ADA News
AMERICAN DENTAL ASSOCIATION WWW.ADA.ORG
AUGUST 19, 2013 VOLUME 44 NO.15

Affordable Care Act, dental benefits examined

The "Patient Protection and Affordable Care Act," shorthanded as the ACA and as this series of reports will refer to it, has the potential to reshape health care in America. Expansion of medical insurance coverage, a move toward more integrated care delivery and significant changes in the financing of health care are among the expectations of ACA legislators and regulators. The Association's primary focus has been the law's potential effects on dentistry and the delivery of dental services to patients. The first ACA Q-and-A installment in the Aug. 5 ADA News is posted online at ADA.org. This report examines the ACA and dental benefits.

Changes in dental benefits coverage are influenced by a variety of factors. The ADA Health Policy Resources Center projections through 2018 that follow are based on information in ADA-commissioned analyses by Milliman Inc. These analyses were offered before a number of key ACA coverage decisions were made. With this in mind, the projections must be viewed as representing a potential ceiling for expansion of dental benefits coverage under the ACA.

Is dental coverage required as of Jan. 1, 2014, under the ACA?

Yes, for children but not adults. After Jan. 1, 2014, all individual and small group market plans – both inside and outside the exchange – must be certified as "qualified health plans" except for stand-alone dental plans. QHPs must provide all "essential health benefits". Pediatric oral health services are included in the 10-category EHB package and must be offered.

What is the dental EHB for children?

All states except Utah (which is offering only preventive dental services) have chosen either the state's Children's Health Insurance Program plan or the MetLife High Option plan from the Federal Employee Dental and Vision Insurance Program as their benchmark plan. Both plans provide an adequate array of dental services. "Pediatric services" are defined as services for individuals under the age of 19, although states have the flexibility to extend such coverage beyond the age 19 baseline.

Must the dental EHB benefit be purchased?

Not within exchanges run by the federal government. A federal agency interpretation of the ACA has determined that within the exchange the dental EHB need only be offered. However, in the individual and small group markets outside the exchange, the dental EHB must be purchased. The ADA strongly disagrees with this interpretation, but at this time it appears that all exchanges run by the federal government will be operating within these parameters. On the other hand, states have the authority to mandate the purchase of the dental EHB. Few states have chosen to mandate purchase or are considering doing so.

Will the delay of the employer mandate affect coverage?

Yes, at least in the short term. According to the Congressional Budget Office about 1 million fewer people are expected to enroll in employer sponsored coverage because of the one-year delay in penalties on large businesses (50 or more full-time employees). CBO estimates about half of those people will remain uninsured for 2014, while the others will obtain coverage through the exchanges or low-income government programs.

Will limited Medicaid program expansion affect coverage?

Yes. At present, only 23 states and the District of Columbia have indicated they will expand the Medicaid program to cover adults in the manner called for in the ACA. Several states are looking for alternative ways of participating and more states may expand their Medicaid programs or find alternative means of covering this population in response to evolving fiscal and political factors.

Projections

The following projections are upper-bound estimates and do not necessarily reflect the restrictions cited above (e.g. no requirement to purchase the dental EHB in the exchange, a delay of the employer mandate and limited Medicaid expansion).

How many additional children may receive dental benefits under the ACA?

Approximately 8.7 million children could gain extensive dental coverage through the ACA by 2018. For children, the expansion will be almost evenly split among Medicaid (3.2 million), health insurance exchanges or marketplaces (3 million) and employer sponsored insurance (2.5 million).

How many additional adults may receive dental benefits under the ACA?

About 17.7 million adults could gain some sort of dental coverage through the ACA. However, given that many states have only limited or emergency dental benefits through Medicaid, only 4.5 million adults will gain extensive dental benefits through Medicaid. About 800,000 adults will gain dental benefits through the health insurance exchanges.

By what magnitude might the ACA reduce the numbers of adults and children who have no dental coverage?

The ACA has a bigger impact on children.

The number of children without dental benefits could be reduced by approximately 55 percent. On the other hand, the number of adults without dental benefits might be reduced by approximately 5 percent.

How many additional Medicaid dental visits will the ACA generate?

Assuming that the expansion population utilizes Medicaid dental services in the same pattern as today's Medicaid beneficiaries, the expansion is estimated to generate an additional 2.9 million pediatric dental visits and 7.5 million adult dental visits.

How many additional dental visits will the ACA generate through health insurance exchanges or employer sponsored insurance?

The ACA is expected to add 11 million pediatric private dental visits through expansion of dental benefits through the exchanges and employer sponsored insurance. The ACA also will generate 1.7 million adult private dental visits through expansion of dental benefits in the health insurance exchanges.

What impact will the ACA have on dental spending nationwide?

It is estimated that the ACA will increase U.S. dental spending by an estimated $4 billion, which is less than 4 percent of current national dental expenditures. The largest effect will be seen in the Medicaid population, generating $2.4 billion in Medicaid dental spending. This represents a 28 percent increase over 2010 Medicaid dental spending levels with adults accounting for roughly two-thirds of the increase. An additional $1.6 billion in expenditures is expected by adults and children gaining private dental benefits through exchanges and employer sponsored coverage.

Are state specific projections available?

Yes. State-by-state projections are available for the number of adult and child dental beneficiaries, as well as the number of future dental visits in each state. State-by-state projections are available at www.ada.org/sections/professionalResources/docs/HPRCBrief_0413_3x.xlsx.

What is the basis of projected extensive-dental-benefit gains for Medicaid adults?

We assume that states that have extensive dental benefits in Medicaid as of the end of 2012 will continue to have extensive dental benefits through Medicaid through 2018. An analysis of state-level policies by the ADA has determined that 11 states (AK, CT, IA, NM, NY, NC, ND, OH, OR, RI and WI) have extensive Medicaid adult dental benefits.

Given the fiscal climate, will states expand Medicaid dental benefits?

Probably not. The past decade has seen an overall erosion of adult dental benefits within Medicaid programs. A recent survey of state Medicaid budget officers found that nine states reduced or intended to reduce dental benefits in the next year and four planned to expand dental benefits.

Will there be any incentive for states to scale back dental benefits, given that there will be an influx of individuals into Medicaid?

The ACA does not provide strong incentives for states to change their adult dental benefits in Medicaid from current levels. States are incentivized to 'lock in' existing policy. For states that already provide some level of adult dental benefit, the federal government will fully fund the expenditure associated for the expansion population for the first three years. Even though adult dental benefits are not mandated by the ACA, if states already provide the benefit to adults in Medicaid, the additional fiscal burden of maintaining the benefit is likely to be minimal. However, states that do not currently provide any adult dental benefits in Medicaid will have very weak financial incentives to add them.

Has the increased retention of public health benefits by nonelderly adults led to an increase in dental benefits?

Because states have scaled back adult dental benefits over the last decade, it is unlikely that the increase in Medicaid enrollment has resulted in a significant increase in dental benefits.

Please send your ACA implementation questions to the dedicated email address healthreform@ada.org. ■

More info on ADA.org

Health Policy Resources Center publishes briefs; ADA seeks input from members

The ADA Health Policy Resources Center published a series of research briefs on the Affordable Care Act, Accountable Care Organizations and the future of dental benefits for children and adults.

They are available online at ADA.org for download and are titled:

- "Affordable Care Act Expands Dental Benefits for Children But Does Not Address Critical Access to Dental Care Issues";
- "Accountable Care Organizations Present Opportunities for the Dental Profession";
- "Dental Benefits to Expand for Children, Likely Decrease for Adults in Coming Years."

All three are located at www.ada.org/1442.aspx.

ACA questions

The Association has set up an email address, healthreform@ada.org, for ACA implementation questions.

The ADA News will also continue to report on implementation of the many-faceted Affordable Care Act. Look for Part 3 of the series in an upcoming issue. The first part appeared in the Aug. 5 ADA News and online. ■