



2019 HEALTH
MEETING

JUNE 24-26 | PHOENIX, AZ



Session 32, Seniors, Dental Coverage, and Overall Health

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2019 Health Meeting

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Session 032: Seniors, Dental Coverage, and Overall Health

June 24, 2019



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- **Do not** discuss what you or other entities plan to do in a particular geographic or product market or with particular customers.
- **Do not** speak on behalf of the SOA or any of its committees unless specifically authorized to do so.
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Agenda

-  Background
-  Dental under Medicare
-  Dental under Medicaid
-  Innovative coverage solutions
-  Why dental care is important/links to overall health
-  Q&A


Background: Dental Coverage During Working Years

 About 50% of employers offer dental benefits

 Correlated with employer size

Employer Size	Number of Employers ²	Medical Care ¹			Dental Care ¹		
		Access Rate	Participation Rate	Take-Up Rate	Access Rate	Participation Rate	Take-Up Rate
1 to 99 workers	5,844,243	57%	41%	71%	30%	23%	75%
1 to 49 workers	5,716,809	53%	37%	71%	26%	19%	76%
50 to 99 workers	127,434	70%	50%	72%	44%	32%	74%
100 workers or more	110,441	84%	63%	75%	57%	46%	81%
100 to 499 workers	90,742	79%	58%	74%	51%	40%	80%
500 workers or more	19,699	90%	69%	77%	66%	54%	82%

¹2017 Bureau of Labor Statistics <https://www.bls.gov/ncs/ebs/benefits/2017/ebbl0061.pdf>

 Other: Medicaid, individual coverage

Background: Dental Coverage for Retirees

- 🦷 Traditional Medicare does not cover dental
- 🦷 Adult Medicaid dental benefits are not required
- 🦷 Retiree dental benefits for some commercial plans
- 🦷 Individual dental policies can be expensive



many seniors lack dental coverage

Medicare and Dental



Why doesn't traditional Medicare (A&B) cover dental?

- 👉 www.medicare.gov: Parts A&B exclude most dental care and dentures
- 👉 2/3 of Medicare recipients don't have any oral health coverage
- 👉 Currently dental, vision, and hearing are statutory exclusions
- 👉 Bills to include dental services have been introduced many times, most recently in 2019 (Senator Cardin, D-MD)
- 👉 Medicare Part C (Medicare Advantage) can help fill dental coverage gap

Does not offer supplemental benefits

**Option 1:
Original Medicare**

(See pages 61–64)
This includes Part A and B.



Part A
Hospital Insurance



Part B
Medical Insurance

You can add:

(See pages 83–96)



Part D
Medicare Prescription Drug Coverage

You can also add:

(See pages 79–82)



Medigap
Medicare Supplement Insurance
(Medigap policies help pay your out-of-pocket costs in Original Medicare.)

**Option 2:
Medicare Advantage (Part C)**

(See pages 65–78)
These plans are like HMOs or PPOs, and typically include Part A, B, and D.



Part A
Hospital Insurance



Part B
Medical Insurance



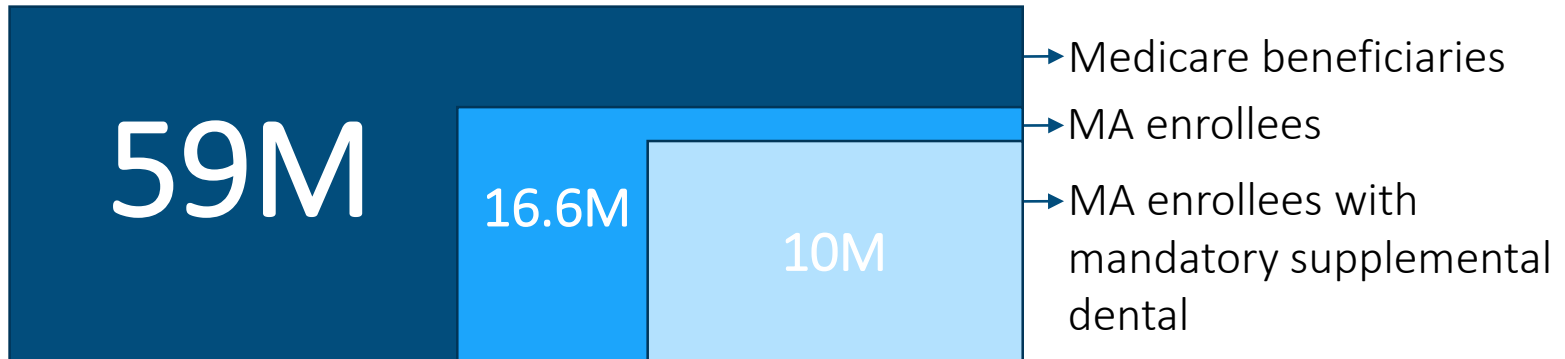
Part D
Medicare Prescription Drug Coverage

(Most plans cover prescription drugs. If yours doesn't, you may be able to join a separate Part D plan.)

Offer supplemental benefits

Medicare Advantage Dental

- 👉 Medicare Parts A/B do not include dental
- 👉 Part C Medicare Advantage (MA) helps to fill gap
 - Mandatory supplemental dental
 - Optional buy-up dental



Medicare Advantage Dental

- 🦷 Availability varies widely by state
- 🦷 \$0 premium MA plans versus non-\$0
- 🦷 Almost all plans cover key preventive and diagnostic procedures at no/nominal cost
 - Cleanings, oral exams, and x-rays
- 🦷 Many cover fillings, dentures as well
- 🦷 Widely varying annual benefit maximums, combined or standalone
- 🦷 Optional buy-up plans often available
- 🦷 Actuarial considerations in pricing mandatory or buy-up MA dental

Carrier Experience with Medicare Advantage Dental and other supplemental benefits



Medicare Advantage Supplemental Benefits and Pricing

	Embedded Benefits	Optional Buy-Up Benefits
Dental Coverage	Basic Preventive Services – exams, cleanings, some x-rays.	More complete benefit package when combined with embedded benefits: <ul style="list-style-type: none"> • Minor restorative benefits • Some major restorative benefits
Other supplemental coverages	Vision exams, hearing exams, etc.	A more complete package would include materials: <ul style="list-style-type: none"> • Frames/lenses or contacts for vision • Hearing aids or hearing aid allowance for hearing
Pricing Considerations	Utilization of benefits is generally lower than stand alone coverage when dental and other ancillary benefits are included in a medical package.	<ul style="list-style-type: none"> • Optional plans have a selection bias similar to individual health insurance or voluntary group insurance. • The more diversified the benefits provided in the buy-up package, the selection risk is only somewhat mitigated.

Pricing Medicare Advantage Embedded and Buy-Up Dental Benefits



Embedded benefits

- Price for the limited preventive benefits
- Utilization assumption is much lower than for same benefits if they had not been embedded with the medical plan



Buy-Up benefits

- Price entire package of benefits, including the preventive benefits included in the medical plan. Use increased utilization assumption to account for the individual selection of the optional benefits
- Subtract the pricing for the embedded benefits from the pricing for the entire package

One Multi-line Carrier's Experience

Differences between Embedded Benefits and Optional Buy-Up Benefits

- Optional Buy-up benefits first sold in 2015
- Exploring the differences in claims experience for:
 - members who have only embedded benefits
 - members who purchased the additional optional buy-up benefits
- Distinct differences seen in claim costs for the same embedded benefits by the two different populations



Experience Differences between Embedded Benefits and Optional Buy-Up Benefits

Calendar Year	MA Benefit	Dental Claims PMPM		
		Embedded	Buy-Up	Total
2015	Embedded Benefits	\$3.00	-	\$3.00
	Embedded + Buy Up	\$8.50	\$7.50	\$16.00
2016	Embedded Benefits	\$3.00	-	\$3.00
	Embedded + Buy Up	\$8.50	\$7.25	\$15.75
2017	Embedded Benefits	\$3.00	-	\$3.00
	Embedded + Buy Up	\$8.75	\$7.00	\$15.75
2018	Embedded Benefits	\$2.75	-	\$2.75
	Embedded + Buy Up	\$7.75	\$6.25	\$14.00

*PMPMs have been rounded, they are provided to show relativities

- ✓ Benefits remain unchanged during this time period
- ✓ Claims experience is consistent year over year

- ✎ Utilization of the preventive embedded benefits is more than 2 times as high for members who purchased the buy-up plan than those members who only have the embedded benefits. Showing the impact of individual selection.
- ✎ Vision experience shows the same pattern of double utilization of embedded benefits by members who have the buy-up option versus those that do not.
- ✎ While bundling of benefits helps, it does not remove the selection risk of optional benefits.

Experience Differences between Embedded Benefits and Optional Buy-Up Benefits

-  Persistency differences between members with only embedded benefits and members who purchase the optional buy-up benefits

Medicare Advantage Persistency 2015 to 2018	Total Medicare Advantage	Total MA with Buy Up	Total MA without Buy Up
Membership 01-2015	30,000	10,000	20,000
Membership 12-2018	21,000	8,000	13,000
Persistency	70%	80%	65%

-  Member retention is improved when the member has more benefits

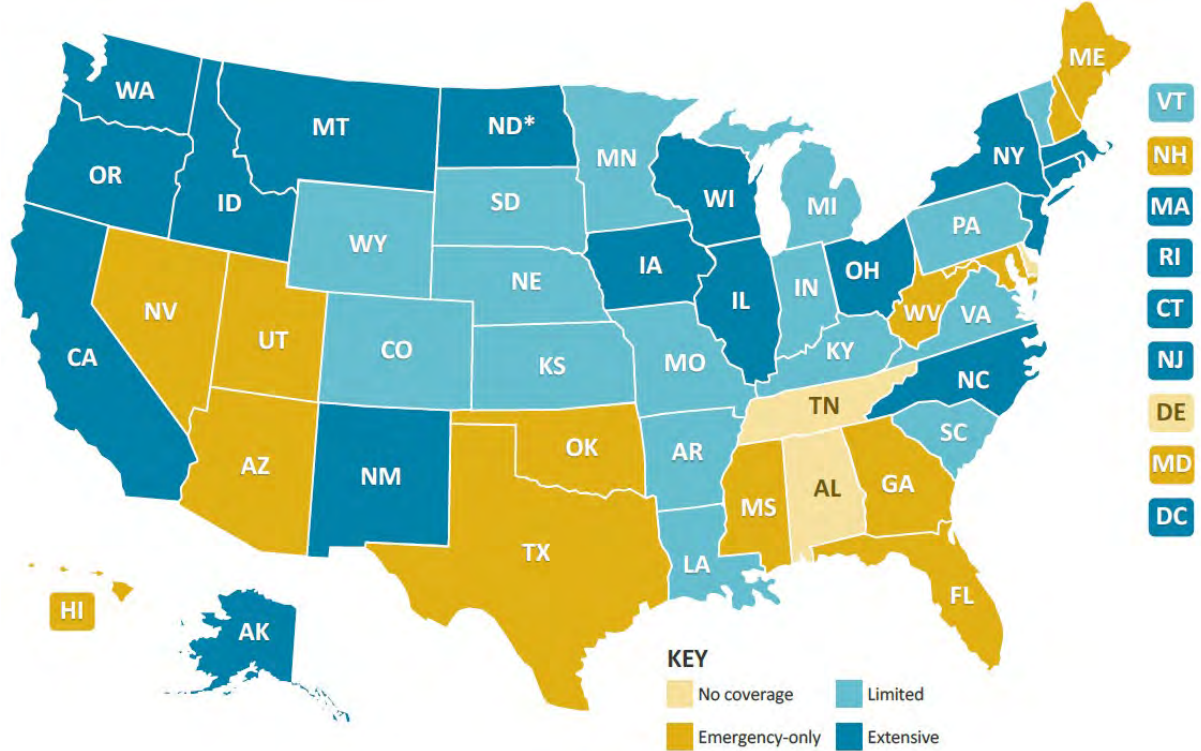
Medicaid and Dental



How and where is dental covered under Medicaid?

- 👤 Children nationwide covered via Medicaid/CHIP
- 👤 Adult Medicaid dental benefit is not mandatory
 - Coverage can vary widely by state
 - Coverage can vary by subpopulations within and among states
 - Coverage can vary widely over time within a state due to budgets and priorities
 - Medicaid expansion brought more adults into the system

How and when is adult dental covered under Medicaid?



Source: Center for Health Care Strategies, Inc., July 2018

Innovative Dental Coverage Solutions for Seniors



Set the stage



Medicare Advantage organization

- Nursing home owners
- Serves dual and institutional beneficiaries



Want to enter the dental market



Who is this product for?

- 👤 Residents of nursing homes
- 👤 Dual eligible Medicaid and Medicare
- 👤 Over age 65



Why is it needed?

Insurance Needs

- Medicaid: Comprehensive adult dental not covered
- Medicare: Not covered (unless as a supplemental benefit)

Dental Needs

- 23% of adults 65+ have no natural teeth
- Over 40% of older adults with teeth have untreated cavities
- 30% Arkansans do not have fluoride in water
- Smokeless tobacco use increasing

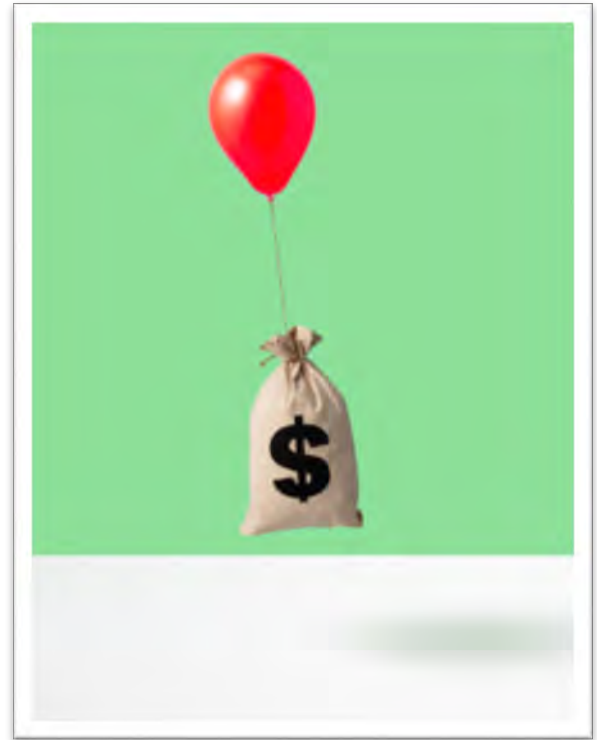
What is the product?

- 👤 Mobile dentist visits nursing homes regularly
- 👤 Provides comprehensive benefits at the home
- 👤 Mobility is key:
 - Population is not able to travel easily
 - Need a caretaker present



Pricing considerations

- 🦷 No manual rate benchmarks available for this age group
- 🦷 Pent-up demand?
- 🦷 High need for dentures in year 1?
- 🦷 Premium deducted from Social Security check?



Pricing solutions

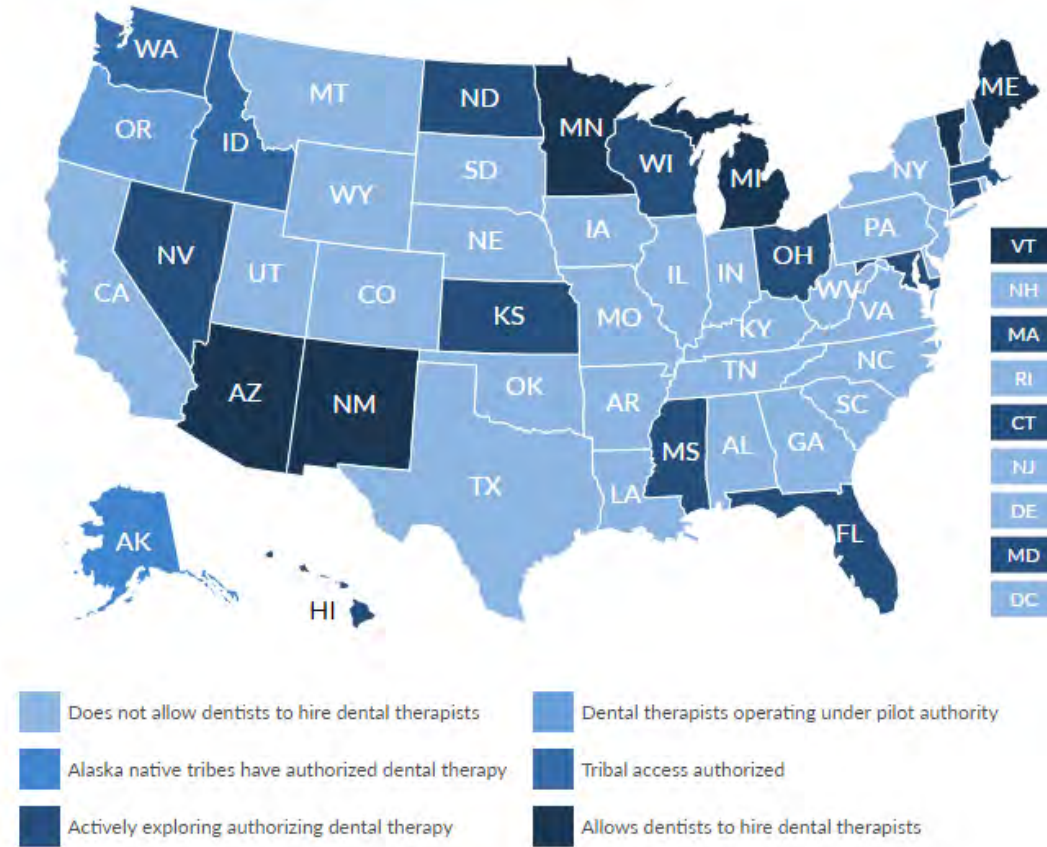
- 🧠 “Morbidity” factor
- 🧠 Target a % utilization for dentures
- 🧠 Rely on client expertise
 - Our client knows the potential enrollees
- 🧠 Make Joanne do all the work



Innovative Dental Coverage Solutions: Dental Therapists

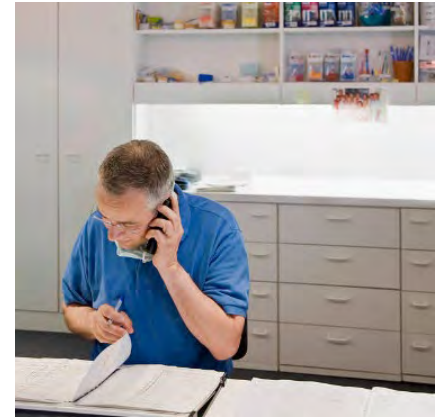
- 🦷 Shortage of dentists willing to accept Medicaid patients, especially in particular geographies
- 🦷 Dental therapists = mid-level dental providers can help to fill gap
 - As of May 2019: Alaska, Minnesota, Arizona, New Mexico, Michigan, Maine, and Vermont authorized dental therapists
 - Other states are actively exploring this concept

Dental therapy policies by state



Innovative Dental Coverage Solutions: Teledentistry

- 🦷 Innovative way to deliver dental services
- 🦷 Could improve access for Medicaid and Medicare seniors
- 🦷 Example: California's Virtual Dental Home
- 🦷 Several states include teledentistry services in Medicaid programs
- 🦷 American Dental Association added two procedure codes for teledentistry in 2018



Why We Care: Oral Health and Overall Health



Why We Care: Oral Health and Overall Health

Without Good Periodontal Health, You Can't Have Good General Health.

Periodontal disease (gum disease) can affect your general health and it can be affected by your general health. Here are a few examples:

RESPIRATORY INFECTIONS**

- Inhaling bacteria from the mouth and throat can lead to pneumonia
- Dental plaque buildup creates a dangerous source of bacteria that can be inhaled into the lungs.

SEVERE OSTEOPENIA**

- Reduction in bone mass (osteopenia) is associated with gum disease and related tooth loss
- Severity has been connected to tooth loss in postmenopausal women

PRETERM OR LOW BIRTHWEIGHT BABIES**

- Women with advanced gum disease may be more likely to give birth to an underweight or preterm baby*
- Oral microbes can cross the placental barrier, exposing the fetus to infection.*



STROKE

- Those with adult periodontitis may have increased risk of stroke

HEART DISEASE**

- Those with adult periodontitis may have increased risk of fatal heart attack...¹⁷
- And are more likely to be diagnosed with cardiovascular disease?
- Bacteria from the mouth may cause clumping problems in the cardiovascular system?

UNCONTROLLED DIABETES**

- Chronic periodontal disease can disrupt diabetic control¹⁸
- Diabetics can alter the pocket environment, contributing to bacterial overgrowth¹⁹
- Smokers with diabetes increase their risk of tooth loss by 20 times²⁰
- People with type II diabetes are 3 times as likely to develop periodontal disease than are nondiabetics²¹

Do You Have Adult Periodontitis? What Are You Doing About It?

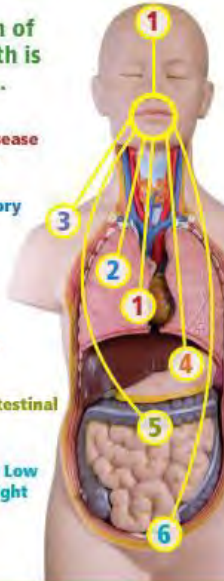
Your mouth is a mirror to your body

A healthy mouth and a healthy body go hand in hand. It's important to understand the close relationship between oral health and general health – and the impact that one has on the other – to know how to protect your mouth and body at all ages.

Oral Health is Linked to Overall Health

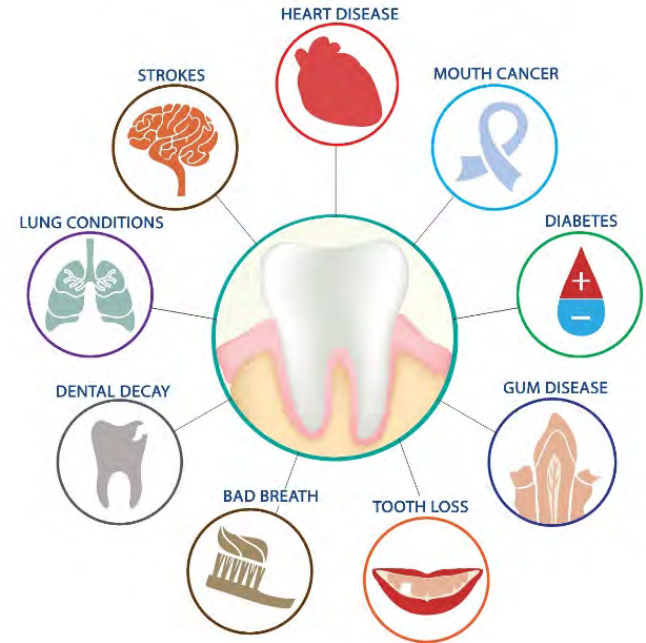
The health of your mouth is linked to...

- Heart Disease & Stroke**
- Respiratory Disease**
- Arthritis**
- Diabetes**
- Gastrointestinal Disease**
- Pre-Term Low Birth Weight Babies**



halton.ca/oralhealth

WHAT PROBLEMS COULD POOR DENTAL HEALTH CAUSE?





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