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Research Brief

Lack of True Mandate for Pediatric Dental Benefits Limits Take-Up of Coverage, Early Enrollment Data Suggest

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Key Messages

- *The take-up rate of stand-alone dental plans in the newly established health insurance marketplaces through February 2014 varies considerably from state to state. Idaho has the highest take-up rate for children and Alabama the highest for adults.*
- *Overall, the take-up rate of stand-alone dental plans for children is low when compared to the objectives of the Affordable Care Act. Although further analysis is needed based on full enrollment data, early results suggest the lack of a true mandate for pediatric dental benefits within the health insurance marketplaces is having important consequences.*
- *Due to data limitations, it is unclear whether consumers are purchasing dental benefits primarily through stand-alone dental plans or medical plans with embedded dental benefits.*

Introduction

The Affordable Care Act (ACA) highlights the importance of oral health, making pediatric dental services one of the 10 essential health benefits that all small group and individual market health plans are required to cover.[1] In 2014, the federally-facilitated marketplace (FFM) and all state-based marketplaces (SBMs) are offering pediatric dental benefits either through stand-alone dental plans (SADPs) or medical plans that include pediatric dental benefits.[2] Early analysis shows there is considerable variation in how dental benefits are being offered in the marketplaces.[3] In Arizona, California, Mississippi, Montana, New Jersey, New Mexico and Utah, dental benefits are only available through SADPs. In most states there is a mix of SADPs and medical plans that include pediatric dental benefits. In Connecticut, the District of Columbia, Vermont, and West Virginia, all medical plans include pediatric dental benefits.

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In addition to pediatric dental benefits, adult dental benefits are offered in most marketplaces.[4] Adult dental benefits are most commonly offered through family dental benefit plans. Family dental benefits can be provided through SADPs, or embedded within medical plans. There are also a small number of marketplace medical plans that include adult-only dental benefits.[5]

Health plans sold through the FFM and SBMs are not required to include pediatric dental benefits as long as there are SADPs available for purchase.[6] Allowing marketplaces to offer SADPs essentially disconnected pediatric dental benefits from the tax penalty,[7] and consumers are not actually required to purchase them unless they reside in a state that requires the purchase of pediatric dental benefits.[8]

In this research brief, we analyze the take-up of SADPs in the health insurance marketplaces. Specifically, we calculate the percentage of children and adults who selected a medical plan who also selected an SADP as of February 1, 2014. We discuss the policy issues that these early enrollment results highlight.

Data & Methods

In 2014, 34 states are participating in the FFM, and the remaining 17 states (including the District of Columbia) are operating SBMs.[9] Two SBMs, in Idaho and New Mexico, are currently operating through the FFM.

The United States Department of Health and Human Services (HHS) provides the public with monthly reports on marketplace enrollment.[10] The February 2014 enrollment report outlines the number of individuals that selected medical plans and SADPs by state for individuals purchasing insurance through the FFM. 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 a SBM.

Our analysis includes individuals that selected medical plans and SADPs as reported by HHS through February 2014 for the 36 states currently operating through the FFM.[11] We also included Covered California in our analysis, as California publicly released pediatric SADP selection numbers as of January 2014.[12] California does not offer adult dental benefits through their SBM for 2014.[13] We assumed, for simplicity, that all individuals that selected an SADP also selected a medical plan. We summarize the percentage of children and adults selecting a medical plan who also select an SADP. We call this the 'take-up rate' of SADPs. Based on HHS's categorizations, individuals under the age of 18 are considered children, and individuals age 18 and older are considered adults.[14]

HHS does not categorize medical plans by whether or not they include dental benefits. Therefore, we are unable to account for the number of children or adults gaining dental benefits through a medical plan. Even though previous research found that 73 percent of medical plans in the marketplaces do not include dental benefits,[15] we feel this is an important limitation of our analysis that we hope future HHS data releases address.

Results

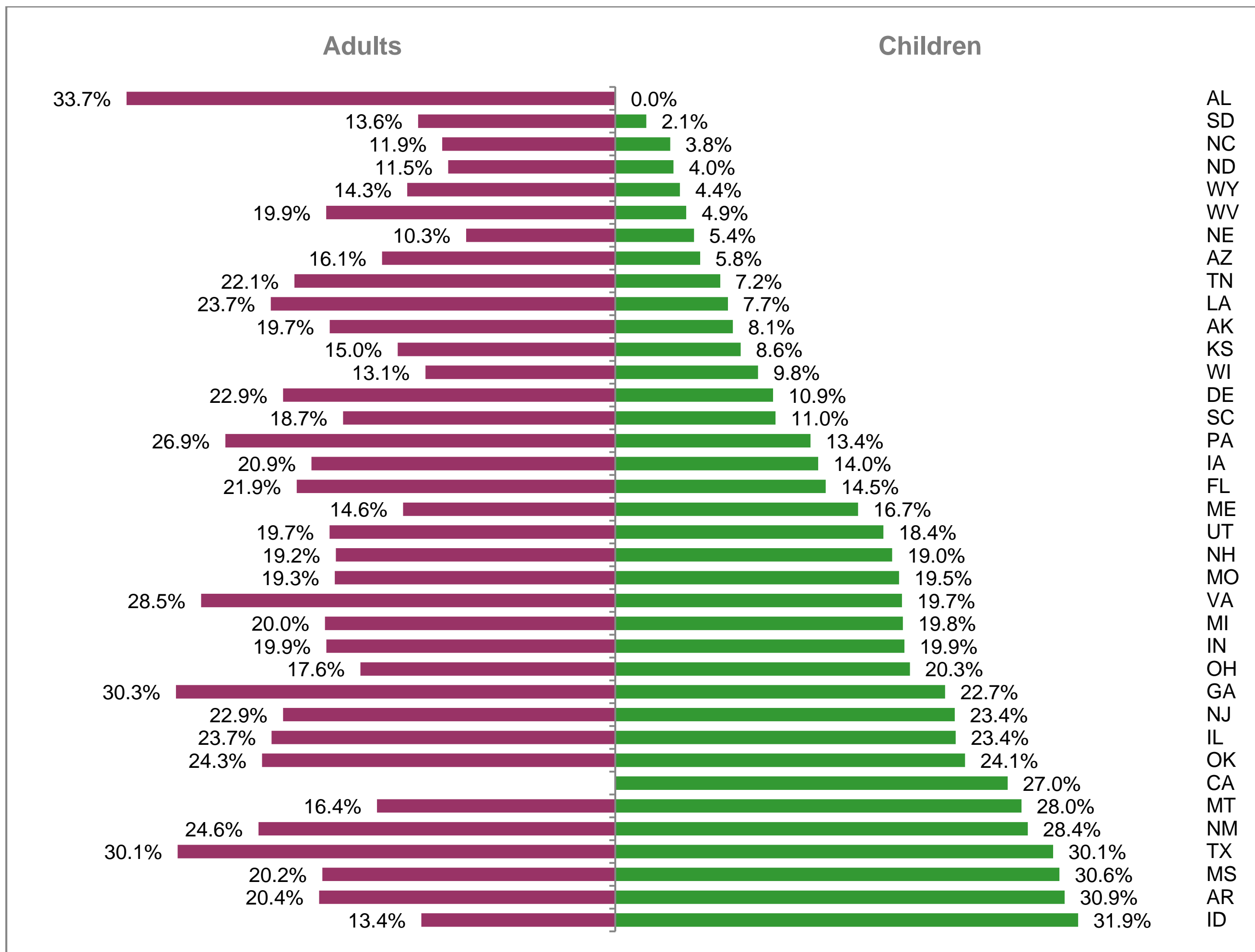
As of February 1, 2014, the average take-up rate of SADPs in the 37 states we analyzed was 15.9 percent. That is, an average of 15.9 percent of children that selected a medical plan also selected an SADP. The take-up rate for children varies from zero percent in Alabama to 31.9 percent in Idaho (see Figure 1).

In states where pediatric dental benefits are not available through medical plans and are available only through SADPs (AR, CA, MS, MT, NJ, NM, UT), the

average take-up rate for children is slightly higher at 26.7 percent. Among these states, the take-up rate varies from 18.4 percent in Utah to 30.9 percent in Arkansas. In West Virginia, where all medical plans include pediatric dental benefits, the take-up rate is much lower at 4.9 percent. 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. In the majority of states, this is an alternative channel through which children could be obtaining dental benefits.

The SADP take-up rate among adults is higher than for children in most states. The average take-up rate for adults across all states is 20 percent and varies from 10.3 percent in Nebraska to 33.7 percent in Alabama (see Figure 1).

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



Source: ADA Health Policy Institute analysis of HHS data. **Notes:** We calculated the number of individuals under the age of 18 that selected a medical plan and an SADP through the FFM (children). We also calculated the number of individuals age 18 and older 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 calculated the take-up rate of SADPs by dividing the number of individuals that selected an SADP by the number of individuals that selected a medical plan. We also included the percentage of children in California that selected an SADP using Covered California's published data. In California, no adult-only or family SADPs are offered.

Discussion

Through February 1, 2014, the take-up rate of adult and child SADPs in the marketplaces is low relative to the take-up of medical plans. At most, just over one out of three adults and children who obtained medical coverage also obtained dental coverage through an SADP. An important shortcoming of our analysis is that we do not capture the number of individuals obtaining dental benefits through a medical plan. However, the low take-up rate of SADPs in those states where dental benefits can only be obtained through SADPs suggests that this data shortcoming may not be that critical. Nevertheless, we hope future data releases from HHS will allow for a more complete analysis.

It is clear from our analysis that the lack of a true mandate for pediatric dental benefits is having important consequences when it comes to expanding dental benefits to children. Many consumers appear to be foregoing the selection of dental benefits for both themselves and their children when they shop for medical plans in the marketplaces. Pediatric dental services are one of the 10 essential health benefits under the ACA, and the intent of the ACA when it was passed was that all children have dental coverage. As the ACA never considered adult dental benefits essential, the take-up rate for adults is less of an issue from the standpoint of policy makers.

Individuals have until March 31st to enroll in health insurance before incurring a tax penalty.[16,17] It will be interesting to monitor whether the take-up rates change during the last two months of open enrollment. More broadly, a critical issue for further research is why some states have much higher take-up rates of SADPs than others. The ADA Health Policy Institute is monitoring enrollment and, more importantly, is launching a comprehensive research program on consumer purchasing behavior in the health insurance marketplaces and how the ACA is impacting access to dental care.

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