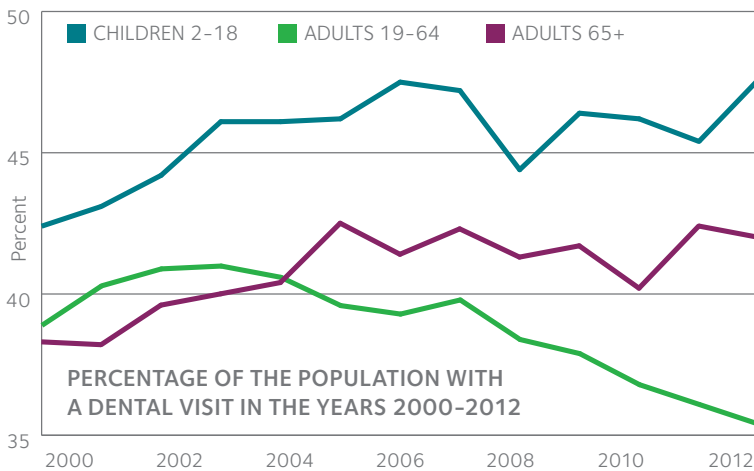


5 Trends in the Dental Care Market

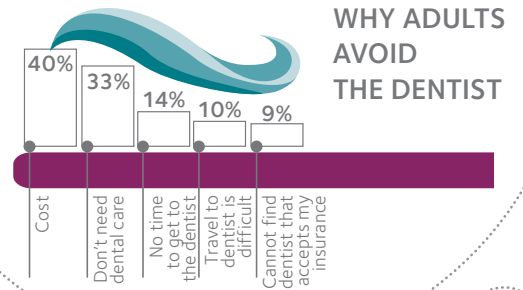
TREND 1

Dental care utilization is at the highest rate ever among children, but continues to decline among working-age adults. Utilization among working-age adults began declining even before the great recession, with only about a third of adults visiting the dentist today.



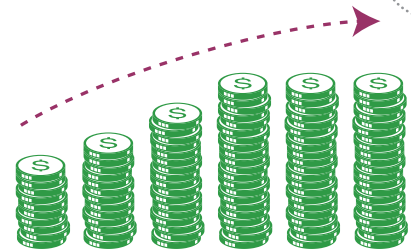
TREND 2

Cost barriers to obtaining needed dental care continue to rise for working-age adults. Additionally, many working-age adults report not visiting the dentist because they believe they have good oral health and do not need to go.



TREND 3

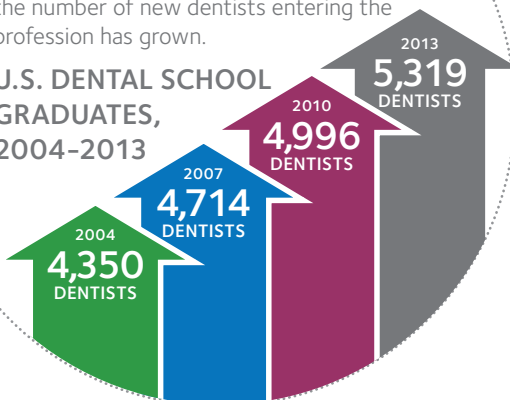
National dental expenditure has leveled off after several years of steady growth. Flat dental spending appears to be the "new normal," and a key driver of this slowdown in the dental economy is declining dental care utilization among working-age adults.



TREND 4

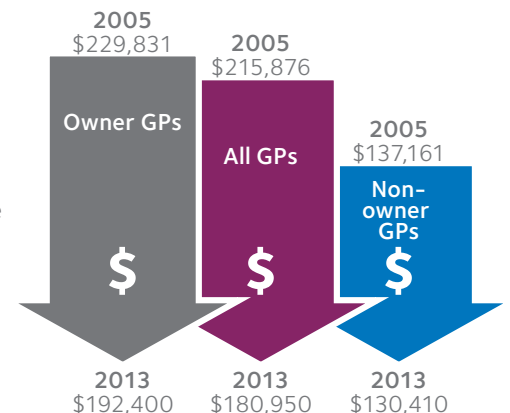
While adult dental care utilization has decreased and spending has leveled off, the number of new dentists entering the profession has grown.

U.S. DENTAL SCHOOL GRADUATES, 2004-2013



TREND 5

Dentists' earnings are not rebounding despite several years of economic recovery since the Great Recession. Given that dental spending is expected to remain sluggish while the supply of dentists is expected to increase, the prospects for dentist earnings remain unclear.

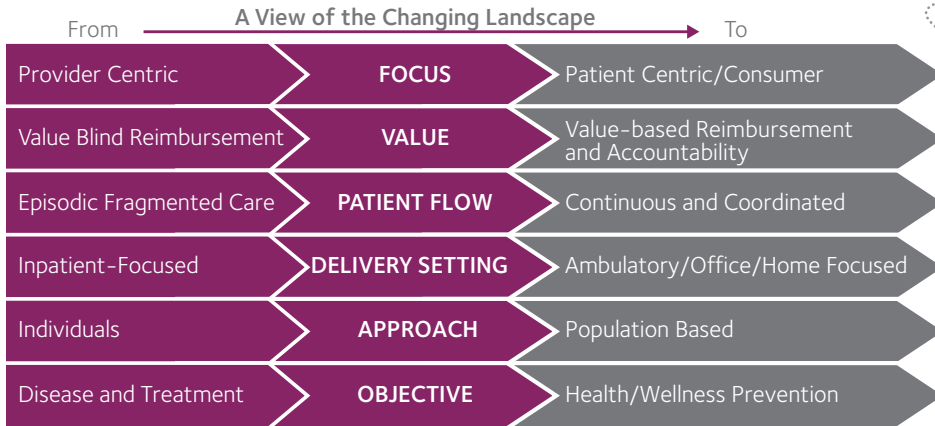


5 Future Forces Reshaping the Practice Environment

IN ADDITION TO HISTORIC TRENDS, THERE ARE FIVE FUTURE FORCES OF CHANGE THAT ARE RESHAPING THE PRACTICE ENVIRONMENT AND WILL CONTINUE TO IMPACT THE PROFESSION MOVING FORWARD.

FORCE 1

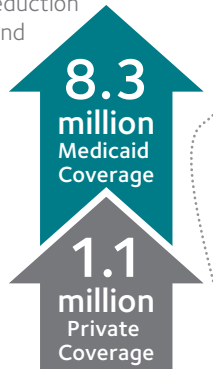
The U.S. healthcare system is moving away from the provider-centric, fee-for-service, disease treatment model of care toward a patient-centric, value-based reimbursement, prevention and wellness model of care.



Source: Dowling M. The journey to excellence. AHRQ Webinar. July 16, 2010 qts. in Glassman P. Oral health quality improvement in the era of accountability. Pacific Center for Special Care. 2011.

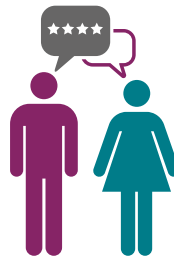
FORCE 2

Patient mix is shifting with increased demand for dental care services among children, seniors and Medicaid-insured individuals. As a reminder, Medicaid is the government-run healthcare program for low-income individuals. At the same time, we will continue to see a reduction in the number of middle- and high-income, privately insured working-age adults seeking dental care.



FORCE 3

Providers can expect to see increased consumerism in the coming years. Patients are treating health and dental insurance as they would other products, shopping for the plans that best address their specific health needs in the most cost-effective way.



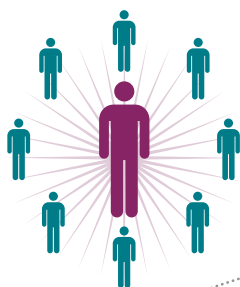
FORCE 4

The healthcare system is moving toward team-based care with several specialties working together in settings such as accountable care organizations.



FORCE 5

The dental sector will continue to see practice consolidation with fewer solo practices and more medium- to large-group practices with varying governance structures.

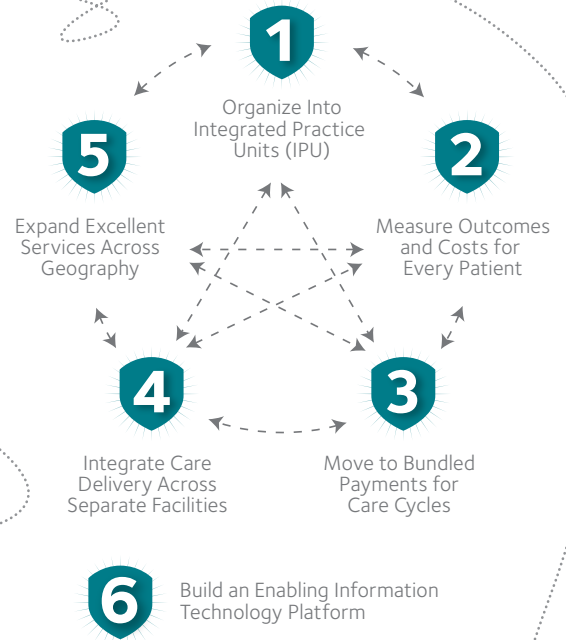


3 New Opportunities

GIVEN ALL OF THESE CHANGES THERE ARE SEVERAL NEW AND EXCITING OPPORTUNITIES BEFORE THE DENTAL PROFESSION.

OPPORTUNITY 1

Dentists have an opportunity to embrace the value agenda. While much of the shift away from old models of care to new, patient-centric value-based practice requires systems changes, providers are in particularly effective positions to influence that change. The ADA is helping to lead policy dialogue in this area.



Source: Porter M and Lee T. The strategy that will fix health care. *Harvard Business Review*. October 2013.

OPPORTUNITY 2

Embrace the growing market segments in dental care. The expanding Medicaid population will continue to grow as more states move forward with the decision to expand eligibility for their residents. We will also continue to see increased demand for dental care among children and seniors. Developing a patient mix that successfully includes these individuals will ensure that you have a robust and busy practice while helping to improve the population's oral health. The ADA is working with its partners on advocacy efforts to improve Medicaid programs in states.



OPPORTUNITY 3

Enhance collaboration with other health-care professionals. In one analysis, we estimate that with enhanced collaboration dentists can see up to 50 new patients in their practices, on average, in the U.S.

