ADA CE Program ARTICLE 1

Dental plan premiums in the Affordable Care Act marketplaces trended downward from 2014 through 2016

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ABSTRACT

Background. Pediatric dental benefits must be offered in the health insurance marketplaces created under the Affordable Care Act. The authors analyzed trends over time in premiums and the number of dental insurers participating in the marketplaces.

Methods. The authors collected dental benefit plan data from 35 states participating in the federally facilitated marketplaces in 2014, 2015, and 2016. For each county, they counted the number of issuers offering stand-alone dental plans (SADPs) and medical plans with embedded pediatric dental benefits. They also analyzed trends in premiums.

Results. From 2014 through 2016, the number of issuers of stand-alone dental plans and medical plans with embedded pediatric dental benefits either did not change or increased in most counties. Average premiums for low–actuarial-value SADPs declined from 2014 through 2016.

Conclusions. The increase in the number of issuers of stand-alone dental plans and medical plans with embedded dental benefits may be associated with lower premiums. However, more research is needed to determine if this is the case.

Practical Implications. Affordable dental plans in the marketplaces could induce people with lower incomes to sign up for dental benefits. Newly insured people could have significant oral health needs and pent-up demand for dental care.

Key Words. Federally facilitated marketplaces; stand-alone dental plans; embedded dental benefit medical plans; dental plan premiums.

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The Affordable Care Act (ACA) established marketplaces for people to shop for health insurance. Those with incomes between 100% and 400% of the federal poverty guidelines, as determined by the Department of Health and Human Services, are eligible to receive subsidies from the federal government to offset the cost of plans.[1] Pediatric dental services are 1 of the 10 essential health benefits that must be offered in the marketplaces. However, within the federally facilitated marketplaces (FFM) and state-based marketplaces, parents are not actually required to purchase dental benefits for their children in most states.[2] Nevertheless, certain states, such as Washington, require consumers to purchase pediatric dental benefits if they are purchasing health insurance for their children in the marketplace.[3] In addition, some states, such as California, only offer health insurance plans that cover pediatric dental services.[4]

State-based marketplaces and the FFM are administered by individual states and the federal government, respectively, the latter having medical and dental plans available on Healthcare.gov. Dental coverage is typically offered either as a stand-alone dental plan (SADP) or embedded as part of a medical plan. Because SADPs are dental plans sold separately from health care plans, they offer only dental benefits. Consumers can choose

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between high– and low–actuarial-level SADPs. Low–actuarial-value SADPs pay 70% of plan costs, whereas high–actuarial-value SADPs pay 85% of plan costs.[4] Consumers pay the remaining costs out-of-pocket. Medical plans in the marketplaces have 4 actuarial levels: bronze, silver, gold, and platinum. Insurance companies pay 60% of bronze plan costs, 70% of silver plan costs, 80% of gold plan costs, and 90% of platinum plan costs. Again, consumers pay the remainder.[5]

In 2014, the take-up rate for SADPs was 20.9%. Approximately 1.2 million people purchased a SADP in 2014.[6] In 2016, approximately 1.4 million people purchased a SADP through Healthcare.gov. The take-up rate for a SADP in 2016 was at 13.2% among children and at 15.1% among adults.[7] According to the 2014 Medical Expenditure Panel Survey, 50.3% of children have private dental benefits, 38.7% have public dental benefits through Medicaid or the Children's Health Insurance Program (CHIP), and 11% have no dental benefits. Among working-age adults, 58.1% have private dental benefits, 6.7% have public dental benefits through Medicaid, and 35.2% have no dental benefits.[8] Thus far, it appears that enrollees who purchased dental benefits in the marketplaces constitute a small percentage of the overall population with dental benefits. Most children and adults have dental benefits from private insurance plans offered by employers or through public assistance programs such as Medicaid, or CHIP.

Since 2014, there has been a considerable churn in plans available on Healthcare.gov. From 2014 through 2015, competition among issuers in the FFM increased in most counties. Approximately 60% of US counties had a net gain of 1 issuer, whereas 8% of counties had a net loss of issuers. On average, second-lowest silver premiums grew by 2% from 2014 through 2015. The second-lowest silver premium is the premium associated with the silver medical plan that has the second-lowest cost. Counties that had an increase in the number of issuers experienced lower growth in premiums.[9]

Researchers have examined changes in premiums and the number of dental plan issuers offered in the FFM. Compared with 2014, there were more dental benefit options in the 2015 marketplaces. A greater percentage of medical plans offered embedded dental benefits (EDBs) in 2015. Premiums for high– and low–actuarial-value, SADPs declined slightly from 2014 through 2015.[10] In 2015, California offered pediatric EDBs in medical plans for the first time. This change led to approximately a $7 increase in pediatric monthly health care premiums. Premiums for SADPs declined slightly in California from 2014 through 2015.[11]

TABLE

Pediatric dental plans and premiums (2014-2016).*†

CHARACTERISTIC	2014	2015	2016
No. of Stand-Alone Dental Plans			
High	258	233	238
Low	311	324	300
No. of Medical Plans With Embedded Pediatric Dental Benefits			
Bronze	186	256	293
Silver	249	390	430
Gold	224	274	263
Average Premiums for Stand-Alone Dental Plans			
High	$34.86	$33.88	$33.43
Low	$28.04	$26.13	$25.50

* 2014, 2015, and 2016 health plan and dental plan data for individuals and families.
† Source: HealthCare.gov.[12]

In this article, we provide national- and county-level data on premiums, plans, and number of issuers. At the national level, for all actuarial levels, we provide an overview on the number of SADP plans, the number of medical plans with EDBs, and the average SADP premiums. At the county level, we provide data on the number of low–actuarial-value SADP issuers, the number of silver EDB medical plan issuers, and the average low–actuarial-value SADP premiums.

METHODS

We collected data from 35 states participating in the FFM in 2014, 2015, and 2016 from HealthCare.gov.[12] (Note: Idaho had operated an FFM in 2014, but transitioned to a state-based marketplace in 2015. Nevada and Oregon operated a state-based marketplace in 2014 but transitioned to a federally supported state-based marketplace in 2015. Hawaii operated a state-based marketplace in 2014 and 2015, but transitioned to a federally supported state-based marketplace in 2016. Because these 4 states did not provide plan data to HealthCare.gov in 2014, 2015, and 2016, we excluded them from the analysis.) Fifteen states and the District of Columbia operated state-based marketplaces. We focused our analysis on states participating in the FFM owing to data availability, because data from the state-based marketplaces are not readily available for researchers. We also focused on the FFM states because all plans were available on the same platform (HealthCare.gov). For all 3 years, these states provided complete medical and dental plan data. We counted the number of unique issuers in each county for pediatric silver medical plans with EDBs and pediatric low–actuarial-value SADPs. We focused on dental benefit

ABBREVIATION KEY. **ACA:** Affordable Care Act. **CHIP:** Children's Health Insurance Program. **EDB:** Embedded dental benefit. **FFM:** Federally facilitated marketplaces. **SADP:** Stand-alone dental plan.