

Dental coverage in Medicare Advantage plans: Nationwide market landscape, 2020 update

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Medicare is a critical healthcare program for Americans, providing 68 million beneficiaries nationwide with healthcare coverage through its traditional fee-for-service (FFS) program and its Medicare Advantage (MA) program. Dental services are not included in standard Medicare benefits, but may be included as a supplemental benefit in Part C MA plans. Indeed, supplemental coverage for dental services has become a very popular benefit in the market with nearly 80% of MA plan enrollees having access to embedded dental coverage.

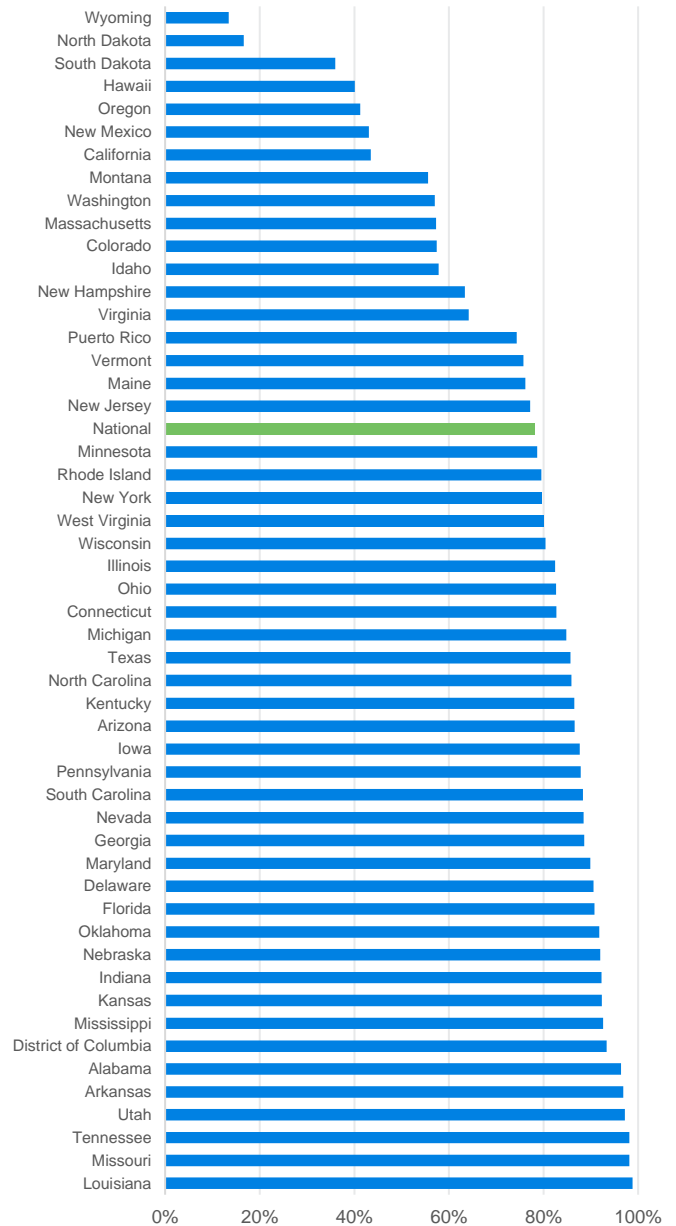
Within MA plans, dental benefits may be classified as preventive (lower cost routine services such as oral exams and cleanings) or comprehensive (specialized and higher cost services such as dentures and endodontics). Among MA plans that offer a dental benefit, they may choose to provide coverage for preventive services only, or both preventive and comprehensive benefits.

This article outlines the dental market landscape for MA plans in 2020 and explores trends that have emerged since 2018, when we first published an article on this topic¹. We also explore how enrollees may be selecting plans based on the availability of dental, and what steps MA organizations may be taking with respect to dental benefits. Our discussion is focused on mandatory supplemental dental benefits; i.e. dental coverage embedded as part of the base MA offering rather than optional dental coverage which the enrollee may elect to purchase.

MA dental market overview

Using Milliman’s Medicare Advantage Competitive Value Tool (MACVAT) we analyzed the supplemental benefit offerings available to 19.6 million Medicare Advantage enrollees². Approximately 78% (15 million) of these enrollees had access to some sort of embedded dental coverage. Dental coverage penetration varies widely by state. Figure 1 provides insight into MA plans offering embedded dental coverage for each state, District of Columbia, and Puerto Rico.

FIGURE 1: PROPORTION OF 2020 MA ENROLLEES IN PLANS WITH MANDATORY SUPPLEMENTAL DENTAL BENEFIT³



¹ 2018 Article: <https://us.milliman.com/en/insight/dental-coverage-in-medicare-advantage-plans-nationwide-market-landscape>

² Excludes employer group waiver plan enrollees.

³ Alaska is excluded as there are no MA plans currently available in that state."

Dental benefits offered by MA plans may differ based on the type of plan offered. Special needs plans (SNPs) were more likely than non-SNPs to cover some form of a dental benefit, with 89% of SNP members receiving a dental benefit embedded in their base plans. Among general enrollment beneficiaries, zero-premium MA plans were more likely to cover some dental benefit (82%) than MA plans with a premium (73%). MA plans commonly cover prescription drugs; plans that do not cover prescription drugs were also less likely to cover some dental benefit.

MA plans need to wisely allocate rebate and beneficiary premium dollars on supplemental benefits to attempt to optimize value for their current beneficiaries and entice prospective enrollees. As such, dental benefits must compete with other supplemental options for inclusion in an MA plan design. MA dental benefits may include preventive services only, or may also include comprehensive dental services. Figure 2 provides a breakdown of the types of covered dental services available to people enrolled in MA plans with some level of embedded dental benefit, split by enrollment in plans with zero beneficiary premium and non-zero premium.

FIGURE 2: 2020 COVERED DENTAL SERVICES FOR ENROLLEES IN MA PLANS WITH EMBEDDED DENTAL

DENTAL CATEGORY	SERVICE	% ZERO PREMIUM	% NON-ZERO PREMIUM
Preventive	X-Ray Services	98%	97%
	Oral Exams	100%	100%
	Prophylaxis	100%	99%
	Fluoride	60%	56%
Comprehensive	Prosthodontics	79%	79%
	Non-Routine Services	48%	58%
	Diagnostic Services	41%	29%
	Restorative Services	94%	94%
	Endodontics	49%	61%
	Periodontics	71%	75%

For MA plans covering some form of dental, preventive services are almost uniformly covered, with fluoride as the lone exception. These preventive services were offered without a copay for about 95% of enrollees. Comprehensive benefits have more variance, with diagnostic services in particular not being covered by one large MA provider in 2020.

MA plans may offer dental coverage with an annual maximum benefit limit. In 2020, 56% of enrollees receiving some form of an embedded dental benefit had an annual maximum, and 37% had

an annual maximum benefit greater than \$2,000. Plans covering comprehensive dental benefits were more likely to have an annual maximum assigned, with only 19% having no annual maximum.

MA plans may also decide to offer an optional dental benefit, which beneficiaries may purchase at their discretion for an additional premium. About 40% of MA enrollees have plans that offer some type of optional supplemental benefit, with virtually all offering dental coverage as one of the choices. Enrollment in plans with an optional dental benefit has remained steady since 2018 with approximately 40% of MA-eligible members receiving the coverage. Enrollment for optional benefits varied widely by state and was not correlated to enrollment in mandatory coverage.

MA dental market trends

PLAN GROWTH AND ENROLLMENT GROWTH

Medicare Advantage plans have been gaining popularity in general since 2018, and accompanying the uptick in MA enrollment has been increased access to dental benefits. Since 2018, MA enrollment has increased by 18%. Enrollees receiving preventive or comprehensive dental benefits in their base plans have increased at a much faster rate — 54% and 94%, respectively.

Accompanying this increase in enrollees with dental coverage is an increase in enrollees paying no premium for their MA plans. The first year since we began this analysis in 2018 in which there were more members enrolled in zero-premium plans including dental benefit than members paying a premium for a plan with the same benefit was 2020. Figure 3 provides an overview of plans that offer embedded preventive or comprehensive dental benefits, and enrollment information for the same groupings from 2018 to 2020. This figure considers all MA plans and enrollees as a basis for percentage calculations

FIGURE 3: OVERALL MA PLAN COUNT AND ENROLLMENT TRENDS BY DENTAL COVERAGE AND PREMIUM: 2018-2020

	DENTAL COVERAGE AND PREMIUM	2018	2019	2020
Unique Plan Count % (Percent of Plans)	Preventive	63%	72%	77%
	Comprehensive	41%	51%	61%
	Preventive and Zero Premium	21%	27%	30%
	Comprehensive and Zero Premium	15%	20%	26%
Enrollment % (Percent of Enrollees)	Preventive	60%	69%	78%
	Comprehensive	37%	48%	61%
	Preventive and Zero Premium	26%	33%	42%
	Comprehensive and Zero Premium	17%	25%	33%

Figure 3 shows that the number of MA plans covering preventive dental benefits only, or preventive and comprehensive dental benefits embedded in the base MA plan, has increased since 2018. Enrollees in such plans have generally grown commensurately during this time, but it is notable that enrollment growth in zero premium plans with dental benefits has outpaced the growth in the number of plans offered. In particular, members appear to be seeking zero premium plans and may be interested in value added benefits like preventive or comprehensive dental.

TRENDS IN COVERED DENTAL SERVICES

The scope of coverage for preventive dental services among MA plans offering embedded dental has remained steady since 2018. For plans covering preventive dental, coverage of x-rays, oral exams, and prophylaxis has been nearly universal since 2018 with no real difference between zero-premium enrollees and non-zero. Fluoride has become more readily covered for the MA population since 2018. Plans may be choosing to offer coverage for fluoride as a differentiator, or because they see preventive value for members who are not as attentive to oral hygiene. Enrollees who have no copayments for these preventive services continue to increase, with 95% having no copayment in 2020, compared with 89% in 2018.

In contrast to preventive dental benefit coverage, the scope of comprehensive dental coverage is more varied. Comprehensive benefits that may routinely be used by MA enrollees, such as prosthodontics (i.e., dentures) and restorative services, have steadily increased or remained consistently covered. Other comprehensive services, such as endodontics, have seen no distinct trend from 2018 to 2020.

One additional point of interest for comprehensive dental coverage is the inclusion of an annual benefit maximum. Annual maximums have become more mainstream since 2018, with the percentage of enrollees with no annual maximum decreasing from 52% in 2018 to only 22% in 2020. This is a natural response to the trend of increasing the scope of dental services covered, as annual maximums provide a useful cost control feature in health plan financing. A majority of enrollees in these comprehensive plans have fairly generous annual maximums of greater than \$2,000. As annual maximums become more common, enrollees may start to consider this limit when selecting a plan, especially if higher-cost procedures such as prosthodontics are needed.

What's driving change?

What is driving the increased inclusion of dental coverage as a supplemental benefit in MA plans? Plans may be changing their benefit designs in response to consumer desires. Plans that had a non-zero base premium in 2018 but are zero-premium plans in 2020 saw a 27% increase in enrollment per county over the time period. Within this set of zero-premium plans, those that also began offering preventive or comprehensive dental benefits to their members saw enrollment increases of 68%. It appears MA enrollees may be seeking out those plans that offer both a zero premium and coverage for some form of dental benefit. One differentiator for these types of plans may become the specific comprehensive dental benefits they provide. Market research is needed to understand which of these benefits might be particularly important for plan growth moving forward.

Enrollees may also be actively moving away from plans with reductions to dental benefits. Plans that stopped offering preventive dental benefits at some point between 2018 and 2020 saw an 18% decrease in enrollment. Plans that stopped offering comprehensive dental benefits (with or without changes to their preventive coverage) saw a 9% decrease in enrollment. A member who has grown accustomed to dental coverage may look to change plans if the current plan no longer offers it. Plans considering removing dental benefits may want to be aware of these trends and factor potential membership loss into any cost-benefit analysis to understand the impact to plan profitability. Plans may also consider the message that removing dental benefits will send to consumers.

Another potential reason for increased dental coverage in the MA market is greater insight into and connection with overall health. MA carriers may be acknowledging the correlations between oral health and overall physical health, which have been widely studied in recent years and noted by organizations such as the Office of Disease Prevention and Health Promotion (ODPHP) and the American Dental Association (ADA). In particular, potential connections between dental health and chronic conditions such as hypertension or diabetes may induce carriers to consider the importance of covering dental services to better serve MA beneficiaries with these illnesses. MA carriers may also see value in the access to dental claims data, in addition to medical data, to augment the total health picture of each beneficiary. If MA carriers are able to utilize this data to gain clearer insights into their members, they may be able to more appropriately position their plans via benefit construct and price.

Concluding remarks

MA plans must weigh the added cost of embedded supplemental benefits against the added value to the consumer. The decision is complicated; MA plans able to offer medical coverage at no member premium must consider whether it is worth adding dental benefits that may lead to a premium or to crowding out other supplemental benefits in a zero-premium plan. In a price-sensitive market, carriers must understand the competitive landscape and the specific plans and price points in each county where they participate. As more plans are offering comprehensive dental coverage within a zero-premium construct, carriers will need to assess new ways to differentiate their offerings to continue to grow membership.



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