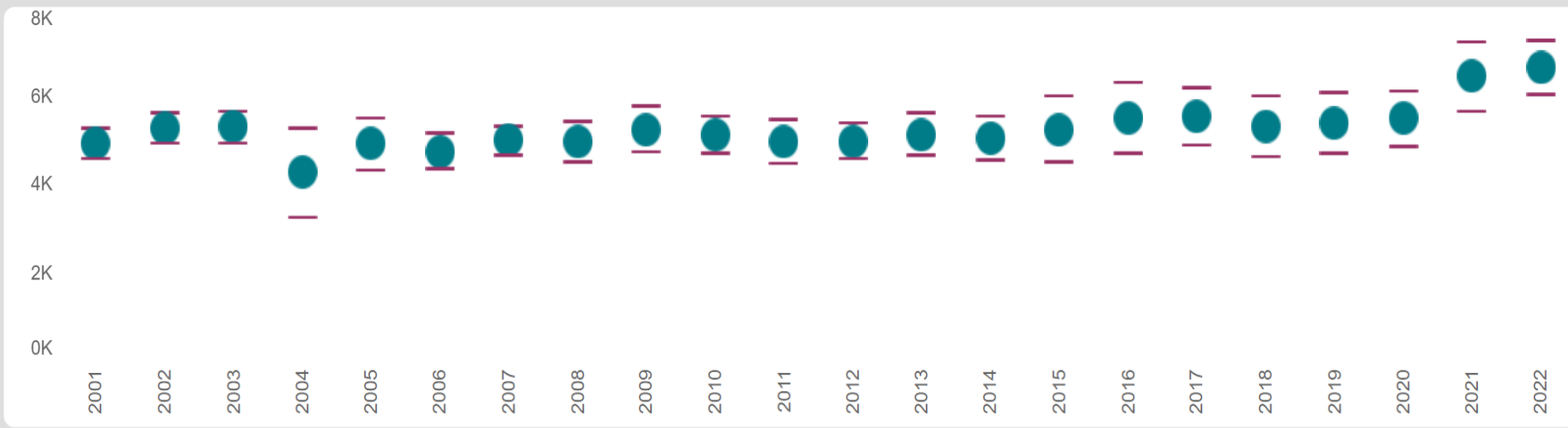
Estimated Job Counts: Missouri

DENTAL ASSISTANTS:

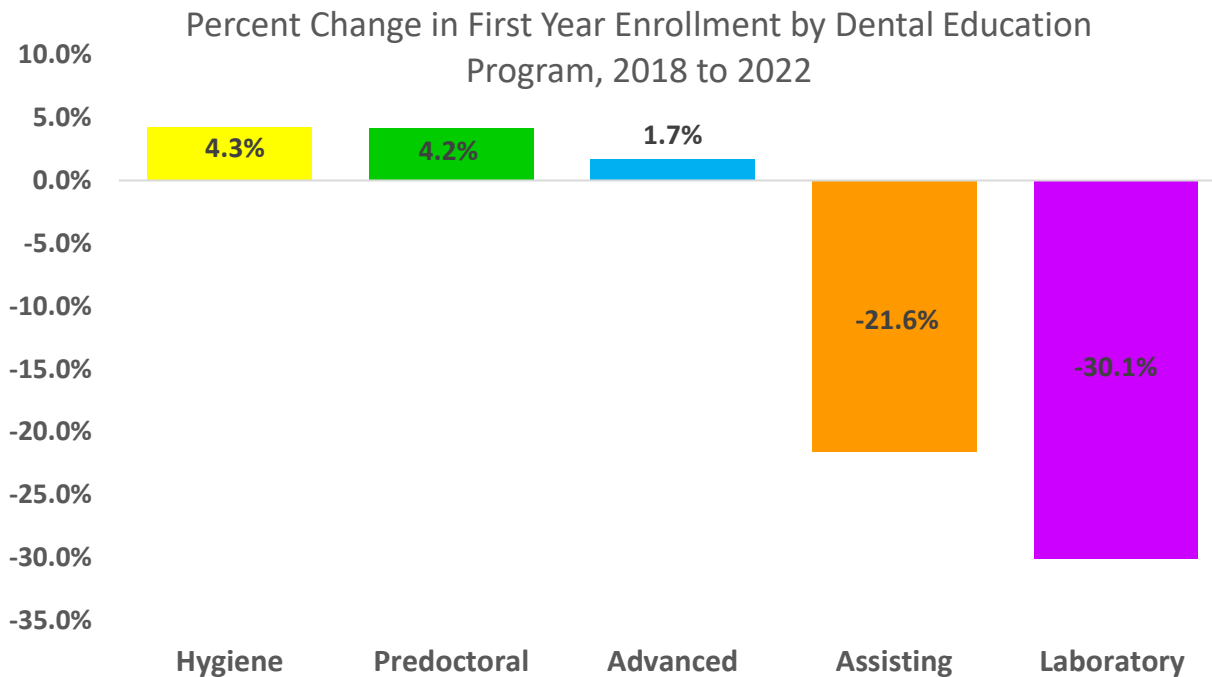
Total Job Count:

6,660

+3.3% from 2021 to 2022

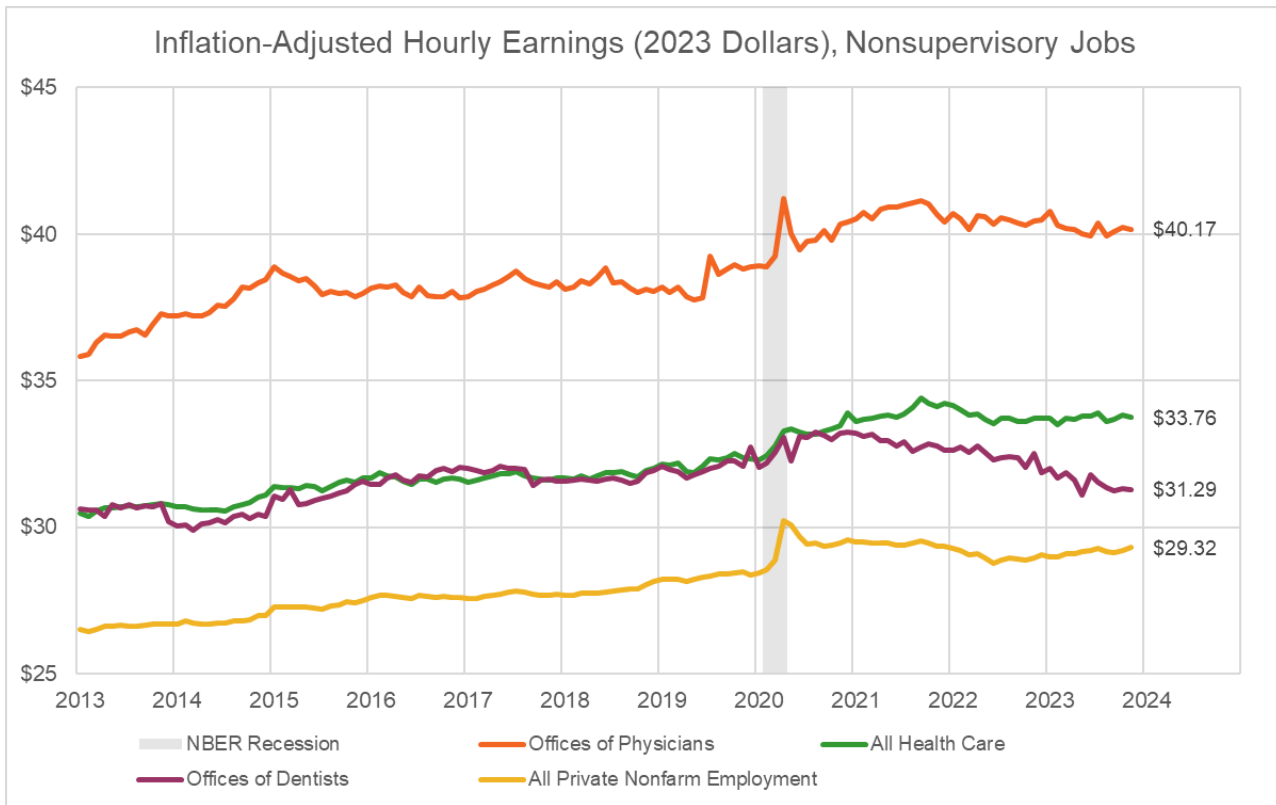


Pipeline is Not Really Responding



Enrollment in assisting and lab programs is down from pre-pandemic levels.

Wage Stagnation?



Wages of dental office staff are not keeping up with inflation.

Nor with wages of other health care workers.

Nor with wages in the economy overall.

Note: Non-supervisory jobs in offices of dentists' is made up of 37% dental assistants, 33% front desk staff, 23% dental hygienists, 7% other staff.

Wage Stagnation?

Estimated Inflation-Adjusted Wages: Missouri

DENTAL HYGIENISTS:

10th Percentile:
\$30.71
-2.6% from 2021 to 2022

Median Hourly Wage:
\$37.18
-6.9% from 2021 to 2022

90th Percentile:
\$43.87
+0.6% from 2021 to 2022

\$100

\$50

\$0

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

2022

Wage Stagnation?

Estimated Inflation-Adjusted Wages: Missouri

DENTAL ASSISTANTS:

10th Percentile:

\$15.35

+0.3% from 2021 to 2022

Median Hourly Wage:

\$20.41

+4.9% from 2021 to 2022

90th Percentile:

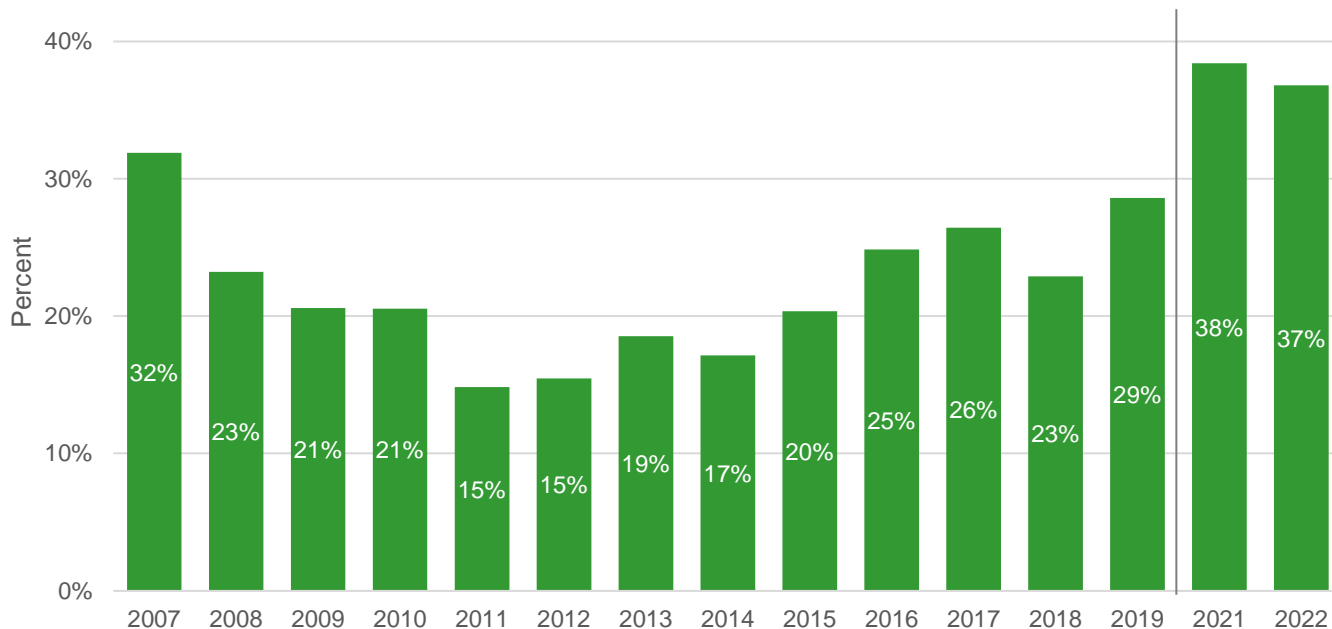
\$23.45

-5.1% from 2021 to 2022



Busyness

Percentage of General Practitioner Dentists Indicating They are “Too Busy” or “Overworked”

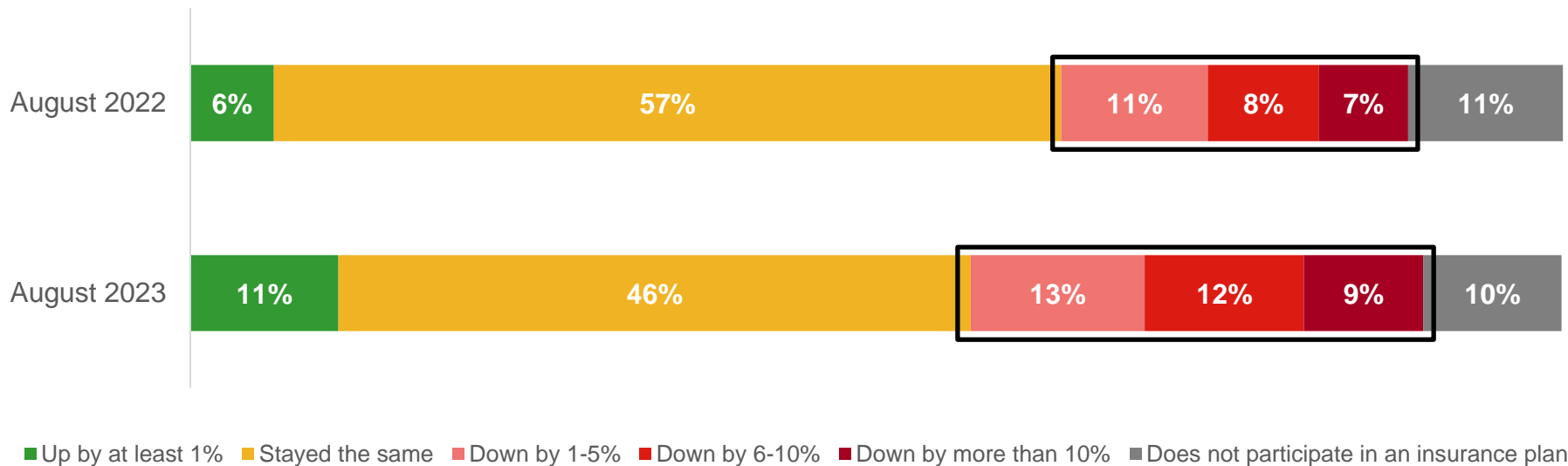


Dentists are working more than ever.

The percent indicating “Too busy to treat all people requesting appointments” or “Provided care to all who requested appointments but was overworked” is at an all time high.

Insurance Reimbursement

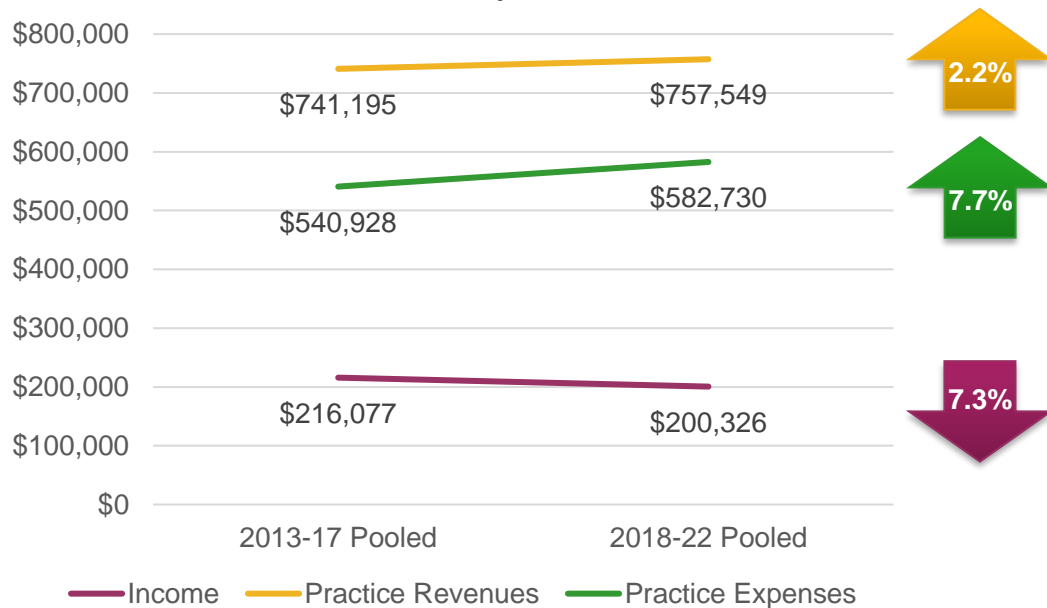
[Owner dentists] How has the average reimbursement level from all insurance companies in your practice changed in the last 12 months?



Compared to one year ago, more dentists reported that reimbursement decreased.

Revenues, Expenses and Income

Median Annual Net Income, Practice Revenues, and Expenses, General Practitioner Owners, Inflation-Adjusted

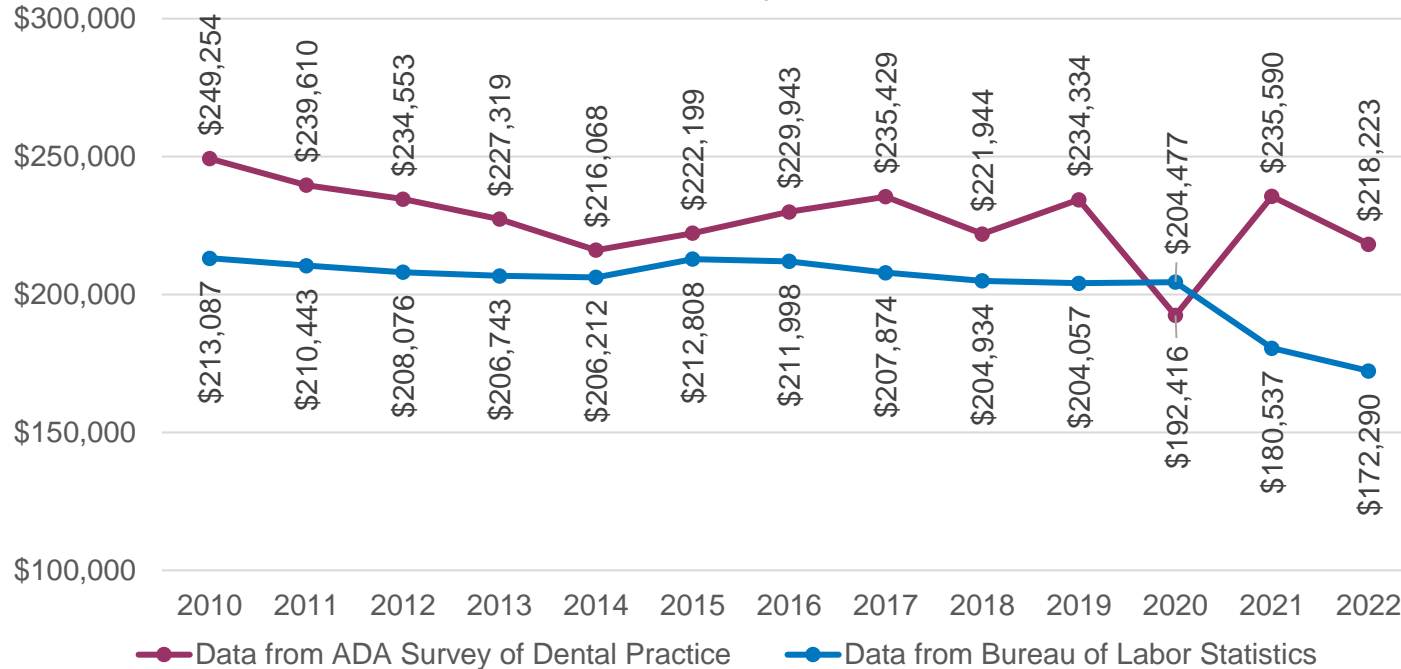


Practice expenses are rising faster than practice revenues.

This is driving the downward trend in GP dentist net incomes.

Average Net Income of Dentists

Average Annual Net Income, General Practitioners in Private Practice, Inflation-Adjusted



Average net income of GP dentists declined by 7% in 2022. The long-term trend shows a slight decline.

Average Net Income of Dentists

Estimated Inflation-Adjusted Wages: Missouri

GENERAL PRACTITIONER:

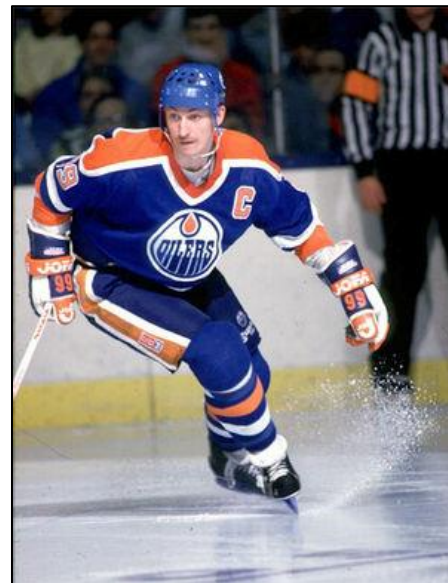
Average Annual Income:
\$180,620
1.7% from 2020 to 2021



Some Key Insights on the Economic Data

- Practice expenses are increasing faster than revenues, driving stagnation in dentist average net income.
- Dentists are busier than ever and are working longer hours post pandemic.
- Suggests there will be continued 'margin compression' in the dental sector.

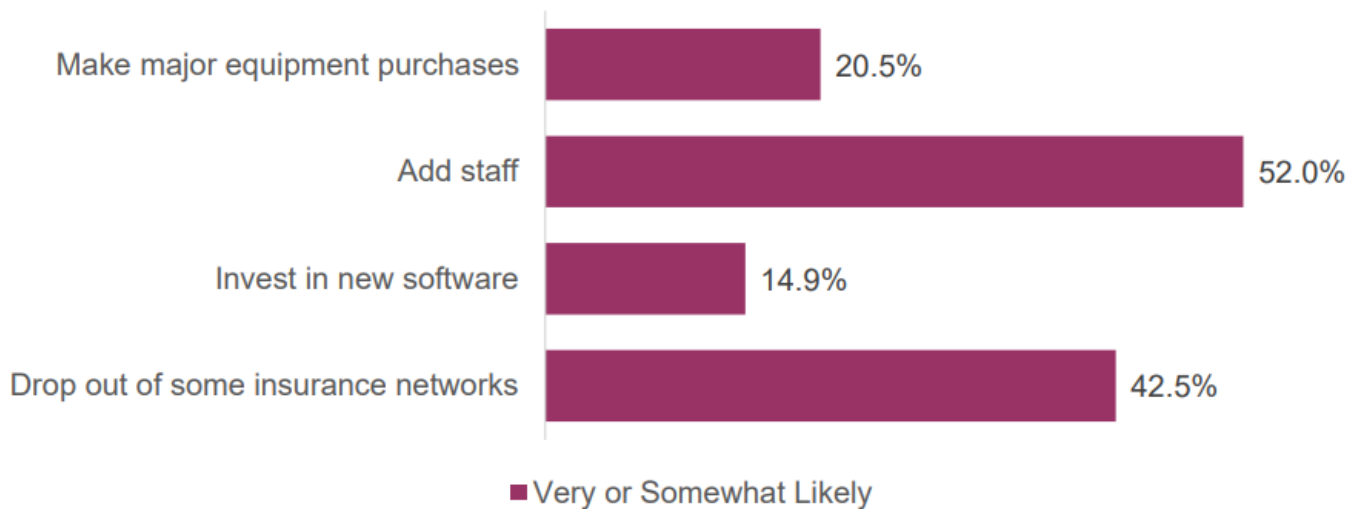
Looking Ahead



“Skate to where the puck is going...not where it is.”

First, Let's Talk Near Term....

Looking ahead to 2024, how likely are you to do each of the following for your practice?*

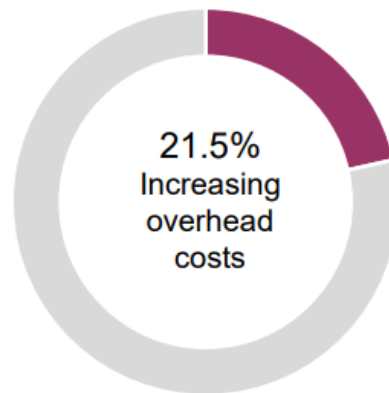
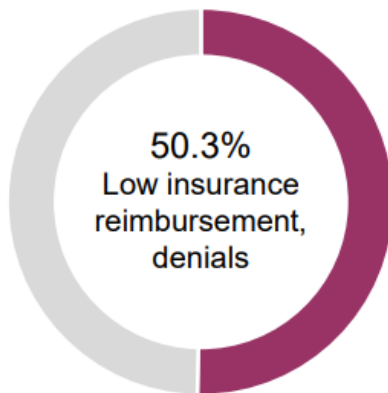
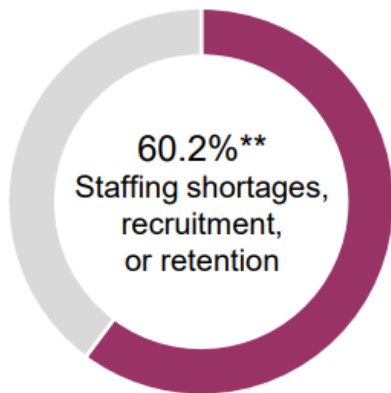


More than half of dentists indicate that they are likely to add staff to their practice in 2024, and about 2 in 5 plan to drop out of some insurance networks.

* Question included in November 2024 wave of HPI's poll.

First, Let's Talk Near Term....

Also looking ahead to 2024, what are the top 3 challenges facing your practice?*



When asked what are the top challenges facing their practices looking ahead to 2024, the top 3 concerns cited by dentists were staffing shortages, insurance reimbursement, and increasing overhead costs.

* Question included in November 2024 wave of HPI's poll.

** Represents the percentage of responding dentists who cited this particular challenge in their answer.

Now, Let's Talk Longer Term...

1. Shifting Practice Modality



2. Changing Patient Mindsets

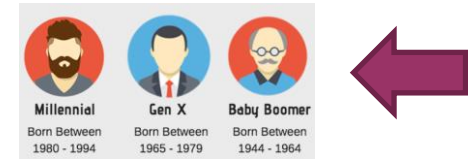


3. Payment Reform



Looking Ahead – Big Trends

1. Shifting Practice Modality



2. Changing Patient Mindsets



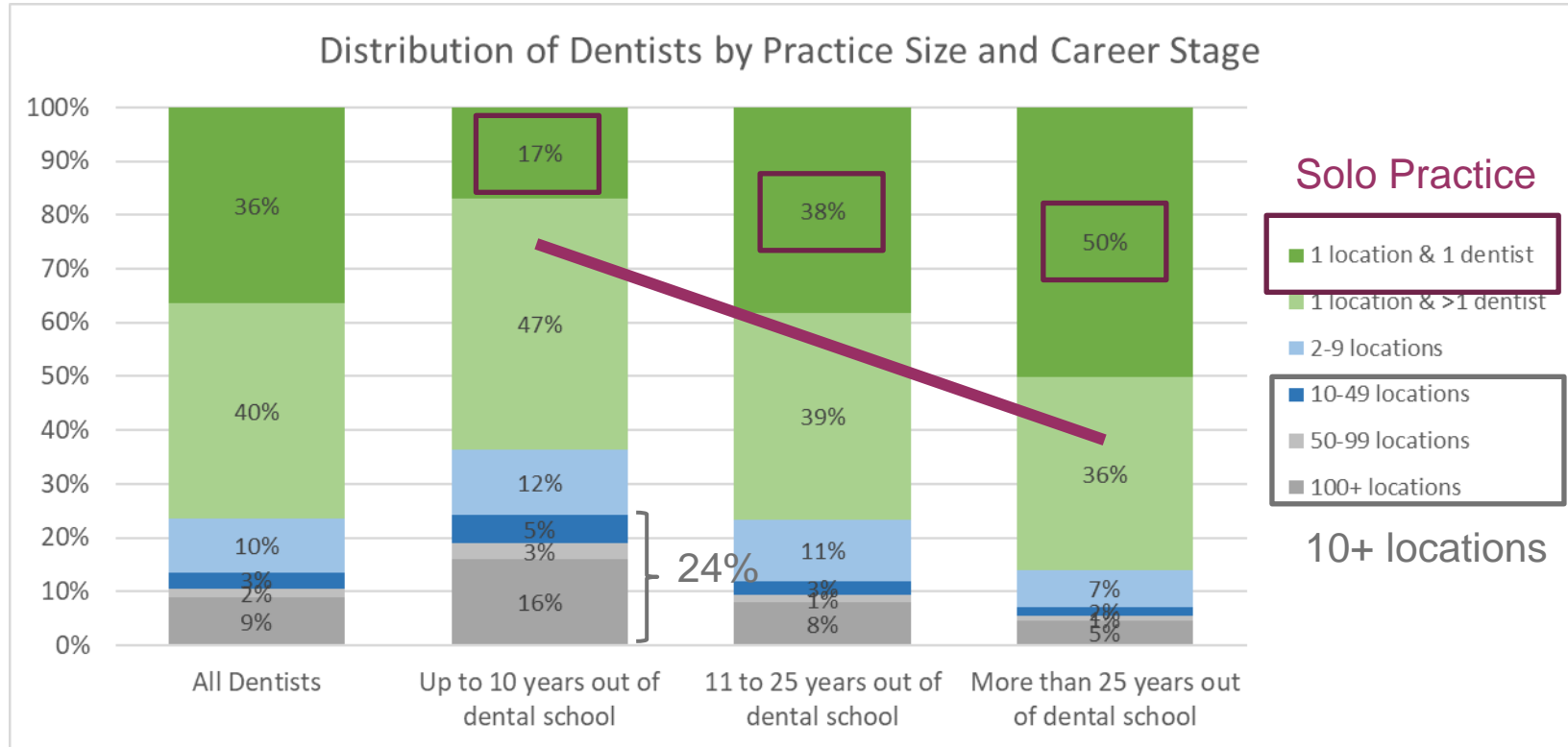
3. Payment Reform



How We Define Practice Modality

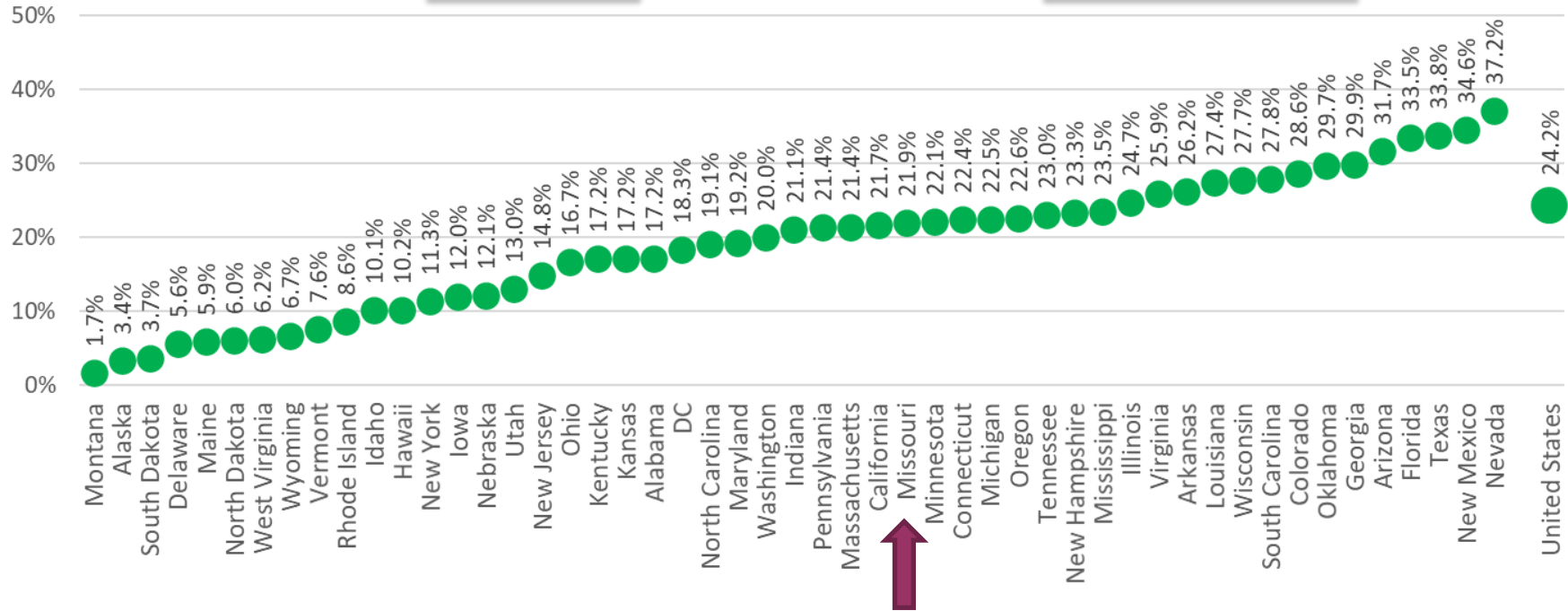
- ***Dental Practice Size:*** The number of affiliated locations within a dental practice. This could include locations directly owned and operated by a single business entity, as well as locations affiliated with each other through other arrangements such as a franchise, a parent company, or through a DSO.
- ***Dental Support Organization (DSO) Affiliation:*** A practice is considered to be affiliated with a DSO if some outside entity manages some or all of its non-clinical functions such as billing, marketing, human resources, etc. For the purposes of HPI's analysis, a DSO includes any member of ADSO as well as other entities judged to be DSOs based on extensive HPI primary research.

Dental Practice Size



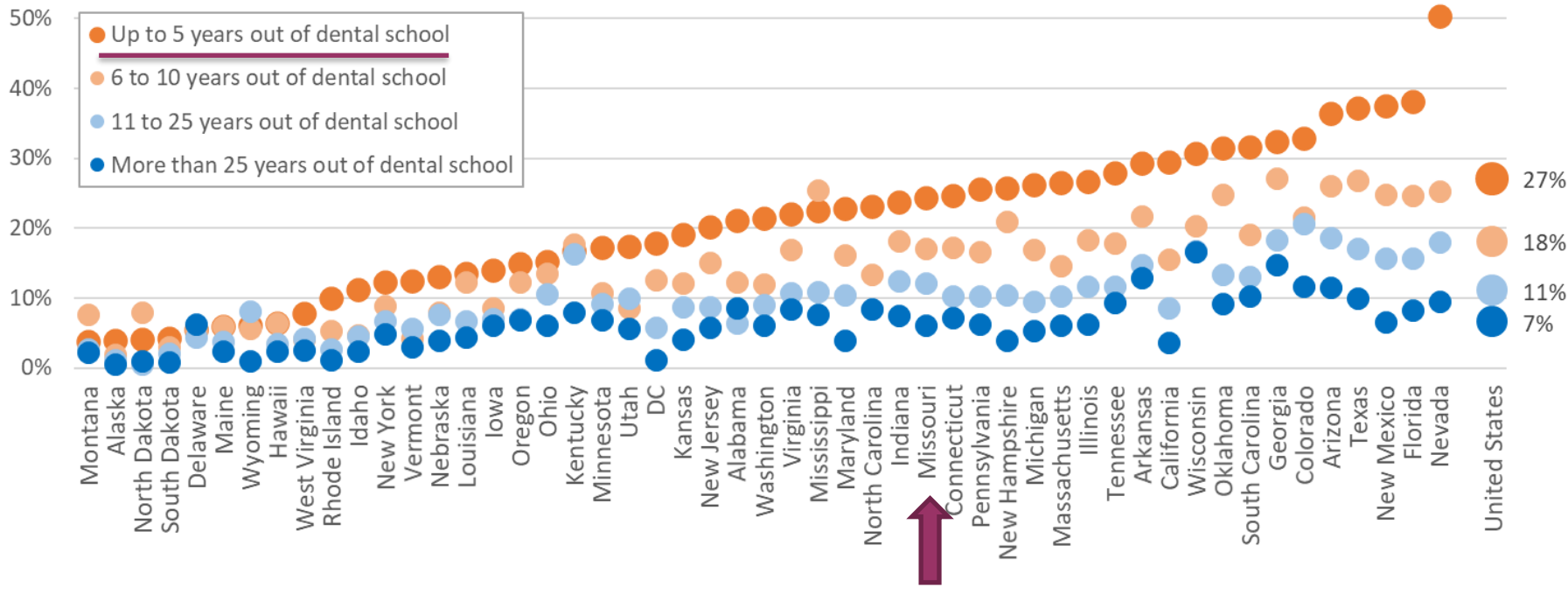
Dental Practice Size

Percent of New Dentists Who Are in Practices with at Least 10 Locations

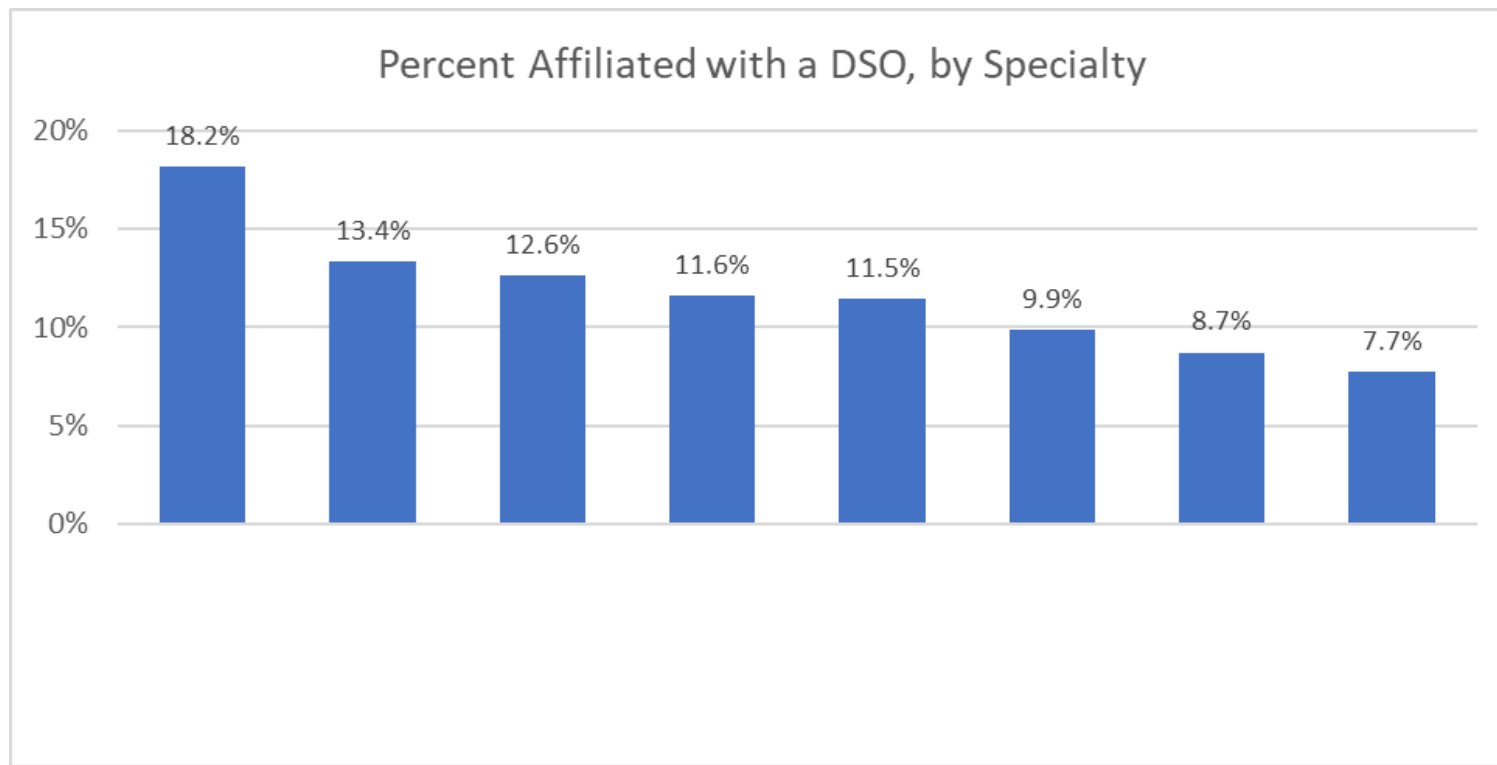


DSO Affiliation

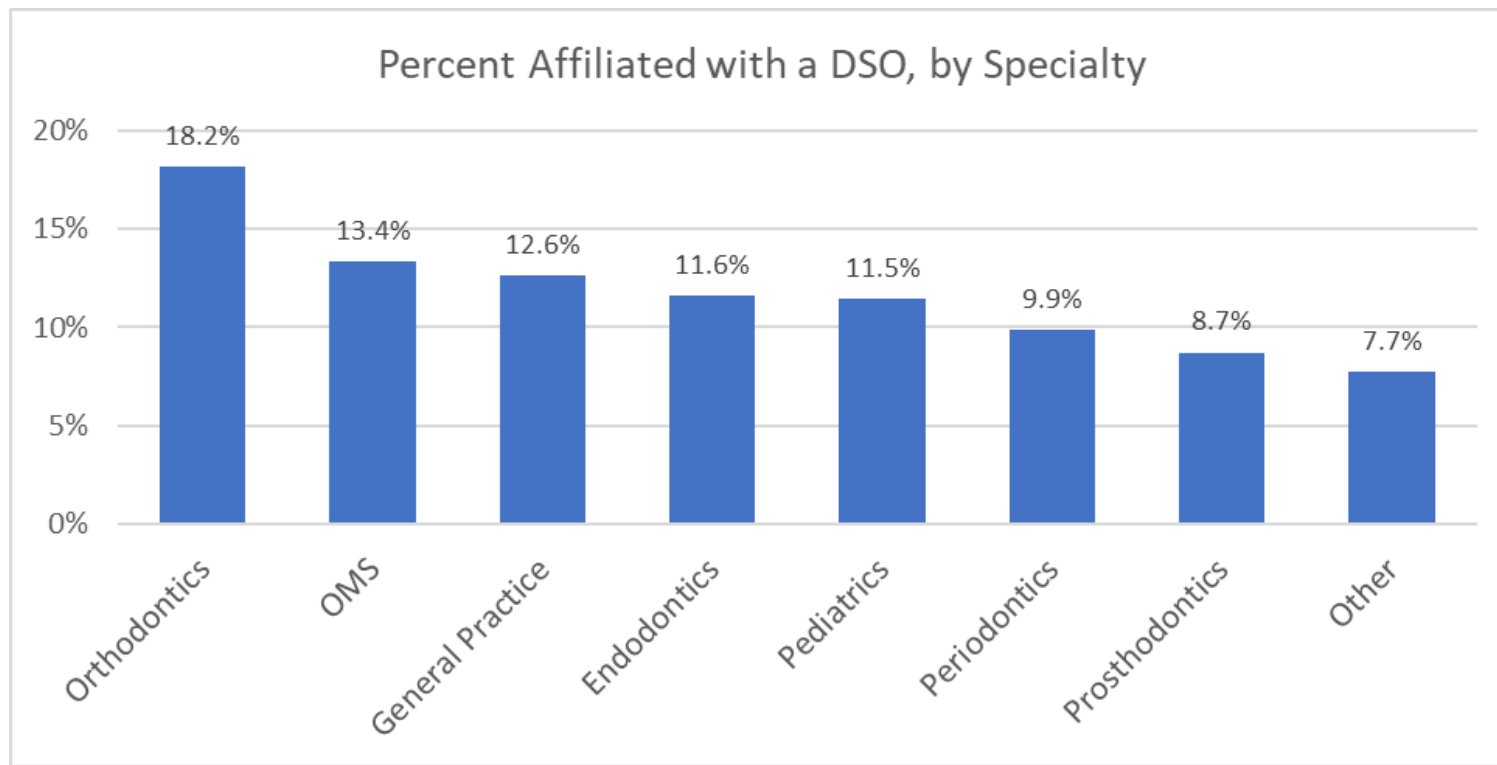
Percent of Dentists Affiliated with a Dental Support Organization (DSO)



DSO Affiliation

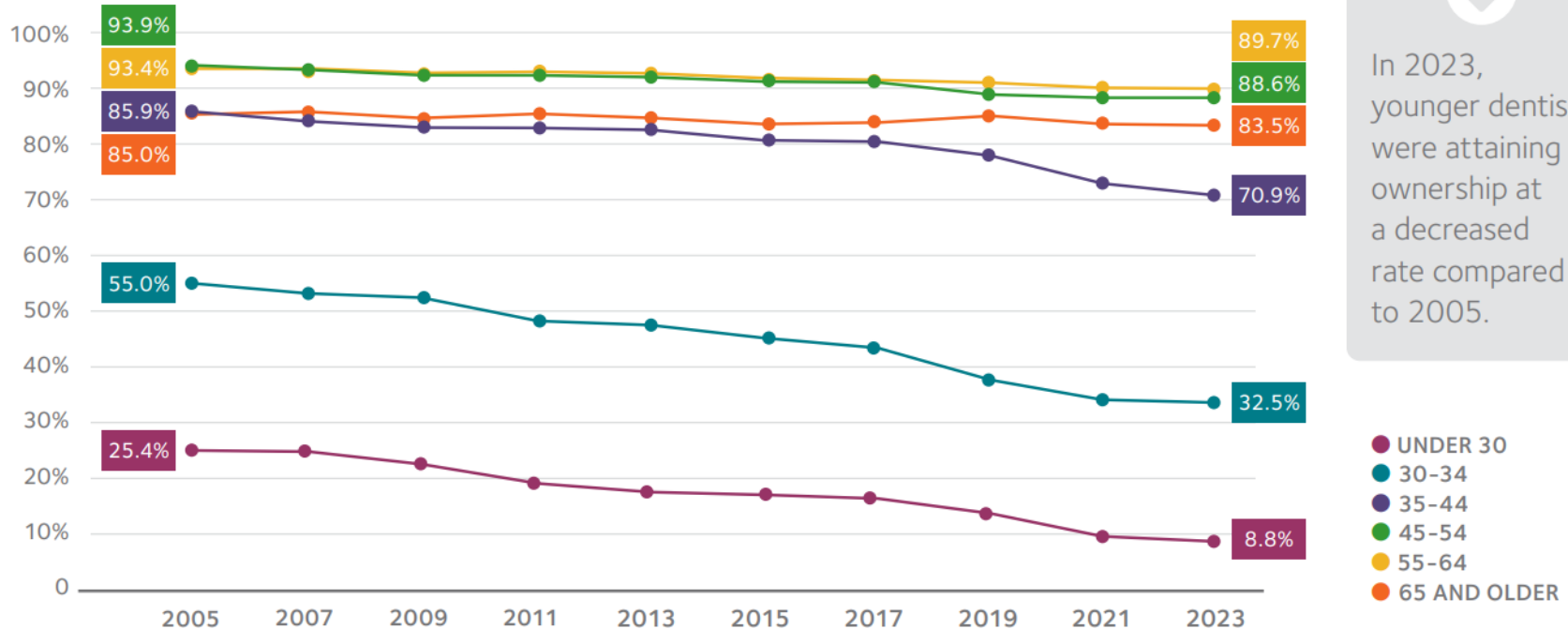


DSO Affiliation



Practice Ownership

PERCENTAGE OF DENTISTS IN PRIVATE PRACTICES WHO ARE OWNERS, BY AGE GROUP

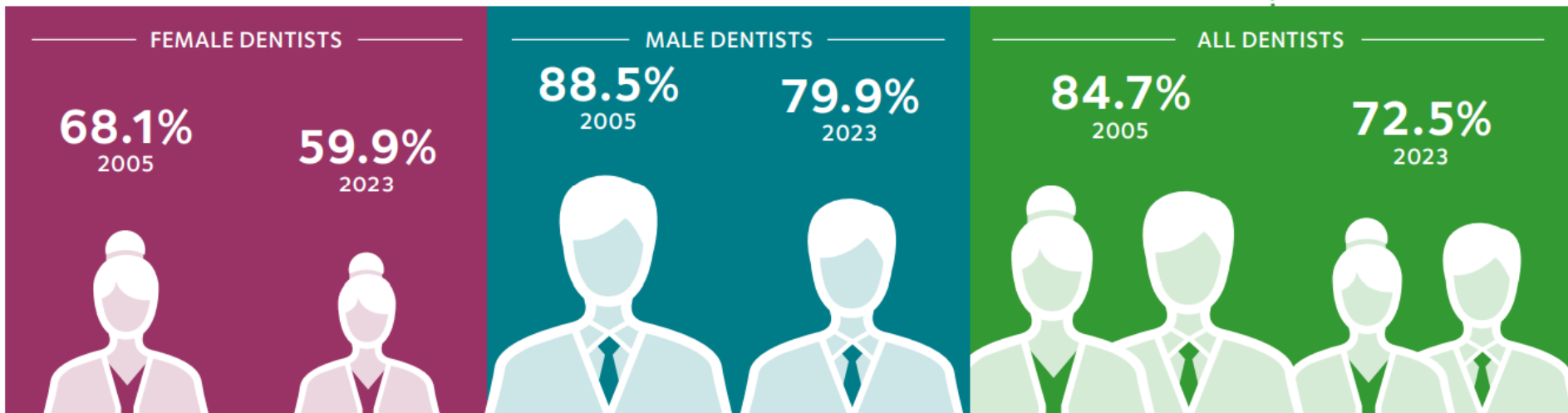


In 2023, younger dentists were attaining ownership at a decreased rate compared to 2005.

- UNDER 30
- 30-34
- 35-44
- 45-54
- 55-64
- 65 AND OLDER

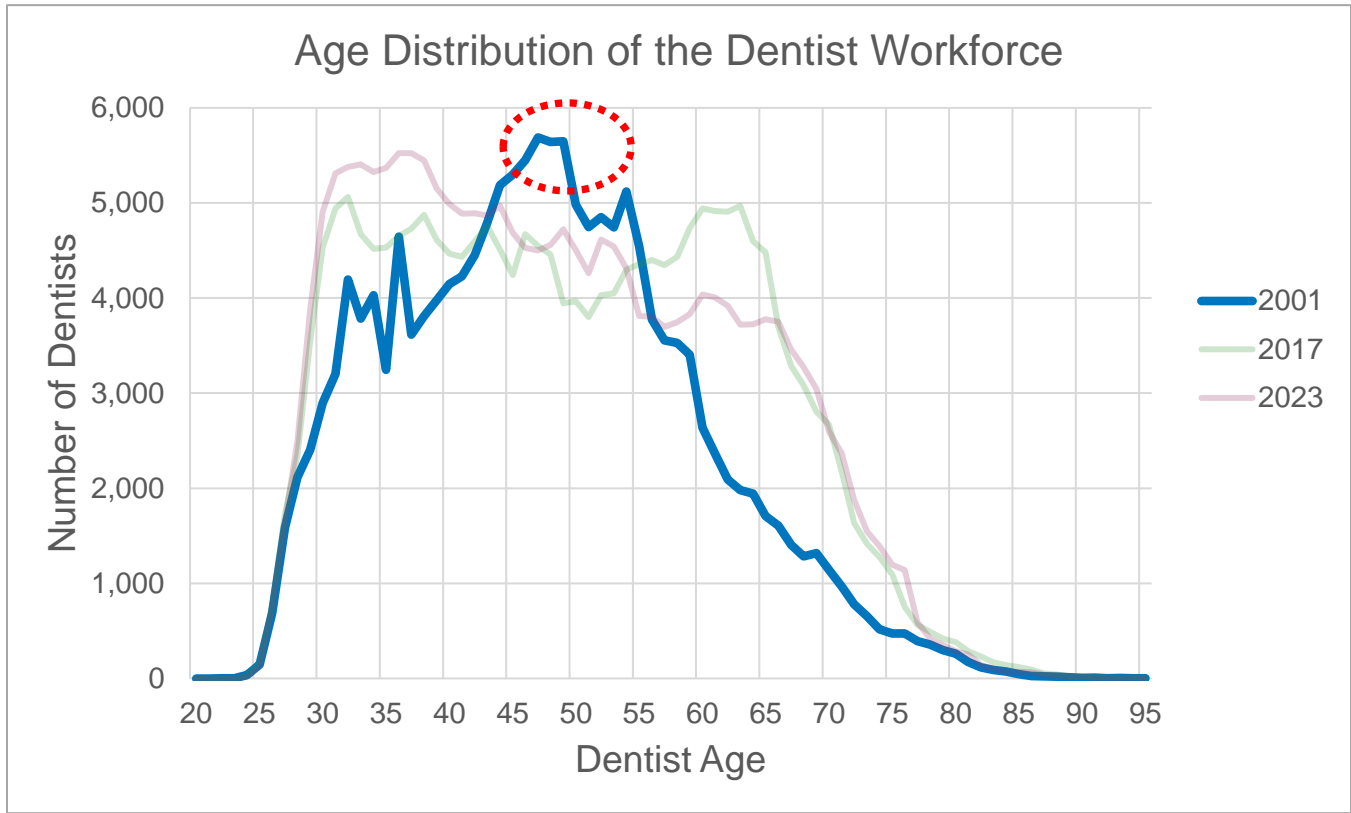
Practice Ownership

PERCENTAGE OF DENTISTS IN PRIVATE PRACTICES WHO ARE OWNERS, BY GENDER



Female dentists have been **consistently less likely** than male dentists to own their practice.

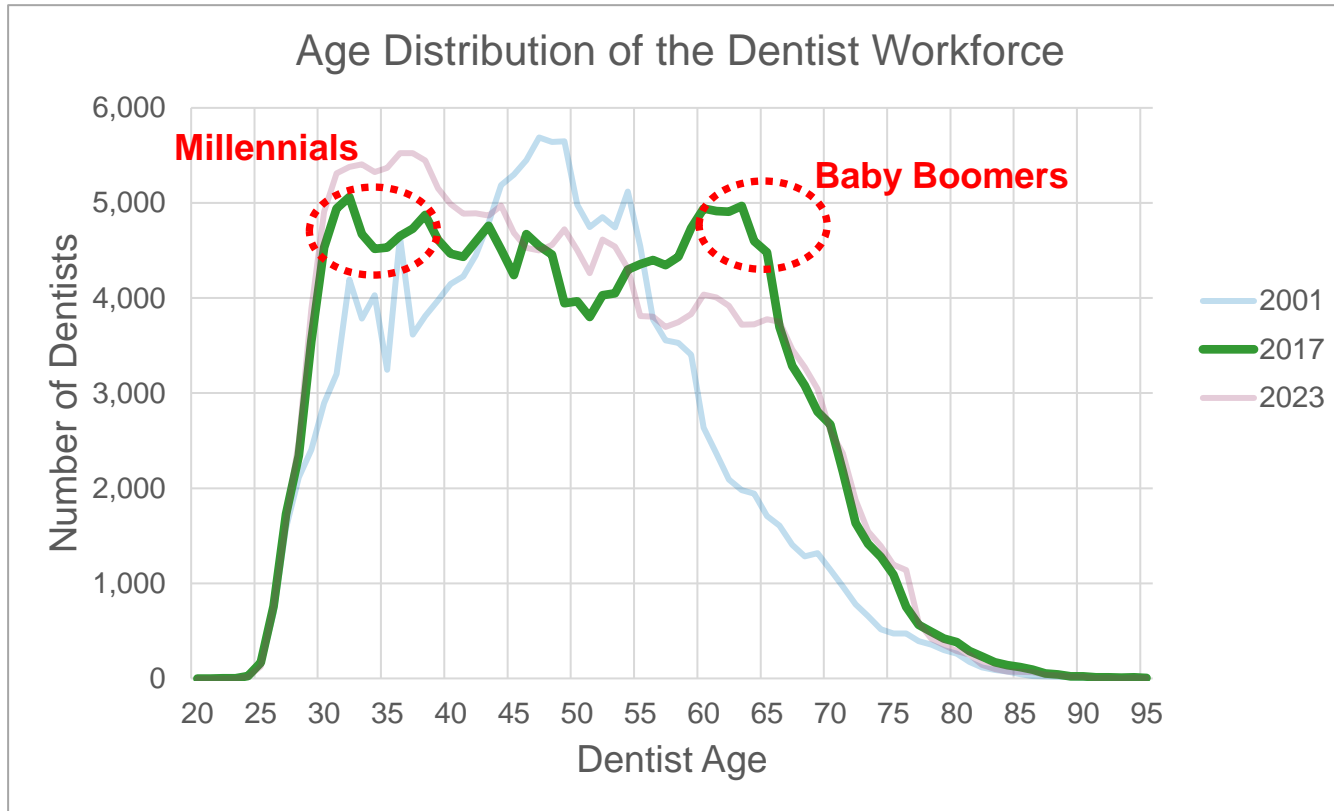
A Generational Transition



Twenty years ago, there were lots of dentists in their mid-40s.

There were not a lot of really young or really old dentists.

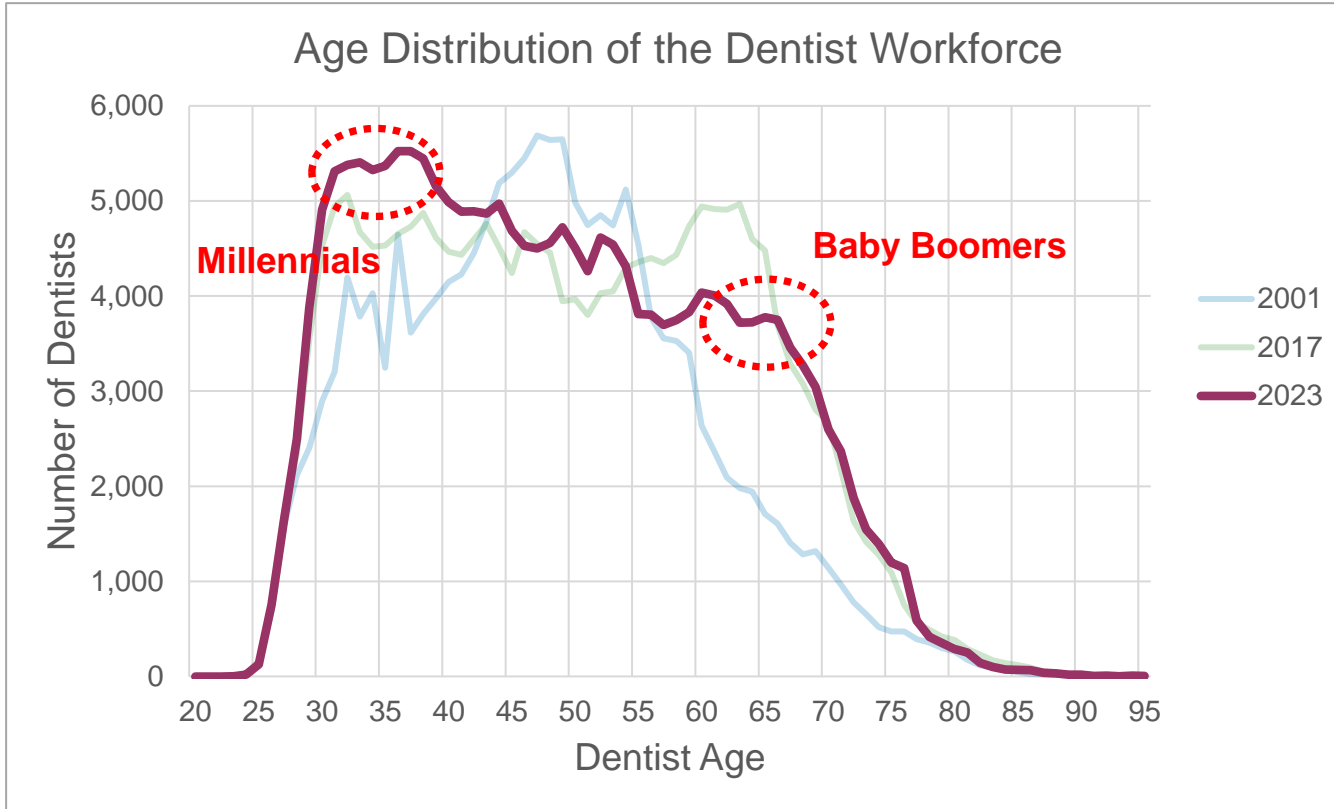
A Generational Transition



By 2017, things look different.

There is a bimodal distribution, with lots of dentists in their 30s and lots in their 60s.

A Generational Transition



Today, a similar bimodal pattern but much more 'tilted'.

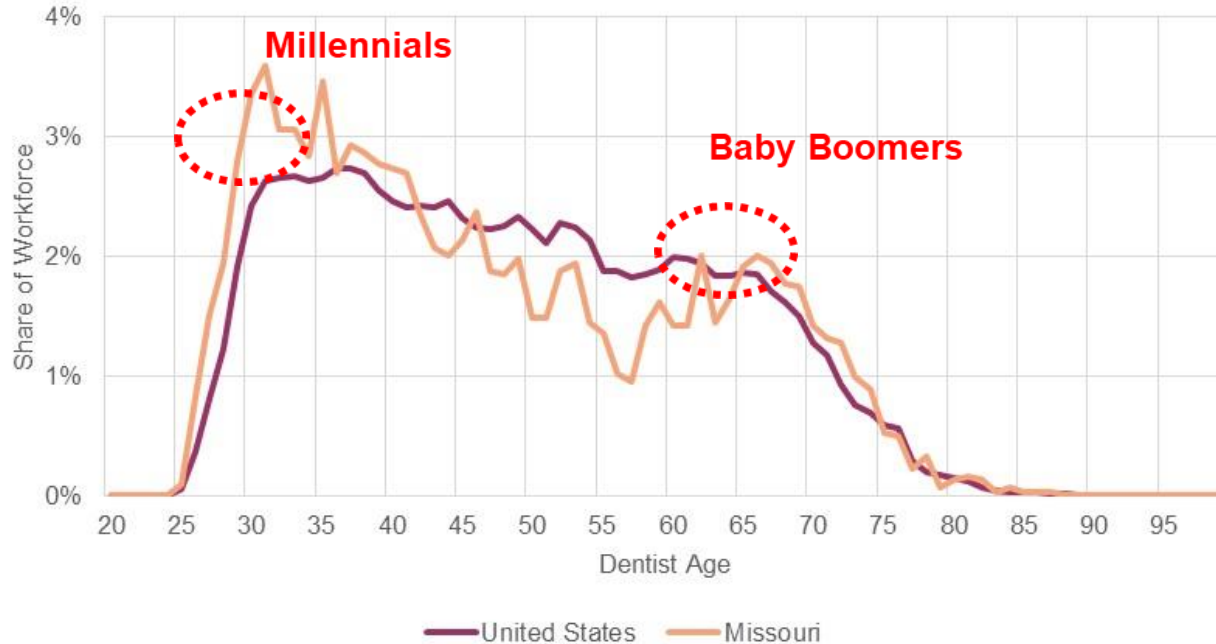
From 2017–23:

6,572 more
dentists age <40

4,466 fewer
dentists age 60+

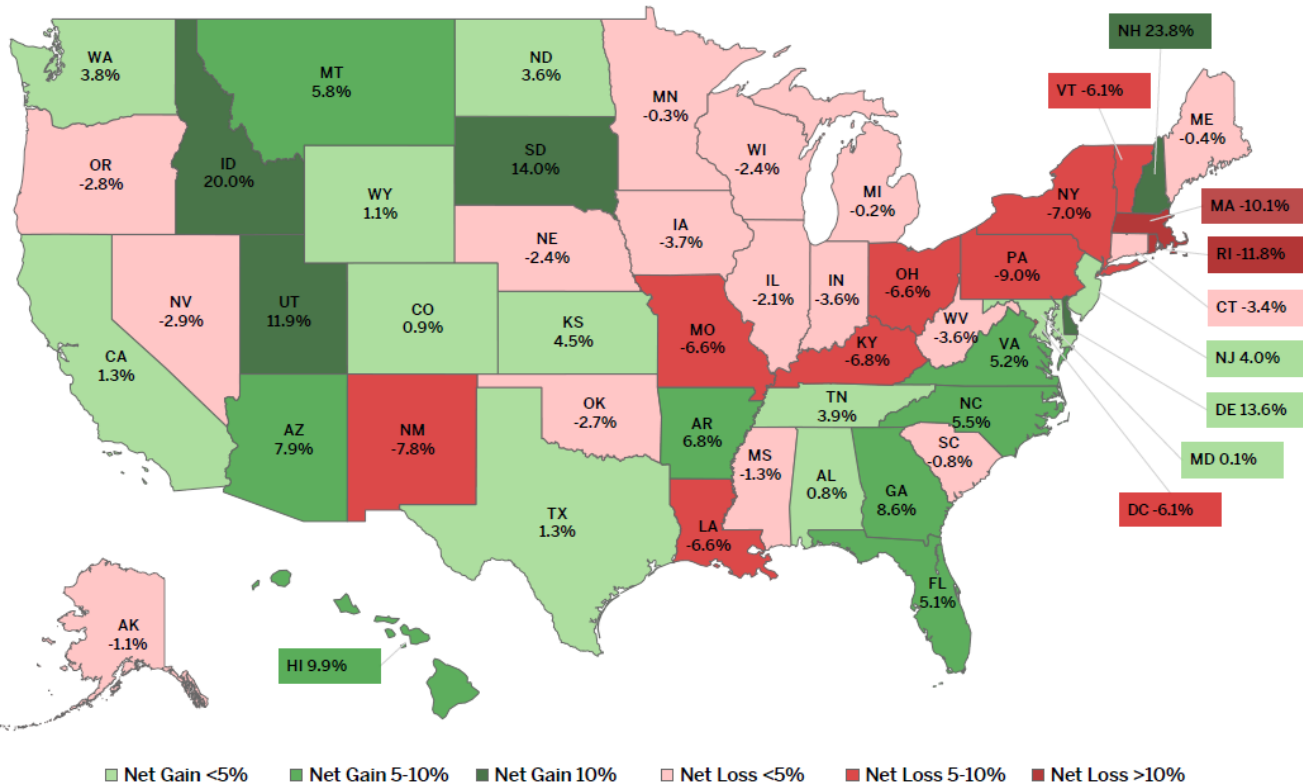
A Generational Transition, Missouri

Age Distribution of Dentists, 2023



Missouri's generational divide is similar to the country as a whole.

Dentists on the Move

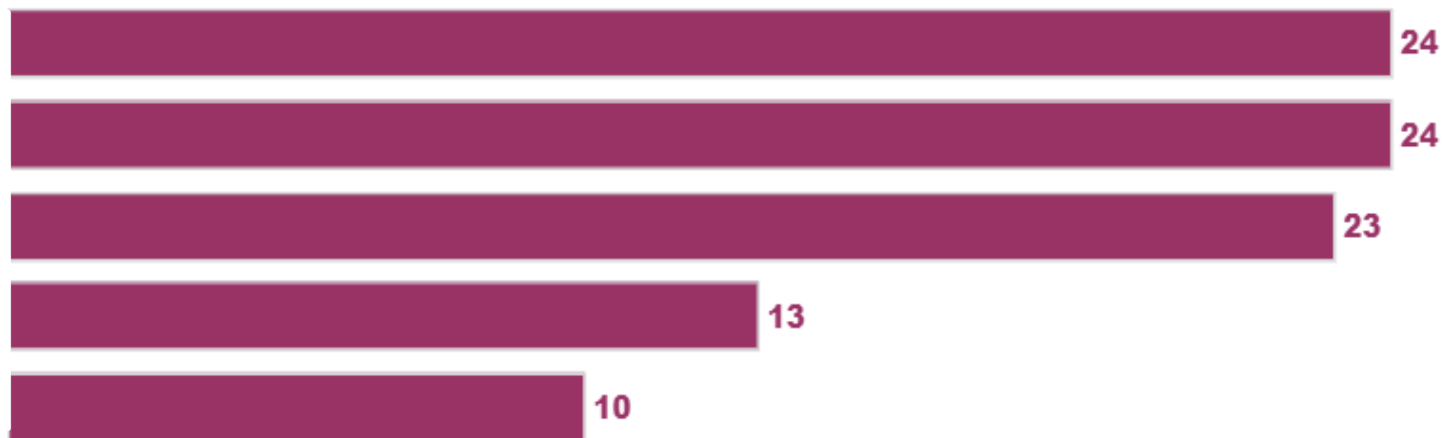


Among practicing dentists less than 10 years out of dental school, **14%** moved to another state between 2019 and 2022.

RI, MA had the highest 'net loss' while NH, ID had the highest 'net gain'.

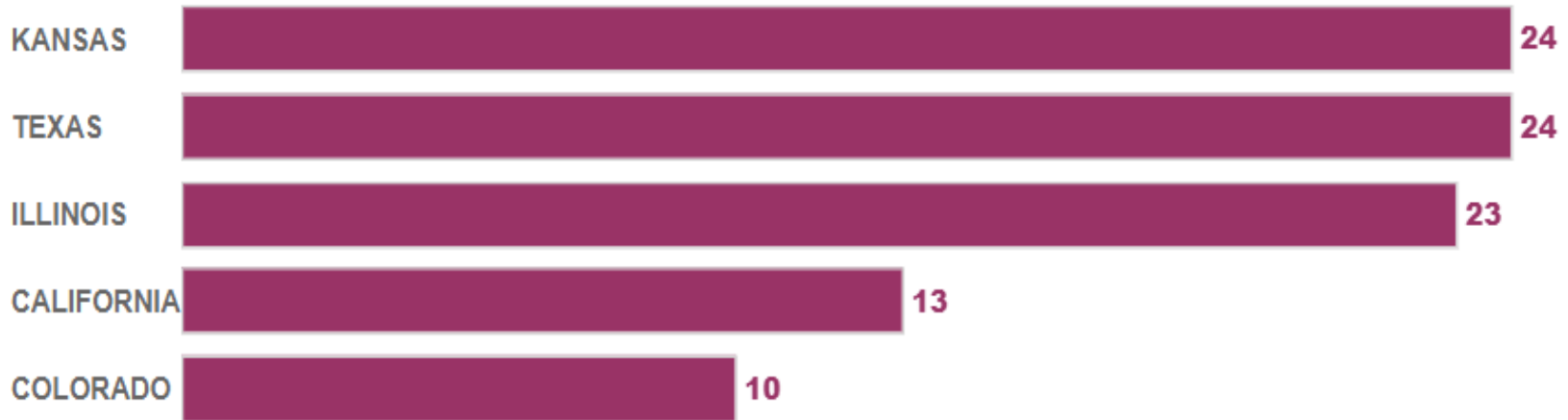
Dentists on the Move

TOP 5 OUTBOUND STATES FROM MISSOURI



Dentists on the Move

TOP 5 OUTBOUND STATES FROM MISSOURI



Looking Ahead – Big Trends

1. Shifting Practice Modality



2. Changing Patient Mindsets

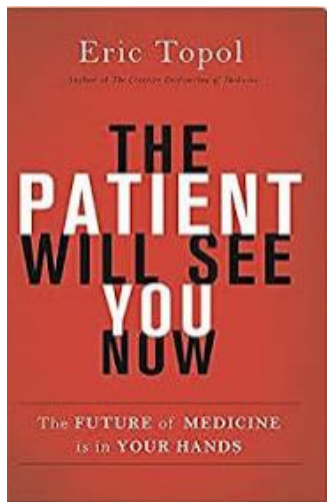


3. Payment Reform




Patient Mindsets are Changing

As The Millennial Generation Overtakes Baby Boomers,
Dental Groups Adapt With Convenient Solutions




Patient Mindsets are Changing



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I'm flexible
Time of day
Routine Dental Exam
Specialty
Distance
In-person/video
More filters





85 In-network providers


Today, Oct 20 - Thu, Nov 2


< >


3. What can we help you with?



Check up


Emergency


Broker


Tooth Pain



Dentures



Clear A

4. Which location do you prefer

Office Location Name (30 mi)

5100 Belt Line Rd, Ste 312
Dallas, TX 75254





Dr. Tabasam Akbar, DMD
Dentist

★ 4.73 · 159 reviews ❤ LOYAL PATIENTS

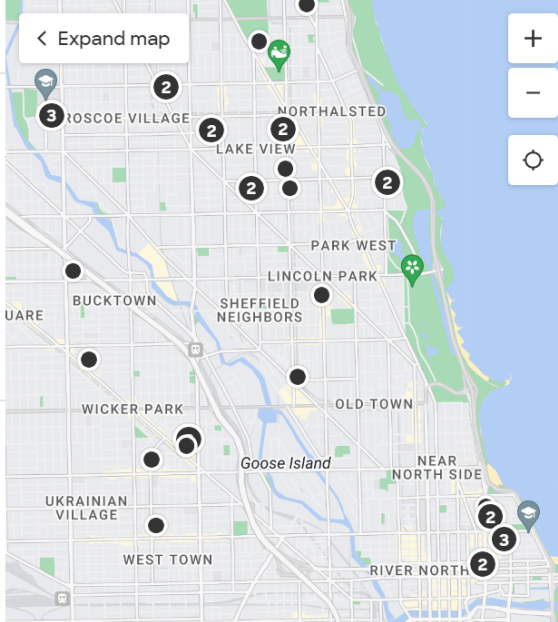
📍 1.5 mi · 233 E Erie St, Ste 406, Chicago, IL 60611


🟢 In-network · United Concordia

New patient appointments · Highly recommended · Excellent wait time

Fri Oct 20	Sat Oct 21	Sun Oct 22	Mon Oct 23	Tue Oct 24	Wed Oct 25	Thu Oct 26
No appts	1 appts	No appts	3 appts	2 appts	2 appts	6 appts
Fri Oct 27	Sat Oct 28	Sun Oct 29	Mon Oct 30	Tue Oct 31	Wed Nov 1	Thu Nov 2
3 appts	No appts	No appts	3 appts	2 appts	3 appts	6 appts

[View all availability](#)





Dr. Taimoor Rahman, DMD
Dentist

★ 5.00 · 53 reviews

📍 2 mi · 25 E Washington St, Ste 510, Chicago, IL 60602

🟢 In-network · United Concordia

New patient appointments · Highly recommended ·

Fri Oct 20	Sat Oct 21	Sun Oct 22	Mon Oct 23	Tue Oct 24	Wed Oct 25	Thu Oct 26
No appts	No appts	No appts	No appts	1 appts	1 appts	No appts
Fri Oct 27	Sat Oct 28	Sun Oct 29	Mon Oct 30	Tue Oct 31	Wed Nov 1	Thu Nov 2
No appts	No appts	No appts	1 appts	6 appts	5 appts	7 appts

HPI Health Policy Institute

ADA American Dental Association®

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54

Patient Mindsets are Changing



Products ▾

Why Jarvis? ▾

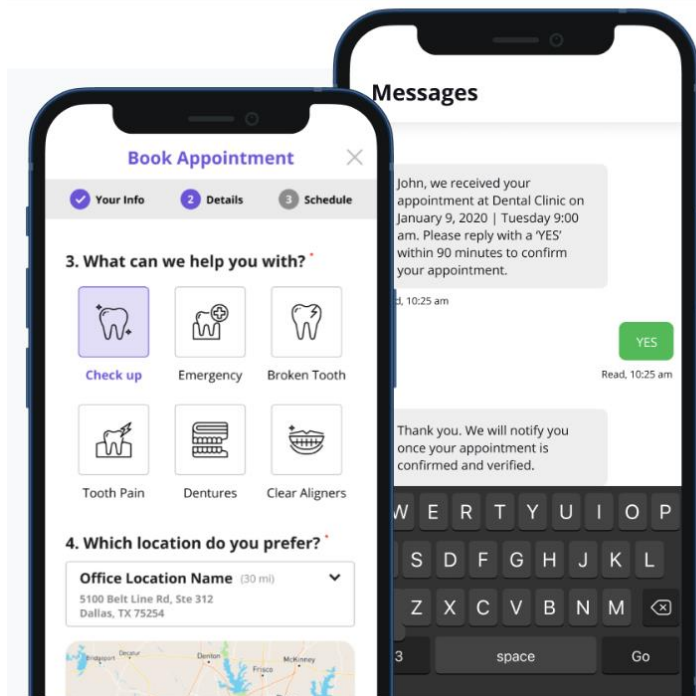
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Pricing

Resources ▾



Schedule My Demo >



The new and better way to book appointments

Our all-in-one, HIPAA-compliant appointment scheduling platform goes beyond booking! We work 24/7 to fill your schedule. Your customers can schedule appointments with your practice anytime, day or night. You won't even have to answer the phone. Plain and simple.

Test Drive It Now! >

Patient Mindsets are Changing

KELLS First Look Screening

How it works

1



Schedule

Book an appointment online

2



Scan

Licensed dental staff comes to you to take X-rays and photos

3



Results

Report ready within 24 hours

4



Improve

Get recommendations for treatments and preventative actions

Looking Ahead – Big Trends

1. Shifting Practice Modality



2. Changing Patient Mindsets

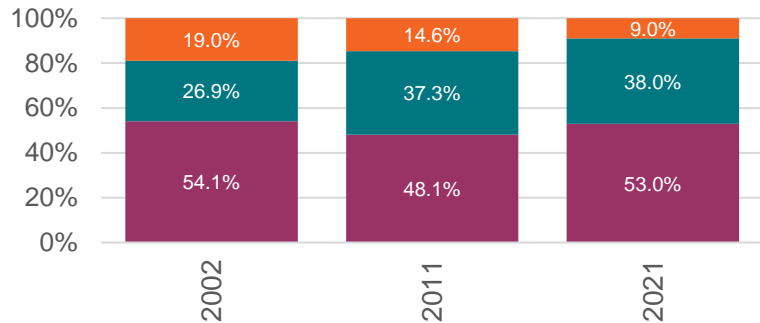


3. Payment Reform

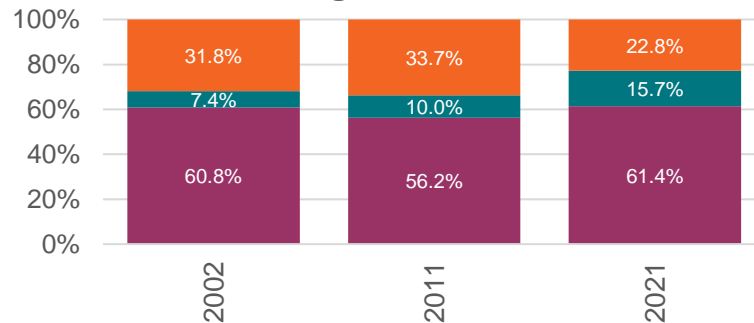


Dental Insurance Status by Age

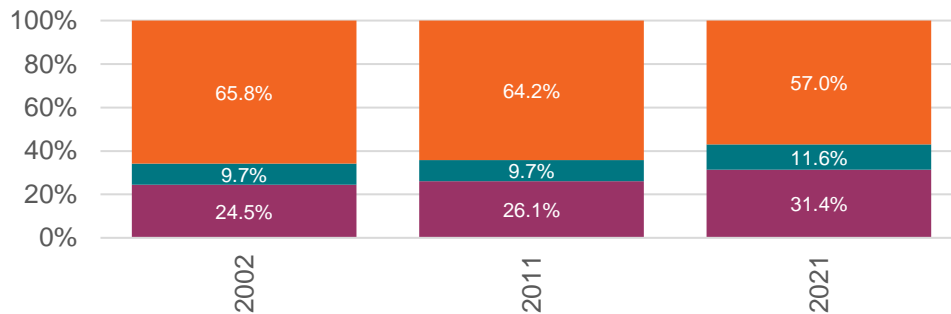
Ages 0-18



Ages 19-64



Ages 65+



■ Private ■ Public ■ Uninsured



HEALTH CARE

Dental insurance isn't a scam — but it's also not insurance

How we pay for going to the dentist is supremely screwed up.

By Emily Stewart | emily.stewart@vox.com | Oct 16, 2023, 6:00am EDT

Value Based Care – Defining Terms

Guest Editorial

Value-based care in dentistry

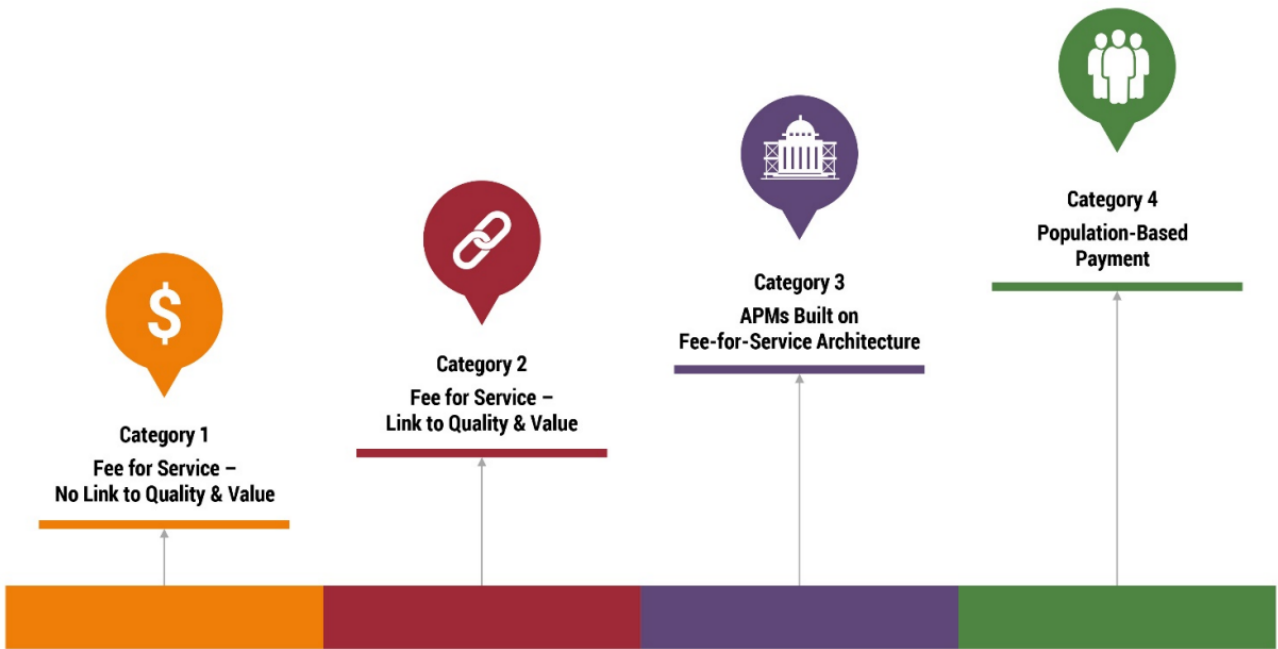
Is the future here?

Marko Vujcic, PhD; Guy David, PhD

Box 1. Elements of value-based care.

Patient-Centered Care	Value-based care puts the patient at the center of the care delivery process. Dental care providers must take the time to understand patients' unique needs, preferences, and goals for their oral health and tailor treatment plans accordingly.
Focus on Prevention	Patients must be educated about the importance of preventive measures, such as regular examinations and at-home oral hygiene practices to prevent dental disease from developing. Providers and patients can leverage tools such as smart toothbrushes to track healthy behaviors.
Evidence-Based Practice	Dental care providers should use evidence-based practices to deliver high-quality care. Evidence-based dentistry involves using the best available scientific evidence to inform clinical decision making and treatment planning. There needs to be a consistent focus on what is the most effective intervention to improve oral health for a given patient.
Integrated Care	Improving oral health outcomes requires collaboration with other health care providers to ensure that patients receive coordinated, comprehensive care. Dental care providers may need to work with primary care physicians to manage patients' chronic health conditions that affect oral health. In many cases, it will be difficult to improve oral health in a dentistry-only silo.
Continuous Improvement	Value-based care in dentistry involves continuous quality improvement. Dental care providers should track and analyze patient outcomes to identify areas for improvement and adjust their practices accordingly.

Value Based Payment Models – Defining Terms



Payments are based on volume of services and not linked to quality or efficiency.

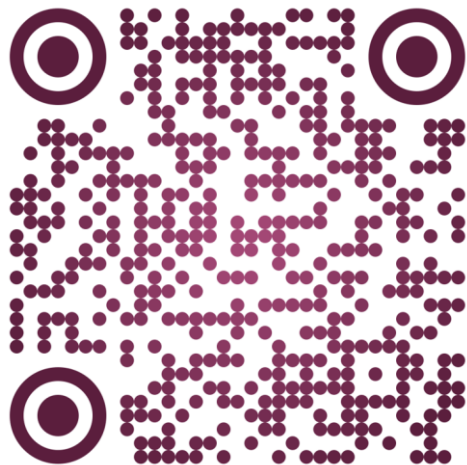
At least a portion of payments vary based on the quality or efficiency of health care delivery.

Some payment is linked to the effective management of a segment of the population or an episode of care. Payments still triggered by delivery of services, but opportunities for shared savings or 2-sided risk.

Payment is not directly triggered by service delivery so payment is not linked to volume. Clinicians and organizations are paid and responsible for the care of a beneficiary for a long period (e.g. ≥1 year).

VBP ≠ Capitation models from the 90s

Thank You!



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