

A Perspective on the Dentally Uninsured

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For many fortunate North Carolinians, “access to care” is something that is taken for granted. Through employer-funded benefit plans, many people have dental insurance benefits that help defray some of the costs of dental care for themselves and their families. These dental plans have been especially popular within the benefit packages that are offered by larger companies and corporations as a way to recruit and retain employees. But this trend is changing. As employers seek ways to cut costs, some employees are experiencing cutbacks in their dental insurance coverage. Others are seeing those benefits disappear altogether. Although the loss of dental benefits is not nearly as devastating as the loss of medical coverage, it does create a financial hardship for those who do not have the discretionary income to spend on oral health needs.

Lack of Dental Insurance Affects Vulnerable Populations

In 2000, the United States Department of Health and Human Services published *Oral Health in America: A Report of the Surgeon General*,¹ which found that 108 million children and adults in the United States had no dental insurance—twice the number of Americans who had no medical insurance. And it seems that those who suffer the most as a result of the lack of insurance are the most vulnerable—the very young and the very old. Like any other problem, the first step toward finding a solution is awareness. Unfortunately, one of the most frustrating problems is that those individuals and groups who tend to be at the highest risk for dental diseases seem to be the most overlooked or most unaware. For example, some parents do not recognize the importance of caring for their children’s primary teeth because most of those teeth will be gone by the time they are in middle school. They don’t realize that they are important not

only in the development of proper speech and a healthy self-image, but that they allow the permanent teeth to erupt into proper position. Others do not realize the negative impact that diets high in sugar can have on oral health. Of particular concern is the amount of soft drinks consumed by school-age children. It is alarming to note that 51 million school hours are lost each year due to dental-related health problems.

Elderly people face a different scenario. Many still harbor the belief that they should expect to lose their teeth as they get older. This belief tends to cause older adults to decrease the number of dental visits for routine preventive care at a time when their dentition is beginning to become more vulnerable. Tooth loss can lead to a multitude of dietary and lifestyle compensations. Many older adults find themselves in nursing homes or other assisted living facilities that can limit their access to dental care within their communities. Although some of these facilities have contracts with dentists to provide dental care to their residents, most utilize the offices of private practitioners to deliver care for those who are healthy enough to be transported. Without access to regular checkups and preventive visits, older adults face an increased likelihood of chronic oral pain resulting from

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periodontal diseases and tooth loss due to extraction for cases of untreated decay. If left untreated, these dental problems can limit normal daily activities, affect their nutritional intake, alter their level of independence, and complicate other existing overall health issues.

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Dental Insurance

In order to understand the impact of being dentally uninsured, it is important to understand that there are some basic differences between dental insurance and medical insurance. One of those differences is that dental insurance plans have traditionally offered financial incentives for patients to seek regular preventive dental care, such as cleanings, examinations, and radiographs. These incentives are built into the reimbursement rates whereby patients receive up to 100% coverage for these diagnostic and preventive services. This encourages patients to visit their dentist regularly so that potential problems can be diagnosed and treated before they become both more complex and more costly. This arrangement works well for both the patient and the insurance company since it saves both parties time and money.

There are three types of dental insurance plans available in the marketplace—traditional insurance, managed care plans, and direct reimbursement. It is important to look at the most common features of traditional dental insurance plans and then see how those features compare with the other types of insurance. First, the traditional plan allows patients freedom of choice when it comes to selecting their dentist. There is no financial incentive for them to choose one dentist over another. Second, most traditional dental insurance plans have an annual maximum benefit. This is usually \$1,000 to \$1,500 per year for each individual covered by the plan. To further help promote preventive care and to control costs, most plans pay up to 100% of the cost of diagnostic and preventive services. For more routine restorative procedures, such as fillings, most plans pay about 70 to 80%. Reimbursement levels usually drop to about 50% for more complex restorative needs, such as crowns and other prosthetic appliances.

Managed care plans work differently. Insurance companies market these plans in an effort to help control their administrative fees and serve as an alternative to employers who might be looking to lower their premium costs while continuing to provide dental benefits to their employees. The most popular managed care plans being marketed in North Carolina are called “Preferred Provider Plans.” Insurance companies seek to assemble a network of providers (“Preferred Providers”) who agree to serve the dental needs of those patients whose employers have chosen to purchase the plan for their employees or offer the plan as an individual group purchase option. Managed care plans offer similar incentives to patients by encouraging regular preventive care. They also have annual maximum benefit levels as well as a tiered payment system based on the agreed upon fee schedules accepted by the participating dentist. The cost savings are available to the insurance company by recruiting dentists who agree to accept a fee schedule that is usually discounted 10-to-30% below the prevailing fees within the geographic area. In return for agreeing to discount his/her fees to those within this plan, the insurance company places the dentist’s name on a list of their “Preferred Providers.” As an incentive for patients to seek care in the office of a “Preferred Provider,” they are often offered an additional discount relative to their out-of-pocket co-payments or deductible amounts.

The third, lesser known, type of plan is Direct Reimbursement (DR). This option was developed by the American Dental Association as a self-funded, tax deductible strategy to help employers control escalating premium costs while providing their employees with excellent dental benefits. Unlike traditional plans, there are no monthly premiums for employers to pay since there are no administrative costs built into DR. Employers only pay when an employee utilizes the plan. (Administrative fees charged by insurance carriers can account for up to 25% of the total annual costs of the plan.) Organizations that choose DR have the opportunity to select a dollar amount plan designed specifically for their employees, while setting an annual maximum limit for the year. This allows them to know their total investment for the plan without the worry of increasing premium costs year after year. It is interesting to note that since 1985, DR has experienced only a 2% turnover rate compared to the 10% or higher termination rate within other types of plans. This retention rate can be attributed to the cost-effective, non-networked dental benefits that are appreciated by both employers and their employees. Direct Reimbursement in North Carolina currently has 200+ participating groups covering more than 80,000 people, and it continues to gain market share in this very competitive environment.

Dentists Helping Low-Income Patients without Dental Insurance

For those individuals who are not fortunate enough to have dental insurance benefits and cannot afford to pay the total costs of obtaining dental care in a traditional fee-for-service environment, there are several opportunities for them to obtain dental care. Medicaid benefits are available to many low-income residents of North Carolina. The major barrier with having these benefits is finding a dentist who can afford to provide care given the low Medicaid reimbursement rates. Many counties have dental clinics within their health departments that charge fees on a sliding scale based on household income in an effort to make care more affordable. There are numerous “free clinics” sponsored by local dental societies where practitioners volunteer their time in the evenings or on days off to provide care at no cost. Often dental supply companies donate supplies to help support these charitable efforts. Finally, there are many dentists who provide care at reduced fees for those individuals and families in their practices and in their communities who cannot afford to pay their usual fees.

In addition to these ongoing efforts, there are also other events sponsored by local dental societies and charitable organizations that offer free care by targeting specific populations at different geographic locations throughout the state. For example, the American Dental Association and the North Carolina Dental Society co-sponsor “Give Kids A Smile” on the first Friday in February each year. On that day, each of the 100 counties in North Carolina has an event that provides some type of free dental care to children. Since the program began in 2001, more than 34,000 North Carolina children have received in excess of \$3 million in dental care from more than

4,500 dental volunteers. The Duke Endowment and the Kate B. Reynolds Charitable Trust provide financial support for Mission of Mercy Projects scheduled in different locations across our state throughout the year. These are usually two-day events where volunteer dentists set up portable dental equipment in large buildings to provide free care to local low-income residents. It is not unusual for these events to provide free care to several hundred people in a single weekend.

Like any other problem, the first step toward a solution is awareness. The challenge is to effectively educate all of our citizens about the benefits of good oral healthcare regardless of their age or income level. This is especially true for those individuals who are in positions to affect public opinion and public policy. These state and community leaders must be made aware of the overall health risks that are exacerbated by poor oral health habits. If policy makers were aware of the growing body of evidence that suggests a very strong link between oral and systemic health, most would take a more proactive position on assuring that there were mechanisms in place to improve the oral health of our citizens. Improvements in Medicaid reimbursement rates for both children and adults would go a long way in helping to address care to the dental uninsured.

Improving Oral Health Depends on Our Commitment to Dental Care

The real answer to the problem of the low-income dentally uninsured population lies with our society and its degree of commitment to dental care. It is interesting to note that our government provides food stamps to help low-income populations purchase food. Those who are eligible for food stamps can use them at any grocery store to purchase food at 100% of the face value indicated on the food stamp coupons. Also, Medicaid reimbursements for covered *medical* procedures are reimbursed to our medical colleagues at amounts that are equal to 90 to 100% of the Medicare allowable rates. And although progress is being made to increase dental Medicaid reimbursement rates, many procedures continue to be reimbursed at levels less than 50% of their usual costs. At those rates, dentists are losing money each and every time they perform dental procedures for Medicaid recipients. The harsh reality is that society has determined that providing food and medical care for low-income individuals is more important than providing them with dental care. And, until the citizens of North Carolina, and specifically those who serve in our legislature, begin to think differently, we will continue to struggle to find innovative ways to address the dental, emotional, and other health-related problems that low-income individuals experience as a result of those current priorities. **NCMedJ**

REFERENCES

- 1 US Department of Health and Human Services (US DHHS). Oral Health in America: A Report of the Surgeon General. Rockville, MD: US DHHS, National Institute of Dental and Craniofacial Research, National Institutes of Health, 2000.

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