

# Four out of Five Dentists Recommend This Session



## Medicare Advantage and Commercial Dental Hot Topics

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## Agenda

**Medicare Dental Hot Topics**

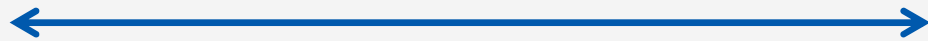
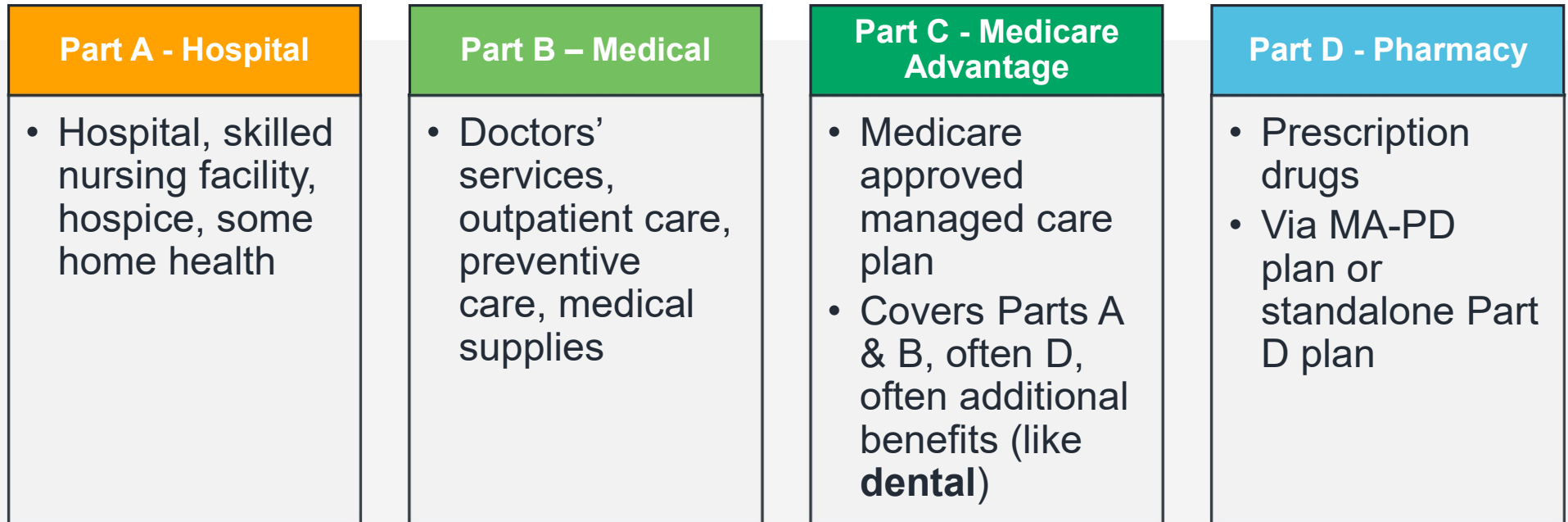
**Commercial Dental Hot Topics**

**Discussion / Q&A**

# Medicare Dental Hot Topics

# Medicare Basics

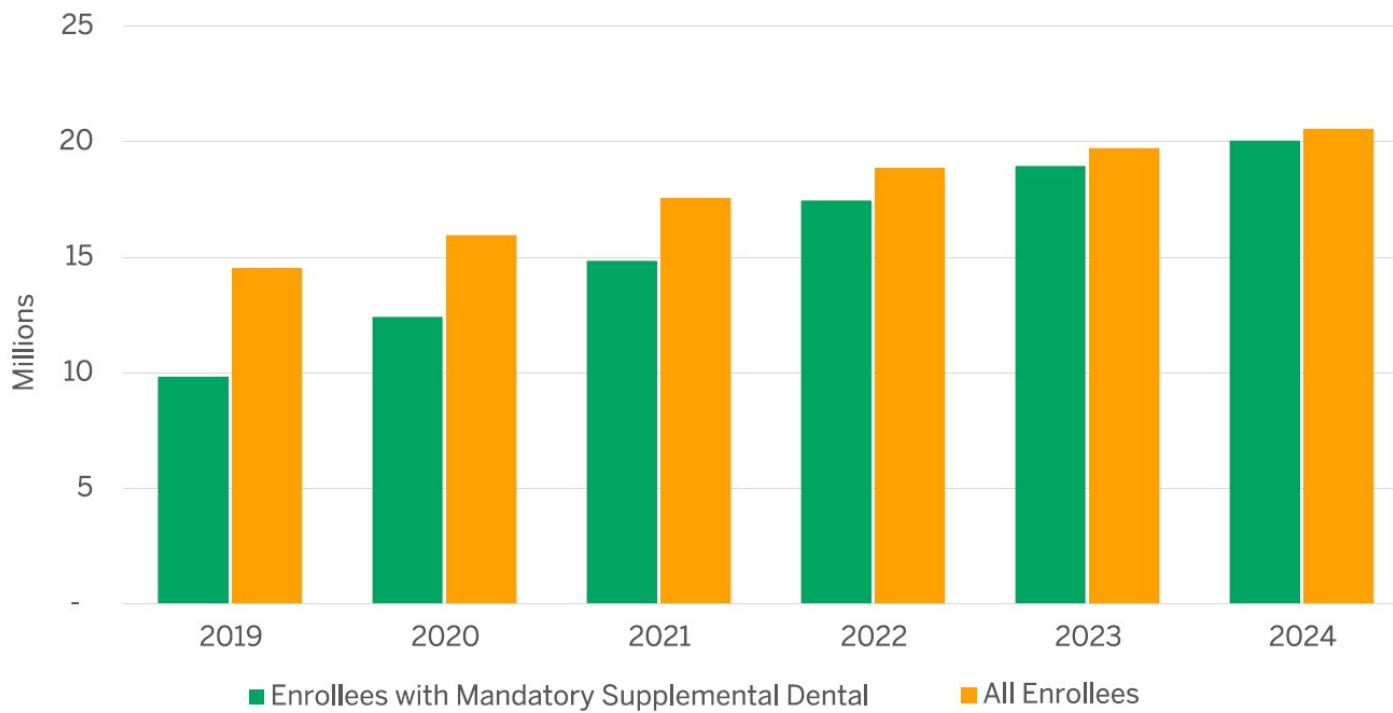
The four parts of Medicare are:



## “Traditional Medicare” – Fee-for-Service

- Sometimes supplement with Medigap/Med Supp
- Also enroll in a Part D plan

## Medicare Advantage Dental: A “Table Stakes” Benefit



- Growth in MA market
- Simultaneous increase in proportion of MA enrollees with dental benefits

## MA Dental Services Covered

Percentage of enrollment in MA plans with preventive and comprehensive dental coverage in plans with various covered services: 2021 - 2024

CATEGORY	Zero-Dollar Premium Plans				Non-Zero-Dollar Premium Plans			
	2021	2022	2023	2024	2021	2022	2023	2024
Prosthodontics	77%	78%	88%	86%	67%	67%	79%	76%
Nonroutine Services	54%	62%	80%	79%	56%	56%	67%	62%
Diagnostic Services	59%	70%	92%	89%	56%	66%	84%	76%
Restorative Services	95%	93%	93%	89%	89%	84%	87%	79%
Endodontics	58%	63%	86%	84%	59%	61%	80%	75%
Periodontics	71%	78%	94%	92%	72%	80%	90%	84%
Extractions	79%	82%	95%	91%	75%	81%	89%	82%

- Rapid increase in scope of covered dental services over past few years
- Finally leveling off in 2024; more leveling off for 2025

# MA Dental – Different from Commercial

## Plan Types

- Many EPOs in the MA market
- OON offerings dictated by medical plan

## Network Strategies

- Many PPO plans have very low OON reimbursement
  - This can lead to:
    - Additional savings
    - Balance billing of members
    - Potential steerage to in-network benefits

## Varying Benefits

- Benefits vary greatly across the MA market and continue to change every year
- Coverage varies down the procedure code level

## Impact of Medical Plan

- Decisions of the MAO/medical plan can impact dental experience
  - Examples include:
    - Marketing of dental benefit
    - Addition of flex cards
    - Medical plan benefit richness

## Traditional Medicare Coverage of Dental Services: Small Steps

- **Original Medicare has historically been prohibited from covering dental services except** when “incident to and as an integral part of” a covered Medicare procedure in an inpatient setting
- Recent annual Physician Fee Schedule (PFS) Proposed Rules have clarified clinical situations when dental services are Medicare-covered
  - Coverage of dental services “inextricably linked to, and substantially related and integral to the clinical success of” certain medical services in inpatient or outpatient setting;
  - Payable only when medical and dental services are integrated;
  - Identified situations in which dental services would be covered  
e.g., head and neck cancers, chemotherapy, prior to organ transplant, cardiac valve replacement

### Ramifications for Medicare Reimbursement

- Today, payments to dentists based on PFS (when a fee exists, which is rare) or determined by regional Medicare Administrative Contractors
- CMS intends to keep services as contractor-priced for 2025, but discusses “national pricing” for dental services

### Longer Term Effect on Reimbursement in General?

- The Medicare PFS is widely used as a reimbursement basis for medical care across commercial and Medicaid
- Vast majority of dental services are not covered by Medicare. But should a Medicare fee basis be developed for dental, could affect other markets as well



# Commercial Dental Hot Topics

# Dental Essential Health Benefits

# Changes to Dental Essential Health Benefits

## **Under Affordable Care Act, pediatric dental is an EHB while adult dental is not**

- Pediatric dental coverage must be available to people purchasing ACA-compliant coverage in individual and small group markets
- Either as a standalone option or embedded in ACA-compliant medical plan
- Regulatory prohibition on adult dental as an EHB

## **DHHS 2025 Notice of Benefit and Payment Parameters Final Rule**

- Noted that routine adult dental commonly included in employer sponsored plans
- Removes regulatory prohibition on adult dental EHB, allows states to opt to add adult dental services, starting with 2027 plan year
- Have to refile EHB Benchmark Plan, even if current benchmark already includes adult dental

## **Challenges**

- No definition of “routine”; up to states to determine what best meets enrollees’ needs
- Wording of rule indicates that adult dental would have to be embedded in medical (no standalone option)
- Cost of the benefit due to prohibition on dollar maximums

## **Will any states take this up?**

- We are aware of states considering it...

# Dental Loss Ratios

# Loss Ratio Basics

## Traditional Loss Ratio

- Claims / Premium
- Represents the proportion of every premium dollar directed towards care
- The complement is the proportion of premium dedicated to retention (expenses, profit, taxes / fees, etc.)
- Pricing / rate filing concept

## ACA Minimum Loss Ratio (MLR)

- Allows quality improvement expenses to be added to numerator and taxes / fees to be subtracted from denominator
- Includes a credibility adjustment for smaller plans
- ACA MLR 80% (individual and small group) / 85% (large group)
  - Massachusetts requires an 88% MLR for individual and small group
- Annual MLR report and rebates

- Dental plans are not subject to ACA minimum loss ratios
- Since ACA implementation, various states have considered minimum loss ratio rules for dental plans

# Dental MLR Key Concepts

## Dental MLR considerations differ from medical

- Lower premium basis than medical -> non-claim costs as proportion of premium are higher than medical
- Prevailing dental loss ratios vary by both market segment and carrier size
- Dental benefits vary in cost-sharing and in covered services which impact MLRs

## Important to consider how dental MLR might affect consumers, insurers, and providers

## Historical dental rate regulation (through rate filings)

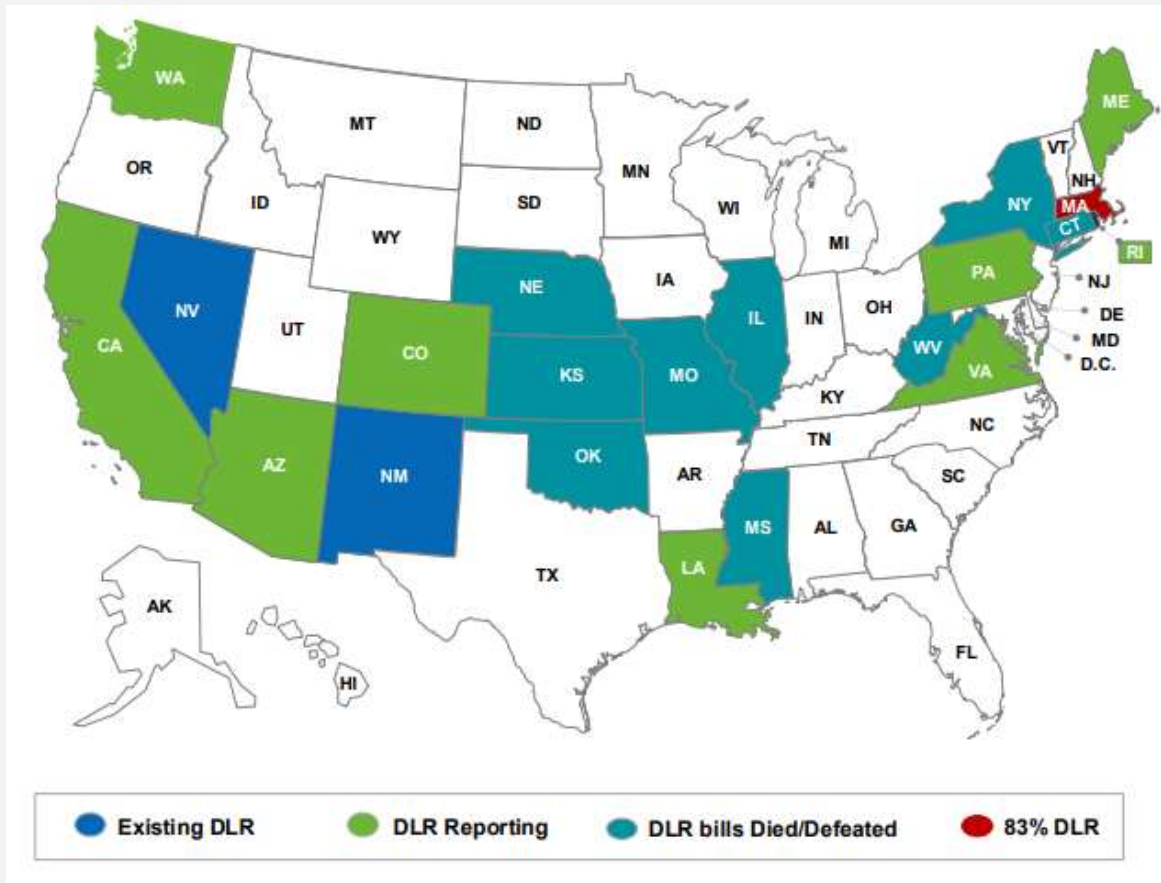
- Some states already have imposed DLR requirements, historically these included:
  - Lower DLR levels
  - Based on prospective information
  - Do not have active penalties (rebates) for falling below minimum MLR
  - Some requirements vary by line of business



# Massachusetts: The First Mandated Minimum DLR with Rebate Requirement

- Massachusetts passed a ballot initiative in 2022 establishing an 83% minimum dental loss ratio (DLR) for dental plans in **Massachusetts** (policy years 2025 and onward)
  - Requires rebates to policy holders if the carrier's loss ratio falls below 83%
  - Includes significant reporting obligations by dental carriers on all lines of business
- Prior to this, there were no states with a minimum DLR requirement with rebates
- Since Massachusetts passed this initiative, several other states have introduced various DLR bills, with various outcomes

# State of Dental Loss Ratios





## What's Next

- Dental plans are lobbying to get DLR reporting or lower MLR requirements in states with new proposals
- Carriers may consider leaving a state with new MLR requirements
  - This has already happened in Massachusetts, where 8 carriers have already exited the state in whole or in part
  - Will result in consumers having less choice
- Multi-line carriers may consider covering dental expenses with other lines of business
  - Dental only vendors will have different considerations
- Individual and small group lines may be more impacted by MLR requirements
  - Carriers might consider exiting these lines of business



# Caveats

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# Thank you

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