

## Many are putting off dentist thanks to cost and lack of coverage

By Bill Toland, October 19, 2011



*Eric Hood*

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They say that dental clinics and funeral homes are recession-resistant -- you can't put off a toothache or a funeral -- but dentists are finding out that you indeed can put off a tooth whitening, a new crown or your regularly scheduled checkup.

About half of Americans lack dental insurance, and according to a recent survey, dental care premiums increased at a faster rate in 2010 than traditional health insurance premiums. The lack of coverage, the increasing cost of care and the lingering effects of the recession mean many Americans are putting off preventive checkups and even more urgent procedures.

As for cosmetic work -- whitening, veneers -- that's being postponed indefinitely.

All of it adds up to tougher times for dentists.

The only thing less pleasurable than a root canal, apparently, is paying for one, especially when you don't have dental insurance.

"Our data seems to suggest that the last couple years, certainly, have seen a decline in sales growth" in the dental industry, said Mike Lubansky, a senior analyst with Sageworks Inc., a North Carolina financial services company.

"Now, year to date, it seems to be slumping even further."

From 2005 through 2008, sales at American dental offices grew by between 4 and 6 percent a year, with handsome profits on top. But in 2009 and 2010, the growth slowed, and so far through 2011, sales are down by about 3 percent and profits down 2.74 percent, according to Sageworks' data, gleaned by polling its own clients and accounting firms.

The common wisdom that dentists fare OK during recessions has some truth to it -- and even when sales dip, the value of dental practices tends to remain strong.

But "this one is different, partly because it's gone on a little longer," said James Bramson, the newly installed chief dental officer at United Concordia Dental, Highmark Inc.'s dental insurance unit, with more than 8 million customers nationwide. "The demand for cosmetic services has probably gone down."

As demand goes down, prices on cosmetic, non-covered procedures drop as well. Places that were advertising teeth-whitening for \$400 two years ago are offering the same service for \$99 today, to generate new business.

Meanwhile, some dentists, faced with fewer regular appointments and cosmetic work, keep some speciality work for themselves, meaning fewer referrals for specialists and endodontists who pull teeth or perform root canals.

"I would think that dentists are probably are doing more procedures in their office, and referring less out for specialists," said Lance Rose, a Beaver County dentist and head of the Dental Society of Western Pennsylvania.

Also declining, Mr. Rose said, is the number of new patients visiting a practice for the first time -- that number was down, or flat, for about 84 percent of dentists nationally for the second quarter of 2011, according to a survey from the American Dental Association.

As for larger procedures, those that might cost thousands of dollars for patients without insurance, people would often take out small home equity lines to pay for the procedures, or put the bill on a credit card. But with Americans trying to pay off -- not add to -- their credit card bills, and with banks tightening lending and appraisal standards, those payment options are off the table for many, too.

The prolonged economic slump has some dentists worried about the value of their practices going forward.

"That's always a concern, when one gets near retirement age or begins to transition out of the practice," Mr. Rose said.

Another way to drum up more business, both for dentists and for insurance carriers, is to find more ways to get people insured. Traditionally, dental insurance was available almost exclusively to group plans, provided by your employer or purchased through a collective.

But with United Concordia offering an individual plan (called iDental, starting at \$17 a month), and with UPMC Health Plan launching its new dental plan and network, more options exist today for dental coverage.

Pittsburgh is often said to be a good benefits town, thanks to its higher concentration of unions (and union benefits) than the national population at large, as well as its white-collar, corporate workforce.

Allegheny County, meanwhile, has one of the lowest percentages of uninsured residents among urban counties, with only 10.4 percent of people under the age of 65 without health benefits of some kind, according to the Census.

But "that doesn't mean that you don't have some pretty under-served areas in Pennsylvania," Mr. Bramson said.

"We're looking at various ways" to improve the number of people with dental coverage, he said, and increase the number of people receiving care.

One good way to do that, he said, is simply to remind people that a check-up today might prevent something much more expensive down the road.

"People have gotten the message that prevention" is the key to a healthy set of teeth, he said.

For the full story featuring Sageworks' private industry data, please visit [Pittsburgh Post-Gazette - Many are putting off dentist thanks to cost and lack of coverage.](#)