

Executive Summary

Background

The American Dental Association (ADA) carried out a comprehensive analysis of the dental care sector to help inform the strategic planning process. The research was carried out by external consultants and the ADA's Health Policy Resources Center. A group of renowned thought leaders reviewed the findings and provided additional insights. This report is a summary of the findings.

Key Findings

Several important structural changes have occurred in the dental care sector in recent years. Utilization of dental care has declined among working age adults, particularly the young and the poor, a trend that is unrelated to the recent economic downturn. Dental benefits coverage for adults has steadily eroded the past decade, again particularly for young and poor adults. Not surprisingly, more and more adults in all income groups are experiencing financial barriers to care. Total dental spending in the U.S. slowed considerably in the early 2000s and has been flat since 2008, with public financing accounting for an increasing share. Trends for children are very different than for adults. Dental care utilization among children has increased steadily the past decade, a trend driven entirely by gains among poor and near-poor children. The percent of children who lack dental benefits has declined, driven by the expansion of public programs. The shifting patterns of dental care utilization and spending have had a major impact on dentists. Average net incomes declined considerably beginning in the mid-2000s. They have held steady since 2009 but have not rebounded. Two out of five dentists indicate they are not busy enough and can see more patients, a significant increase over past years. Most importantly, all of these trends were established well before the recent economic downturn.

The coming years will bring considerable change to the dental profession, significant challenges, but also some new opportunities. Modeling results indicate that dental spending will remain flat in the coming decades. This 'new normal' is a stark departure from decades of historically robust growth in the dental economy. For a variety of reasons, dental benefits are likely to continue to erode for adults, which could negatively influence dental care utilization. The Affordable Care Act will expand dental benefits coverage for children, both public and private, but will not address many key access to care issues. It will not reverse the decline in utilization among adults. On the care delivery side, there will be pressure to increase value and reduce costs from all payers – governments, employers, and individuals. This will be driven by a shift toward value-based payments within both public and private plans and a new wave of health care consumerism among the population. Commercial dental plans will increasingly use more selective networks, demanding increased accountability through data and performance measures. The trend towards larger, consolidated multi-site practices will continue, driven by changes in practice patterns of new dentists, a drive for efficiency, and increased competition for patients. The pressure to reduce costs will also drive innovation, including exploring alternative care delivery models. The Affordable Care Act will promote increased coordination of care, providing an opportunity to bridge the gap between oral and general health and to re-examine the role of oral care providers within the health care system. The immediate opportunities will be within the pediatric and Medicaid populations.

Key Takeaway

It is a critical moment for dentistry and a time for the profession to define its destiny. Given the significant environmental changes on the horizon, this is a watershed moment for the profession. It is not a time for complacency. Understanding the key forces at work will assist the profession in defining its own destiny. Ignoring what is happening in the health and consumer environment will mean ceding the future of the profession to others. This first step of scanning the environment through thoughtful, objective, empirical research has provided the ADA with the key facts and information needed to help shape a strategy for navigating the challenges ahead and charting a course for the dental profession.

For more information or to request a presentation of these findings, please
contact the ADA's Health Policy Resources Center at hprc@ada.org.
The full report is available on www.ada.org/escanreport.