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Research Brief

Update: Take-up of Pediatric Dental Benefits in Health Insurance Marketplaces Still Limited

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Key Messages

- *The final 2014 take-up rate of stand-alone dental plans in the health insurance marketplaces has not improved much since February 2014.*
- *Overall, the 2014 take-up rate of dental benefits for children appears low when compared to the objectives of the Affordable Care Act. Although further analysis is needed based on full enrollment data, our ongoing analysis of marketplace enrollment continues to suggest that the lack of a true mandate for pediatric dental benefits within the health insurance marketplaces is having important consequences.*
- *The final 2014 take-up rate of dental benefits for children in states where dental benefits are only available through stand-alone dental plans is only 26.1 percent, emphasizing that the lack of a true mandate for pediatric dental benefits is impacting consumer behavior.*
- *Because data are not available on the number of children obtaining dental benefits through medical plans, it is impossible to determine the total number of children and adults who obtained dental benefits through the health insurance marketplaces.*

Introduction

The ADA Health Policy Institute has closely monitored the impact of the Affordable Care Act on the dental care sector, including purchases of dental benefits within the health insurance marketplaces based on data from the Department of Health & Human Services (HHS). In 2014, stand-alone dental plans (SADPs) are available for purchase through the federally-facilitated marketplace (FFM) and all state-based marketplaces (SBMs).[1] Additionally, some medical plans offered through health insurance marketplaces include embedded pediatric dental benefits.[2] The percentage of medical plans that include embedded pediatric dental benefits by state ranges from zero percent in Arkansas,

California, Mississippi, Montana, Nevada,[3] New Jersey, New Mexico and Utah, to 100 percent in Connecticut, the District of Columbia, Vermont and West Virginia. In addition to pediatric dental benefits, adult dental benefits are offered in most marketplaces, most commonly through family SADPs.[2]

In this research brief, we update previous research[4] and calculate the final 2014 take-up rate of stand-alone dental plans through April 19, 2014, the last day of the special enrollment period. We discuss the policy implications of our findings.

Data & Methods

HHS provides monthly reports on marketplace enrollment. Similar to the February 2014 enrollment report,[5] the May 2014 enrollment report outlines the number of individuals that selected medical plans and SADPs, by state, through the FFM.[6] The report also outlines the number of individuals that selected medical plans by state for individuals purchasing insurance through SBMs. The report does not outline the number of individuals that selected an SADP through an SBM.

Our analysis includes individuals that selected medical plans and SADPs as reported by HHS through April 19, 2014 for the 36 states currently operating through the FFM.[7] We also include Covered California in our analysis, as California publicly released pediatric SADP selection numbers through February 28, 2014.[8] California does not offer adult dental benefits through their SBM for 2014.[9] We assume, for simplicity, that all individuals that selected an SADP also selected a medical plan. We calculate the take-up rate for SADPs by dividing the number of individuals that selected an SADP by the number of individuals that selected a medical plan. Based on HHS's categorizations, individuals under the age of 18 are considered children, and individuals age 18 and older are considered adults.

HHS did not categorize medical plans by whether or not they include dental benefits in either their February or May enrollment reports. Therefore, we continue to be unable to account for the number of children or adults gaining dental benefits through a medical plan. While previous research found that 73 percent of medical plans in the marketplace do not include dental benefits,[2] we feel this is an important limitation in our analysis. We hope that HHS will address this limitation in the future.

Results

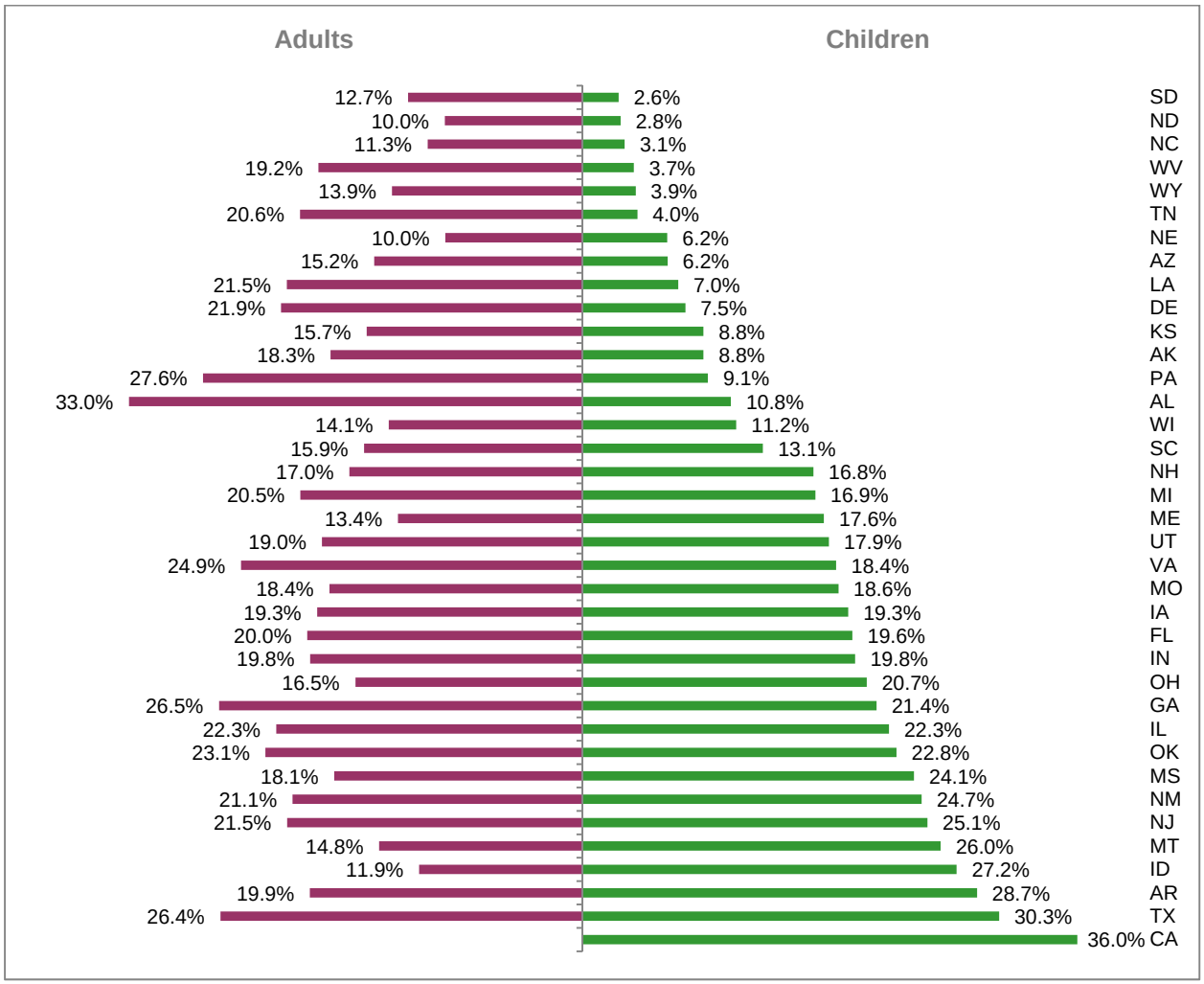
Through April 19, 2014, 88,101 children and 1,073,248 adults obtained SADPs through the federally facilitated marketplace and California. The average 2014 take-up rate of SADPs by children through the FFM was 15.8 percent, virtually unchanged from the take-up rate observed through February (15.9 percent). The take-up rate for children varies from 2.6 percent in South Dakota to 36.0 percent in California (see Figure 1).

In states where pediatric dental benefits are only available through SADPs (AR, CA, MS, MT, NJ, NM, UT), the average take-up rate for children is higher at 26.1 percent. Among these states, the take-up rate varies from 17.9 percent in Utah to 36.0 percent in California. The average 2014 take-up rate for these states is slightly lower than the average take-up rate observed through February (26.6 percent). While the take-up rates in California and New Jersey increased since February, the take-up rates in Arkansas, Mississippi, Montana, New Mexico, and Utah decreased, resulting in a lower overall average take-up rate for these states.

Again, we emphasize that due to data limitations, we are not able to measure enrollment in medical plans that have an embedded pediatric dental benefit.

The 18.8 percent take-up rate among adults remains higher than the take-up rate for children. However, the final 2014 take-up rate for adults is lower than it was through February (20.0 percent). The 2014 take-up rate for adults ranges from 10.0 percent in Nebraska and North Dakota to 33.0 percent in Alabama (see Figure 1). Take-up rates in Nebraska and Alabama were the lowest and highest for adults, respectively, through February as well.

Figure 1: 2014 Take-up Rate of Stand-Alone Dental Plans in Health Insurance Marketplaces



Source: ADA Health Policy Institute analysis of HHS's marketplace enrollment data through April 19, 2014. **Notes:** We calculate the number of individuals under the age of 18 that selected a medical plan and an SADP through the FFM (children). We also calculate the number of individuals ages 18-64 that selected a medical plan and an SADP through the FFM (adults). We assume that all individuals that selected an SADP also selected a medical plan. We calculate the take-up rate for SADPs by dividing the number of individuals that selected an SADP by the number of individuals that selected a medical plan. We also include the percentage of children in California that selected an SADP through February 28, 2014. In California, no adult-only or family SADPs are offered.

Discussion

The final 2014 take-up rate of child SADPs in the marketplaces remains low relative to the objectives of the Affordable Care Act. While take-up rates for SADPs among children improved in some states since February, at most just over one in three children and adults who obtained medical coverage also obtained dental coverage through an SADP.

We continue to stress that an important shortcoming of our analysis is that we do not capture the number of individuals obtaining dental benefits through a medical plan. But in those states where pediatric dental benefits can only be obtained through SADPs, the take-up rate remains low when compared to the objectives of the Affordable Care Act.

Our ongoing analysis of HHS's marketplace enrollment data continues to indicate that the lack of a true mandate for pediatric dental benefits is limiting the expansion of dental benefits to children. It appears that consumers forewent the selection of SADPs for both themselves and their children when shopping for medical plans through the marketplaces.

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[7] In 2014, 34 states are participating in the FFM, and the remaining 17 states (including the District of Columbia) are operating SBMs. Two SBMs, in Idaho and New Mexico, are currently operating through the FFM. The Henry J Kaiser Family Foundation. State decisions for creating health insurance marketplaces, 2014. May 2013. Available at: http://kff.org/health-reform/state-indicator/health-insurance-exchanges/. Accessed January 28, 2014.

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