Lack of Dental Coverage

Just as access to health care results in better general health, access to dental care results in both improved oral and overall health. However, more than 130 million children and adults still lack quality dental benefit coverage.

According to a 2007 report, among the total population of approximately 299.4 million Americans, only about 169.6 million have dental insurance.

Although 84.2 percent of the total population have medical coverage, only 56.6 percent of the total population have dental coverage.

For every person without medical insurance, there are 2.7 people without dental insurance.

In 2005, 25.3 million adults (or about 12 percent of the adult population) did not receive dental care because they couldn’t afford it.

Preventative Care for Children

Because preventative care is the most effective way to improve oral health, the impact on children can be even more significant.

About one-fourth of children 2–17 years of age were reported not to have had a dental visit in the past year.

Uninsured children are 2.5 times less likely than insured children to receive dental care.

Twenty-five percent of low-income children have not visited a dentist before entering kindergarten.

One out of every five children under the age of 6 is living below the poverty line (annual income of $20,444 or below for a single family of four).

Twelve percent of children age 6–11 from families with incomes below the federal poverty line had untreated tooth decay, compared with 4 percent of children from families with incomes above the poverty line.

Nearly half of all cavities among low-income children go untreated.

By age 17, more than 7 percent of children have lost at least one permanent tooth to decay.
Water Fluoridation

As of the most recent survey, 44 of the 50 largest cities in the U.S. have community water fluoridation. That represents approximately 67.3 percent of the population.5

Yet, one-third of the U.S. population – or more than 100 million Americans – still lack access to water that contains enough fluoride to protect their teeth effectively.4 Weighing the costs against the benefits, the value of making fluoridated water available to everyone becomes clear.

- The per capita cost of water fluoridation over a person’s lifetime equals the cost of a single dental filling.6
- As of 2002, approximately $40 billion had been saved in reduced oral health care expenditures in the U.S. due to water fluoridation.9
- From 1990 to 2002, water fluoridation resulted in dental treatment cost savings of more than $25.7 billion.10
- For communities with 20,000-plus residents, every dollar invested in community water fluoridation yielded $38 in savings each year from fewer cavities treated.11
- Tooth decay in America has decreased by 30–50 percent because of fluoridation.11

Delta Dental member companies across the nation continue to be advocates for preventative efforts to improve America’s oral health – including water fluoridation.

Dentist Visits

Oral health improves when people visit the dentist regularly. Without dental benefits ensuring that dental care is accessible and affordable, dental visits would decrease.

- In 2003, Americans made about 500 million visits to the dentist, and an estimated $74 billion was spent on dental services.12
- More than 70 percent of individuals with private dental insurance reported seeing a dentist in the past year, while only 50.8 percent of those without benefits did so.12
- For people who receive periodontal maintenance during regular, biannual visits, there is a large cost savings for up to six years of follow-up for subsequent periodontal surgical procedures compared to people who receive only one periodontal exam per year.12

*Delta Dental* member companies across the nation continue to be advocates for preventative efforts to improve America’s oral health – including water fluoridation.
Overall Health

During the past decade, there has been increasing evidence documenting the relationship between oral health and systemic disease. Systemic conditions that can be detected by an oral exam and therefore treated earlier include diabetes, HIV/AIDS, osteoporosis, respiratory and vascular diseases, osteoarthritis and rheumatoid arthritis, and many oral cancers.

- As many as 120 physical illnesses can be detected, and therefore treated, by an examination of the mouth, throat and neck.10
- More than 75 percent of oral cancers can be identified either visually or through palpation in a comprehensive oral exam.10
- According to the Oral Health Foundation, someone in the U.S. is diagnosed with oral cancer every hour. When detected early, oral cancer has an 80–90 percent cure rate, compared with only 50 percent if found late.16

Productivity

Poor oral health increases time away from school and jobs. Pain and suffering due to untreated diseases can lead to problems in eating, speaking and learning.

- The Surgeon General reports that 51 million school hours are missed each year because of dental-related illnesses.
- Among adults, more than 154 million work hours are lost each year because of dental problems.17

Improved Oral Health

An oral health study examining 15 years of Delta Dental claims data on approximately 750,000 of its enrollees demonstrated clear evidence that dental benefits – and the increased accessibility to dental care they provide – can lead to dramatic improvements in oral health.

- Americans are keeping their teeth longer. In 1960, Americans over age 65 had only an average of seven original teeth.14 Today, this group retains an average of 24 original teeth.16
- A study by Delta Dental shows that 41.8 percent of patients treated in 2002 had nothing more than preventative and diagnostic treatment.13

Cost Savings

In a time of rising health costs, dental costs have remained moderate. Of the nation’s $1.98 trillion total health expenditures in 2005, only $86.6 billion – or approximately 4.4 percent – was spent on dental services.1 In 2001, dental insurance premiums accounted for around 0.5 percent of employee payroll, about $279 a year per employee.20

- The preventative care, early detection and treatment that dental benefits encourage save the U.S. $4 billion annually.21
- Every $1 spent on prevention saves $4 in treatment.

Realize the power of preventative care.
Enrollment

Nearly 170 million Americans are covered by some form of dental benefit through an employer-sponsored group plan, other group plan or individual plan. This represents about 57 percent of the population of the United States.¹

Percentage of U.S. Population with Dental Benefits

Dental Premiums by Plan Type (2000-2006)

By definition, Medicaid was primarily included in the DHMO and Dental Indemnity enrollment numbers prior to 2005. Medicare enrollment was concentrated in DHMO and Discount enrollment numbers prior to 2005.

See who’s providing for America’s oral health.
Employers

Dental benefits have become a necessary part of employee compensation packages and continue to grow at the same pace as the population. About 89 percent of large employers offer some type of dental benefit to their workers. When you take large and small employers into account, however, the percentage of companies offering dental benefits drops to 54 percent. Overall, about 40 percent of the U.S. workforce lacks dental benefits.

As indicated below, while all sizes of companies are adding dental benefits, about half of new sales are found in the three segments collectively representing companies with 10 – 499 enrollees.

Contributions

While employee-pay-all-benefits make up a significant portion of dental plans, employers still make a majority contribution in plans in which they share costs with the employee.
Review the industry trends.

**Plan Types**

- **PPO Trend** – The market continues to shift away from traditional indemnity/DHMO products and toward PPO products. Much stronger competition is expected in the PPO segment versus the traditional indemnity segment among carriers and for provider network development.

- **CDH** – Dental carriers continue to monitor consumer-driven health plans and evaluate possible new plan designs that will provide choices for employees while still meeting the fiscal constraints of employer benefit budgets.

- **Voluntary** – The dental market is expected to experience increased demand for voluntary plans as employers scale back on ancillary lines, such as dental coverage, due to rising health care insurance costs.

- **Employer-Paid** – Mid- and large-size organizations will continue to offer employer-paid dental benefits. Many companies continue to expand their voluntary product offerings to include more plan features (e.g., the option to shift endodontics and periodontics from basic service to major service).

- **Maximum Rollover Plans** – Companies promoting maximum rollover plans continue to experience strong sales growth of approximately 15 percent annually, due to the high perceived value of these plan features. A few other carriers indicate that they are considering offering maximum rollover plans in the near future.

- **Discount/Access Plans** – Although carriers continue to market discount/access plans, discount plans are not key focuses for most group dental benefits carriers.

- **Hybrid PPO/Access Plans** – Hybrid PPO/access plans that include both discount and insured components will be the primary forms in which access plans will develop in the market.

**Penetration of Total Dental Benefits to Population by Benefit Type**

(based on total population of individuals who have dental benefits)

Public Benefits such as Medicaid and SCHIP represent about 13 percent of the total market. However, for the purpose of trending, we assume that 50 percent of Medicaid and Medicare benefits are similar to DHMO products and 50 percent are similar to indemnity products. Based on this assumption, the DHMO and Dental Indemnity segments include estimations for publicly funded benefits.
Other Factors

- **Evidence-Based Dentistry** — Active research continues to examine the effects of oral health on various systemic medical conditions — and research conducted by the U.S. Surgeon General indicates there are correlations between periodontal disease and health care costs for certain medical conditions.
- **Consolidation** — Carriers are pursuing acquisition-based growth strategies intended to diversify their business mix.
- **Technology** — Key areas of technology support focus on employee and provider services regarding billing and payment, claims, enrollment and communication. Dental carriers continue efforts geared toward improving utilization of their online services across all constituencies to enhance customer service, provide greater flexibility and improve their operating efficiency and cost structure.

The method for collecting this information has been changed to more accurately reflect the realities of the marketplace. In previous years, the method for collecting this data did not allow for a complete picture of the “Shared” portion of the funding equation, placing most of that component with the “Employer-Paid” component.
Industry Growth

Based on the new lives added annually, total number of lives insured and in-force premiums, it's clear that many employers realize the highly cost-effective nature, overall value and general importance of dental benefits.
Demonstrate the value of dental benefits.

Rate Stability

In a time of rising health costs, dental benefits remain a good value for both employer and employees because dental plan rates continue to display stability and experience high-volume, low-cost claims. Catastrophic claims are rare, and maximums keep high claims under control. Utilization is the primary driver of trend rates.

Trend rates represent national averages and include the following components: price inflation, deductible leveraging, utilization, technological advances and cost shifting.
Most Important Attributes

Below are results from the Delta Dental Brand Awareness Study, administered by The Long Group in 2006. Each stakeholder group was asked to rank attributes of dental benefits in order of importance. Demonstrating a clear understanding of our clients’ needs, Delta Dental receives consistently high satisfaction ratings in those areas most important to the audiences we serve.

Industry Leadership

Delta Dental member companies serve more than one-fourth of the nearly 170 million Americans with dental coverage – providing dental benefits to more than 51 million people in 93,000-plus groups across the nation.

Products

Because every business is different, we tailor our group dental benefits programs to fit each company’s requirements and the needs of its enrollees.

Networks

Approximately three out of four dentists in the U.S. are part of the Delta Dental Premier® network. The country’s most extensive offering of providers, it includes more than 120,000 unique dentists.

March 2008 Network Comparisons Unique Dentist Summary

<table>
<thead>
<tr>
<th>Network</th>
<th>Unique Dentists</th>
<th>General Dentists</th>
<th>Endodontists</th>
<th>Orthodontists</th>
<th>Oral Surgeons</th>
<th>Pediatric Dentists</th>
<th>Periodontists</th>
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<tr>
<td>Delta Dental Premier®</td>
<td>120,818</td>
<td>98,819</td>
<td>3,348</td>
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Savings
Delta Dental saved groups nearly $5.9 billion in 2007 through unique cost-control measures and contractual agreements with dentists that ensure dental care at moderate fees.

Service
In 2007, Delta Dental processed nearly 76 million dental claims or an average of more than 1.4 million per week, with an accuracy rate greater than 99 percent.

Since 1954, Delta Dental has been working hard to improve oral health in our country by developing relationships that emphasize prevention and positive oral health care results over the long term.

We pursue our mission by increasing access to benefits, offering the largest national network of dentists, adding innovative new plan features, aggressively working to keep costs down, and supporting philanthropic programs that encourage better overall oral health.

As the first company to specialize in dental benefits, we remain passionate about oral health and its importance to future generations – and we strive daily to make dental care more accessible to everybody.
Sources

18. “Hope Health Newsletter.”
27. Aon Spring Trend Survey, 2007