

2021 Santa Fe Group Updated Plan and Cost Estimates for Medicare Part B Dental Coverage

This document updates work published in 2017 by Jones and Monopoli¹ which outlines an approach to development of a dental benefit in Medicare. It updates the costs of the 2017 plan for inflation; it modifies the original plan to address the desire of Congress for the dental benefit to be familiar to those seniors who will receive it; it adds a Supplemental Dental Benefit (SDB) for those with certain systemic diseases; and it expands funding for dental coverage for those seniors who already have it through such programs as Medicare Advantage (MA), Medicaid and private insurance. Finally, it provides for a voluntary Expanded Dental Benefit (EDB) with premiums and co-pays.

Medicare currently has an extraordinarily narrow dental benefit, contributing to oral health inequities among seniors. Half (47%) of Medicare beneficiaries did not have dental coverage in 2019. In 2018, the beneficiaries most likely to be without a dental visit included seniors of color, with highest rates among Blacks (68%), Hispanics (61%), low income (73%), or who were in fair or poor self-rated health (63%).²

To correct this healthcare inequity, we propose to expand Medicare Part B to include a Basic Global Dental Benefit (BGDB) and a Supplemental Dental Benefit (SDB) which require neither premiums nor co-pays from the insured. The specifics of the program are listed in the chart below, and the cost for the approximately 34.2 million Medicare enrollees who have no dental coverage is estimated to be \$148.4 billion over 10 years. In addition, we estimate the cost for the approximately 31 million who currently have some dental coverage (MA; Medicaid; Private) to be \$75.9 billion over 10 years. This cost is substantially lower because Medicare already covers some of the dental costs of these plans, and the additional funds will be used to upgrade the existing MA and Medicaid

dental plans to match the BGDB and the SDB. Thus, the total estimated cost for BGDB and SDB would be \$224.3 billion over 10 years. The BGDB includes diagnostic, preventive care including cleanings, periodontal scaling and root planing, x-rays, and fluoride treatments (including silver diamine fluoride) at 70% of UCR. The SDB is designed to take advantage of the reduced hospitalization costs by providing up to two additional preventive visits per year for individuals with non-communicable diseases (e.g., heart disease, stroke, diabetes, kidney disease and chronic lung disease) to receive cleanings and scaling and root planing. SDB is projected to pay for itself because diagnostic/preventive services have a significant positive ROI in the prevention of future dental needs, and non-surgical periodontal services have a significant positive ROI on future medical costs.

We also propose to add an Expanded Dental Benefit (EDB) which will require premiums and co-pays consistent with Medicare Part B. The premiums and co-pays in this plan are expected to pay for it using the sliding income scale as currently defined in Part B. The EDB includes crowns, dentures, root canals, and implants (limited by an annual cap of \$1,500). We use published data from our original analyses² updated for inflation. Co-pays were set a 20% to be consistent with Part B; however, if Congress set them at 50% the premiums would be much more competitive.

REFERENCES

1. Jones JA, Monopoli M. Designing a new payment model for oral care in seniors. *Compendium* 2017; 38 (9): 622-629. PMID: 28972386.
2. Freed M, Ochieng N, Sroczynski N, Damico A, Amin K. Medicare and Dental Coverage: A Closer Look. Medicare and Dental Coverage: A Closer Look | KFF. Accessed August 11, 2021.

TABLE 1

Santa Fe Group 2021 Updated Dental Benefit in Part B of Medicare

Category	Procedures	Coverage (%UCR)	Copay	2016 Estimate	2021 Estimate	Notes
Basic Global Benefit (No Premium Payment)						
Diagnostic	Exams	70	0%	11.12	12.56	Includes exams, xrays (D0120-D0330)
Preventive	Cleaning	70	0%	7.27	8.21	Includes prophylaxis, fluoride tx (D1000-D1999)
Periodontal	Periodontal Scaling	70	0%	4.53	5.12	See special note below
Surgical	Extractions	70	0%	1.01	1.14	
Restorative	Fillings	70	0%	8.09	9.14	Includes extractions and incision and drainage (D7111, D7140)
Basic Global Benefit Costs, pmpm				32.02	\$36.17	*(1,1296) 2016 Estimate=2021 estimate
Total annual basic global benefit cost per person					\$434.02	No payments by patient; plus admin costs.
Expanded Benefits (Requires Premiums)						
Restorative	Other than direct fillings	70	20%	16.82	19.00	D2000-D2999 EXCLUDING D2140-2161 AND D2330-2394
Endodontics	Root canals	70	20%	3.35	3.78	D3000-D3999
Periodontal	Other than above	70	20%	1.13	1.28	D4000-D4999, excluding D4341,4342, 4346, 4355, 4910
Removable	Dentures and partials	70	20%	4.02	4.54	D500-D5875
Implants	Under dentures	70	20%	0.25	0.28	Two implants under dentures only
Fixed Prosthodontics	Crowns and bridges	70	20%	4.35	4.91	D6200-D6999
Oral Surgery	Other than extractions	70	20%	1.51	1.70	D7000-D7999 except D7111, 7140, 7510-7511, 7520-75210
Adjunctive services	Other than above	70	20%	0.16	0.18	D9000-D9999
Total pmpm				31.59	\$35.67	*(1,1296) 2016 Estimate=2021 estimate
Annual Premium					\$428.04	20% copay + premiums by patient; plus admin. costs

#Based on Jones and Monopoli 2017; \$1500 limit per person per year.

*Medical care price history from 2016 through 2021 (in2013dollars.com).

Special note: Preventive dental services shaded in green are expected to be revenue positive; 2021 estimated cost pmpm is \$25.89. This includes SRP (by quadrant, q2years), plus periodontal maintenance and full-mouth debridement. The plan will also provide additional preventive (3rd and perhaps 4th) visits if required to control inflammation in participants with chronic diseases including: diabetes, heart disease, stroke, COPD, kidney failure (D4341, 4342, 4346, 4355, 4910).

Additional notes: Market forces may result in moderation of the proposed costs. Utilization is expected to be significant during the initial period due to pent-up-demand and is reflected by the costs in this study. Current costs for embedded Medicare Advantage dental plans are less than 50% of these numbers for similar coverage reflecting stabilization after the initial period of one to two years. Regional geographic differences may result in moderation of the proposed costs. Costs can be adjusted by time, frequency, deductible, annual max considerations. Commercial over-65 individual dental insurance policies may provide guidance for long-term program costs.

Number of Medicare beneficiaries estimated by CareQuest Institute's State of Oral Health Equity in America, a representative survey completed in February 2021.