Coverage Matters: The Role of Insurance in Access to Dental Care in California

California HealthCare Foundation

ISSUE BRIEF

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Introduction

Dental insurance is the key to good oral health. People without dental insurance are less likely to visit dentists or dental hygienists for checkups and necessary dental care. They tend to have better dental health and better knowledge of the benefits of regular dental checkups.[1] Dental insurance increases the chances that adults and children will visit a dental office at least once a year and is associated with more recent visits and preventive visits. People with dental insurance are less likely to report unmet dental needs and delayed visits.[2]

Evidence indicates that dental insurance enables people of varied socioeconomic backgrounds to obtain dental services. This is most likely because dental insurance covers the costs of preventive services and significantly reduces the costs for services such as fillings, crowns, and dentures. However, dental insurance benefits often are not comprehensive and have significant cost-sharing requirements and annual caps, which may lead to unaffordable out-of-pocket expenditures.[3]

Despite enhanced access due to dental insurance coverage, there are racial/ethnic differences in receipt of dental care among adults[1,4]. Less well understood are potential disparities among specific vulnerable populations, such as those with poor dental health, the chronically ill, the unemployed, and people with limited English proficiency. There is evidence of disparities among minority and poor children, who are less likely to receive preventive services regardless of dental insurance.[5]

Out-of-pocket dental expenditures are also shown to vary by race/ethnicity and income, with white and higher-income people more likely to report any dental expenses. However, the amount of expenditures does not vary by these characteristics.[6]

This issue brief explores the relationship between dental insurance, out-of-pocket spending on dental services, and overall oral health using results from a 2007 survey of Californians by Harris Interactive. The analysis finds that while dental insurance enables people to obtain dental care, it does not remove all financial barriers to needed services. High out-of-pocket spending for dental care restricts some people from obtaining preventive and other necessary services, particularly when dental bills compete with medical or other basic living expenses.

Dental Insurance and Out-of-Pocket Expenditures

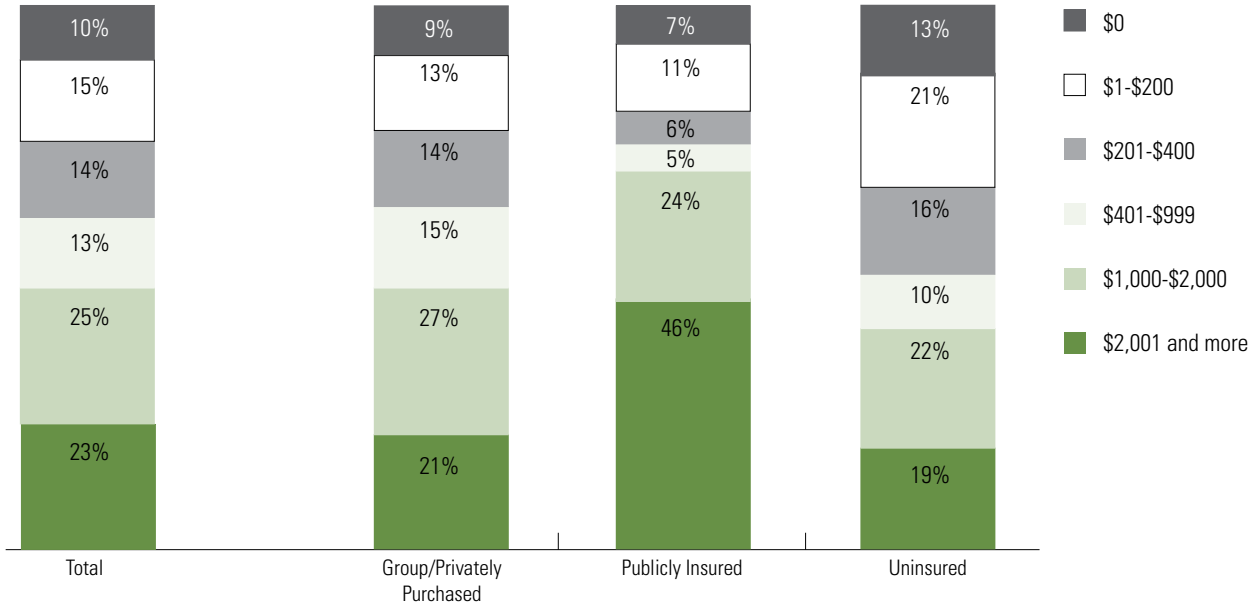
National data indicate that U.S. adults ages 21 to 64 spent an average of $556 out of pocket on dental expenses in 2004. Expenses averaged $582 for privately insured adults, $442 for publicly insured adults, and $466 for uninsured adults. Expenses were higher for people 65 and older.[7] More recent data show that approximately 39 percent of children and adults in California had some kind of dental expense in 2005, and 48 percent of their expenditures were paid out of pocket.[8]

The amount of out-of-pocket dental expenditures reflects variations in comprehensiveness of dental insurance benefits and cost-sharing levels. Higher levels of out-of-pocket expenses may also reflect higher levels of dental care utilization and/or greater use of major or excluded services. Both insured and uninsured people face some level of out-of-pocket dental expenditures, which may reduce the affordability of dental care and lead to delays in obtaining such care. For people with limited budgets and chronic conditions, other medical care expenses typically take precedence over dental care expenses, leading to further delays in obtaining dental care.

Data from a 2007 survey commissioned by the California HealthCare Foundation (CHCF) showed that most adults with at least one dental visit in the previous year had some out-of-pocket dental expense. Publicly insured Californians were least likely to report any dental costs, due to very low co-pay levels in the Medicaid dental program. Out-of-pocket expenditures reported by those with Medi-Cal dental program coverage were most likely due to use of excluded or unauthorized services (Figure 1). Among those with such expenditures, 25 percent of individuals spent up to $200. Nearly one in ten privately insured adults had annual out-of-pocket dental expenditures over $2,000, exceeding the annual caps of most such policies. Fewer than one in ten (7 percent) publicly insured people reported out-of-pocket dental expenditures exceeding $2,000 in the previous year. Medi-Cal's annual cap for dental care expenses in California is $1,800.

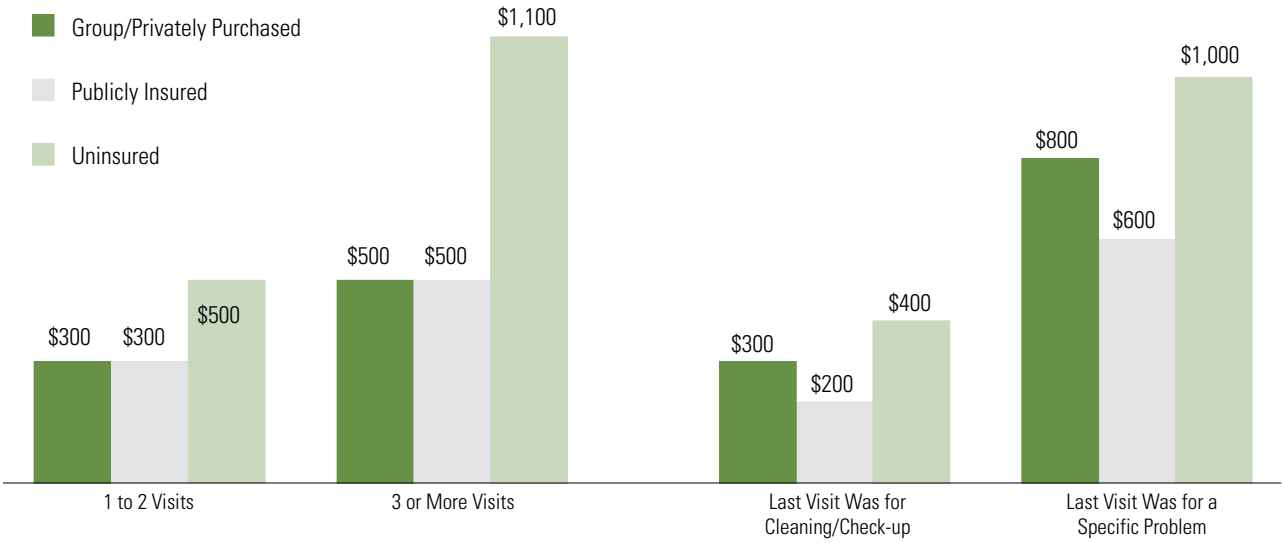
Fewer dental care visits corresponded to lower out-of-pocket expenses for all groups. Dental out-of-pocket expenditures were also lower for those whose last visit was for preventive care (Figure 2). Those with one or two visits (85 percent) were more likely to report their last visit was for preventive care than those with three or four visits (56 percent). One or two visits in the previous year and a preventive last visit correlated with excellent or good dental health.

Figure 1. Self-Reported Dental Out-of-Pocket Expenditures for Adults with at Least One Dental Visit, 2007



Source: California General Public Survey. Harris Interactive for the California HealthCare Foundation. December 2007.
Note: Figures may not add up to 100 percent due to rounding.

Figure 2. Median Annual Out-of-Pocket Dental Expenditures by Number of Dental Visits, Reason for Last Visit, and Type of Insurance, 2007



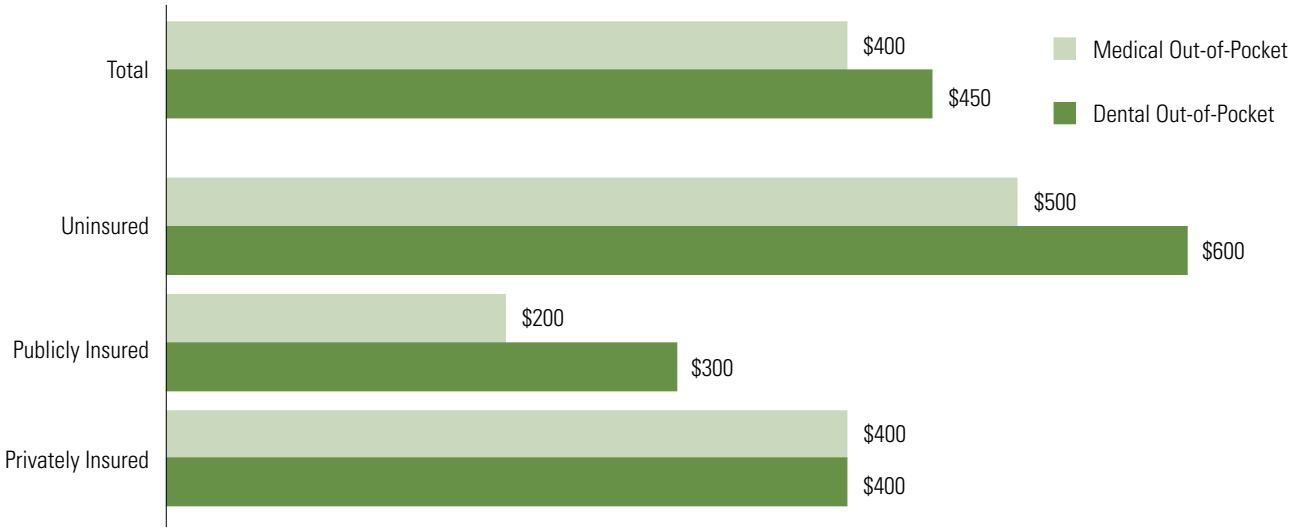
Source: California General Public Survey. Harris Interactive for the California HealthCare Foundation. December 2007.

However, good oral health was not equally prevalent by insurance type. In-depth examination of dental health status and insurance coverage for those with one or two visits revealed that significantly more privately insured people reported excellent or good dental health versus fair or poor dental health (70 percent vs. 47 percent). But equal proportions of uninsured and publicly insured people reported excellent or good versus fair or poor dental health.

Lower service utilization and lower out-of-pocket dental expenditures for privately insured people with one or two visits suggests less need for services. But lower service use and out-of-pocket expenses for people with public or no insurance may indicate unobserved financial and access barriers rather than lower need.

Dental out-of-pocket costs were at least as high as medical out-of-pocket costs for uninsured and privately insured people who had at least one dental visit in the previous

Figure 3. Median Annual Out-of-Pocket Dental and Medical Expenditures, by Type of Dental Insurance among Adults with at Least One Dental Visit, 2007



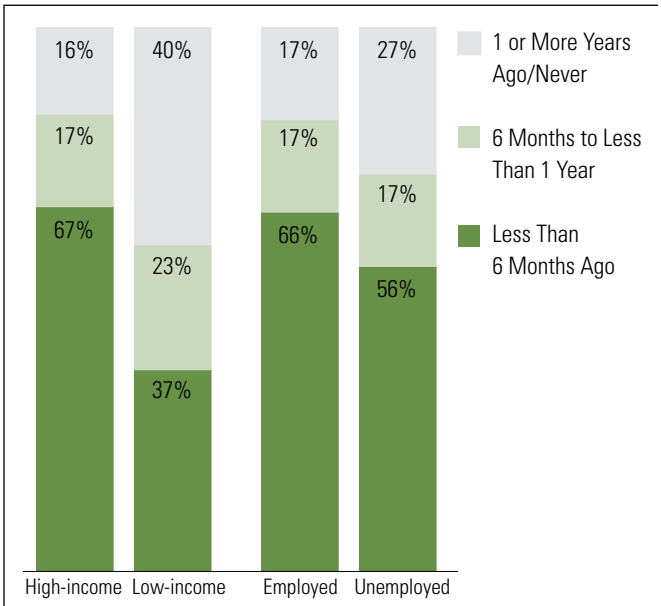
Source: California General Public Survey. Harris Interactive for the California HealthCare Foundation. December 2007.

year (Figure 3). Dental out-of-pocket expenditures were comparable to medical out-of-pocket expenditures among privately insured people and higher among the uninsured. Higher out-of-pocket expenses among the uninsured are most likely due to greater availability of publicly subsidized medical care compared with dental services. Among people with public insurance, dental expenditures were slightly higher than medical expenditures, most likely due to more comprehensive coverage and no annual caps in Medi-Cal as compared with Denti-Cal.

Dental Insurance and Disparities in Dental Care Utilization

The 2007 survey data revealed that dental insurance enabled access to dental care among vulnerable adult populations, though it did not eliminate disparities among all groups. Insurance coverage reduced time since last visit, though this effect was less dramatic for some insured populations than others. For example, higher-income insured adults were more likely to have had a visit in the previous six months (67 percent) than lower-income adults with insurance (37 percent) (Figure 4). More lower-income people with insurance visited a dentist over a year ago (40 percent) than did insured higher-income people (16 percent). The same relationship was observed with regard to employment status.

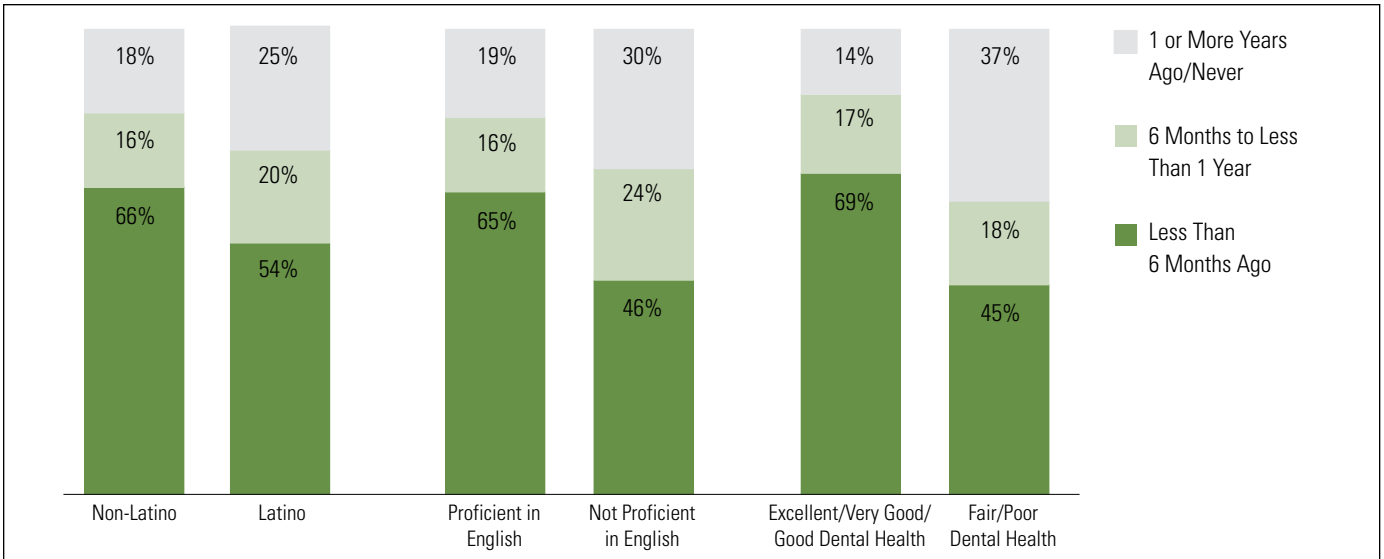
Figure 4. Time Since Last Visit among the Insured, by Income and Employment Status, 2007



Source: California General Public Survey. Harris Interactive for the California HealthCare Foundation. December 2007.

A similar relationship was found among insured Latinos and others; limited English proficient versus proficient; and those in fair and poor dental health versus those in better dental health (Figure 5). Further examination revealed that those in poor or fair dental health were more likely to have had three or more visits (48 percent) than those in better health (29 percent), potentially reflecting

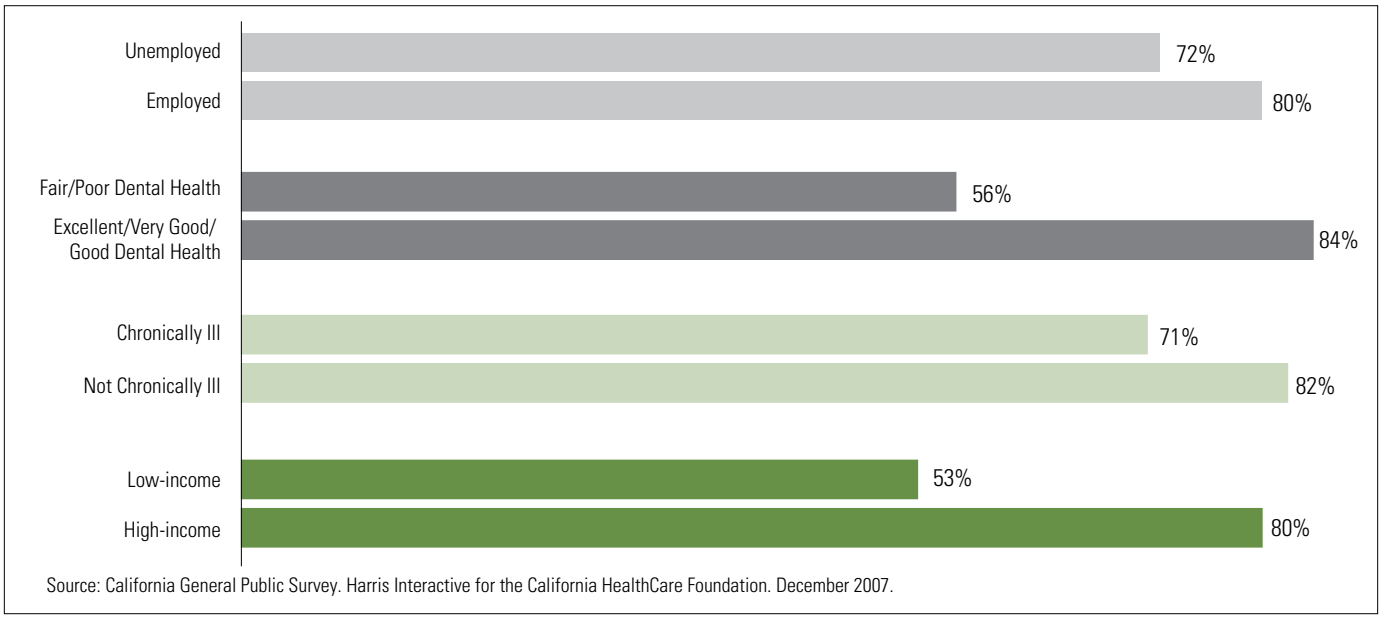
Figure 5. Time Since Last Visit Among Insured Californians, by Race/Ethnicity, English Proficiency, and Dental Health Status, 2007



Source: California General Public Survey. Harris Interactive for the California HealthCare Foundation. December 2007.

Note: Figures in columns may not total 100 percent due to rounding.

Figure 6. Preventive Visit among the Insured, by Selected Characteristics, 2007



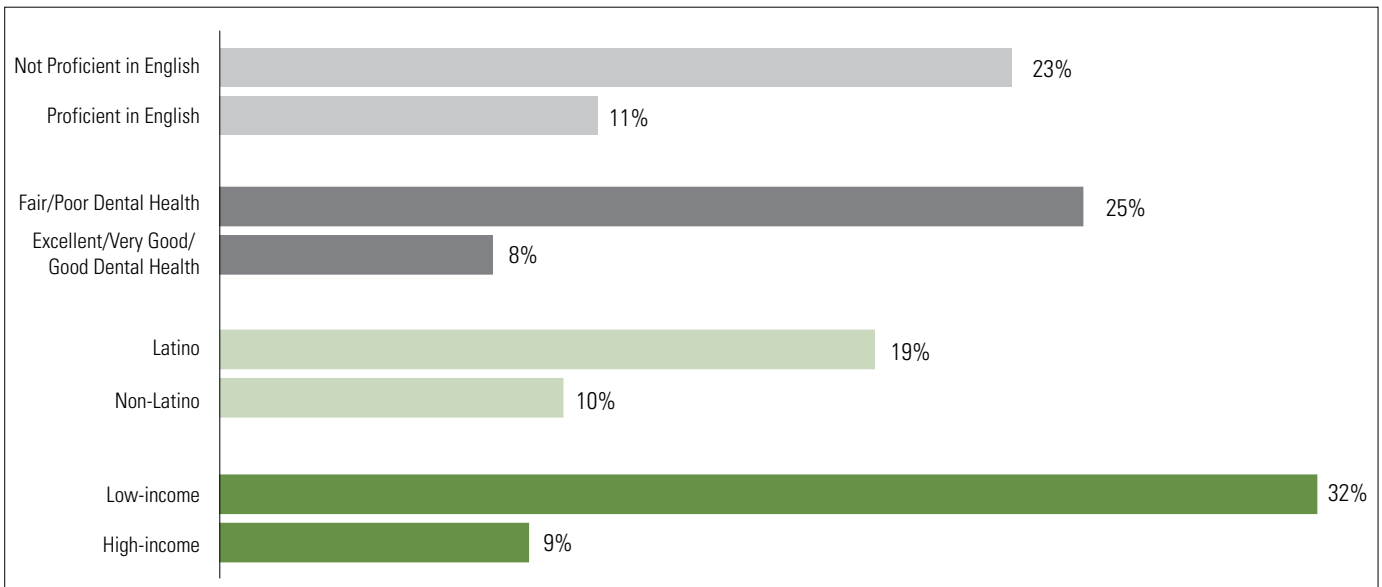
Source: California General Public Survey. Harris Interactive for the California HealthCare Foundation. December 2007.

their higher need for care (data not shown). Differences in number of visits for other vulnerable insured populations were not observed.

Examining the reason for the last visit among the insured revealed that those with higher income, those without chronic illnesses, those in excellent or good dental health, and the employed were more likely to report that their last visit was for preventive care than their insured counterparts without those characteristics (Figure 6).

Examining a different measure of access to dental care among insured Californians—ability to get dental care when needed—illustrated that lower-income people, Latinos, those in fair or poor dental health, and those with limited English proficiency were more likely to report not getting needed dental care than insured individuals without those characteristics (Figure 7).

Figure 7. Unable to Get Needed Dental Care, by Selected Characteristics, 2007



Source: California General Public Survey. Harris Interactive for the California HealthCare Foundation. December 2007.

Disparities in out-of-pocket expenditures are not documented fully in the literature. The survey data indicate that the average and median out-of-pocket dental expenditures examined for a number of insured vulnerable groups did not seem to differ. The median amount of dental out-of-pocket expenditures remained at $200 among the insured by income, employment, and English proficiency. Minor differences by Latino status and dental health status were observed but were not statistically significant.

Summary

- Dental out-of-pocket expenditures were reported by 77 percent of adults in general and 54 percent of publicly insured adults.
- Expenditure amounts varied among privately insured, publicly insured, and uninsured adults.
- Nearly one in ten privately insured adults had out-of-pocket dental expenses over $2,000. Lower out-of-pocket dental costs correlated with fewer dental visits and preventive visits.
- Dental out-of-pocket expenditures were about as high as medical out-of-pocket expenditures for adults who had visited a dentist in the previous year.
- Disparities in time since last visit and use of preventive services were observed among insured adults by characteristics such as ethnicity, income, employment, and dental health status.
- Disparities in dental out-of-pocket expenditures were not observed.

Implications

Dental insurance enables people to obtain dental care but it does not remove all financial barriers to care. High out-of-pocket dental expenses may limit early intervention and needed care, particularly when dental expenditures compete with medical or other basic living expenses. The disparities in use of services among people with dental insurance indicate that further action is required to level the playing field.

In the current economic climate, people with dental insurance may face loss of coverage due to unemployment, loss of dental benefits, or other cost-saving measures by employers including reduced benefits and higher levels of cost-sharing by employees. Those with privately purchased policies may face increasing premium costs and potentially lower-cost discount plans that do not cover the full costs of dental care. Loss of benefits or higher cost-sharing by consumers is likely to aggravate disparities in access to dental care.

The loss of adult dental benefits under Medi-Cal's dental program (Denti-Cal) or alternative proposals such as reducing annual caps, covered benefits, and payments to providers all have significant implications for adult Medi-Cal beneficiaries and other eligible low-income people. Loss of Denti-Cal benefits could have devastating implications for the dental health of publicly insured people, as they are more likely to report fair or poor general health than privately insured people and the uninsured.[9] Publicly insured individuals are more often low-income, minority, unemployed, and limited-English-speaking adults. Despite barriers such as provider participation rates and utilization limitations, Denti-Cal has provided access to much-needed dental care. Reducing benefits or the annual cap would restrict coverage of services, particularly restricting use of high-cost major services that are most needed by those in poor dental health.

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About the Foundation

The California HealthCare Foundation is an independent philanthropy committed to improving the way health care is delivered and financed in California. By promoting innovations in care and broader access to information, our goal is to ensure that all Californians can get the care they need, when they need it, at a price they can afford. For more information about CHCF, visit www.chcf.org.

Endnotes

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Appendix: Methods

The data for this study are from the California General Public Survey conducted by Harris Interactive for the California HealthCare Foundation. Data were collected by telephone between Nov. 5 and Dec. 17, 2007, using random digit dialing. Over 1,000 California residents ages 18 and older participated in the 20-minute survey, with a final sample of 1,007 included in this publication.

Dental care utilization and out-of-pocket expenditures were measured by evaluating the respondents' answers to the following questions:

1. About how long has it been since you last visited a dentist or dental clinic?
2. During the past 12 months, about how many visits did you make to a dentist?
3. Was your last visit to the dentist or dental clinic for a routine checkup or cleaning, a specific problem, or an orthodontist visit?
4. During the past 12 months, was there any time when you needed dental care (including checkups) but you couldn't or didn't get it?
5. About how much have you spent out-of-pocket on dental care over the past 12 months?

Participants were asked whether they had dental insurance coverage. Those who did were asked whether the coverage was obtained through an employer/union, an association or fraternal organization, directly from an insurance company, or a public program such as Medi-Cal or Healthy Families. In this report, the first three groups are categorized under private insurance and the last group is categorized under public insurance. Further examination of the health insurance coverage of publicly insured revealed this coverage to be primarily through Medi-Cal.

Statistically significant differences with a p-value of 0.05 or below are discussed in the text. Differences that are not statistically significant are not discussed.