

The Dental Care Rebound: How Far Have We Gotten? How Far Will We Go?

June 11, 2020

HPI Health Policy Institute

ADA American Dental Association®



Moderator

Marko Vujicic

Chief Economist & VP
ADA Health Policy Institute



Panelists

Steve Beuchaw

Director, Wolfe Research



Ty Hamilton

Chief Operating Officer,
P&R Dental Strategies



Vijay Sikka

CEO/Founder, Sikka
Software Corporation



Stephen E. Thorne

CEO/Founder, Pacific
Dental Services



Webinar Administrator

Adriana Menezes

Director, Operations
ADA Health Policy Institute



Webinar Administrator

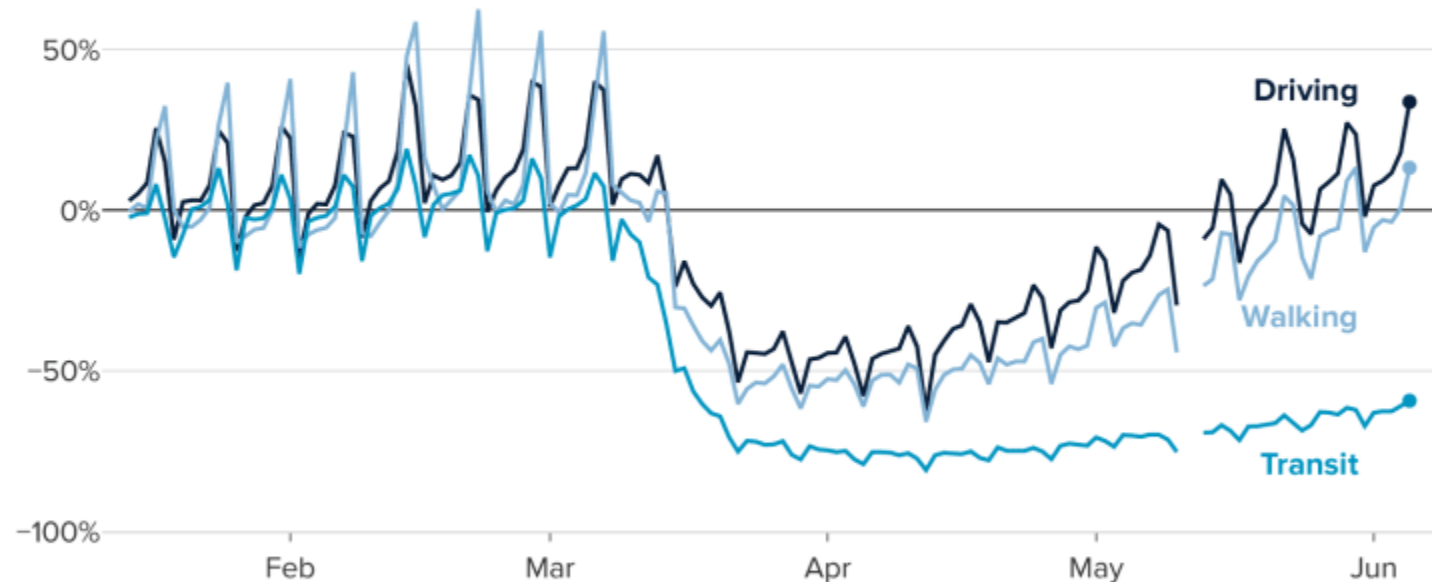
Sylvia Zeno

Manager, Administrative Services
ADA Health Policy Institute

The Economic Recovery

Change in requests for directions on Apple Maps

Compared to January 13, 2020 baseline. Data is for United States only.



SOURCE: Apple. Data through June 5, 2020.

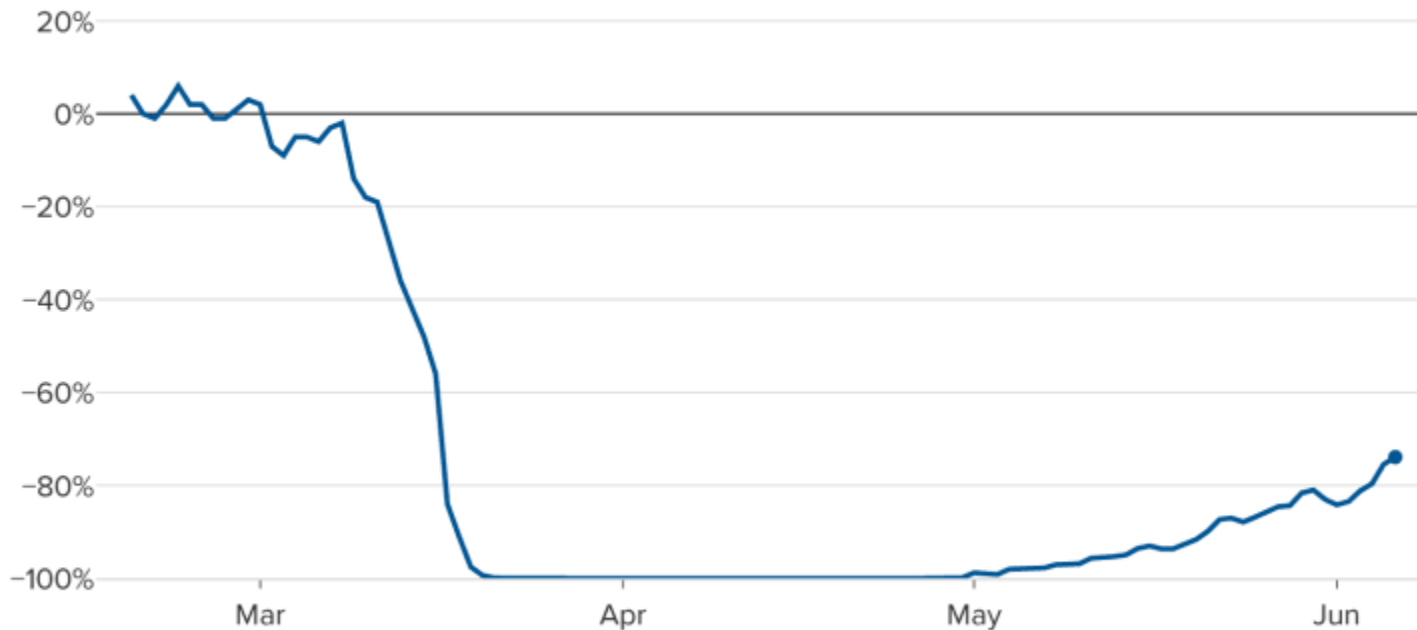


Insight: The economic recovery is gaining steam.

The Economic Recovery

U.S. Restaurant bookings

Year-over-year change in seated diners at restaurants on the OpenTable network



SOURCE: OpenTable. Data through June 6, 2020. Only states or cities with 50+ restaurants in the sample are included.



Insight: The public is slowly starting to get back to usual activities.

The Economic Recovery

U.S. Home purchases

Year-over-year change in mortgage applications for purchasing a single-family home



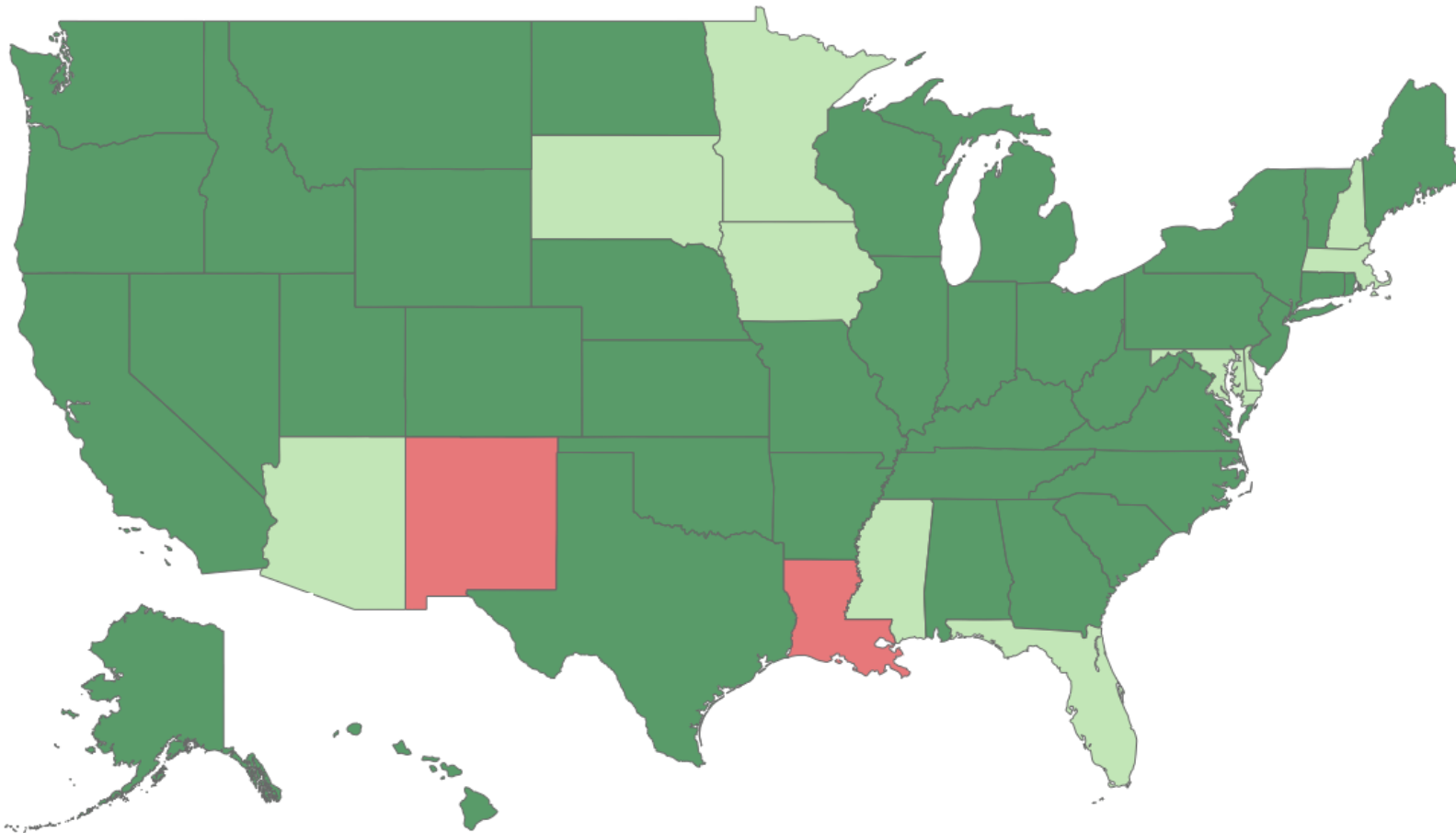
SOURCE: Mortgage Bankers Association Purchase Index. Data through May 29, 2020.



Insight: The public is slowly starting to get back to usual activities.

Dentistry's Reopening

Classification of Permitted Dental Services **June 1, 2020**



Week

< June 1, 2020 >



Show history

Status

- All
- Most with some restriction
- Emergency Only
- None

*As of June 1st
48 states had
re-opened for
elective dental
care.*

HPI Economic Impact of COVID-19 Tracking Poll

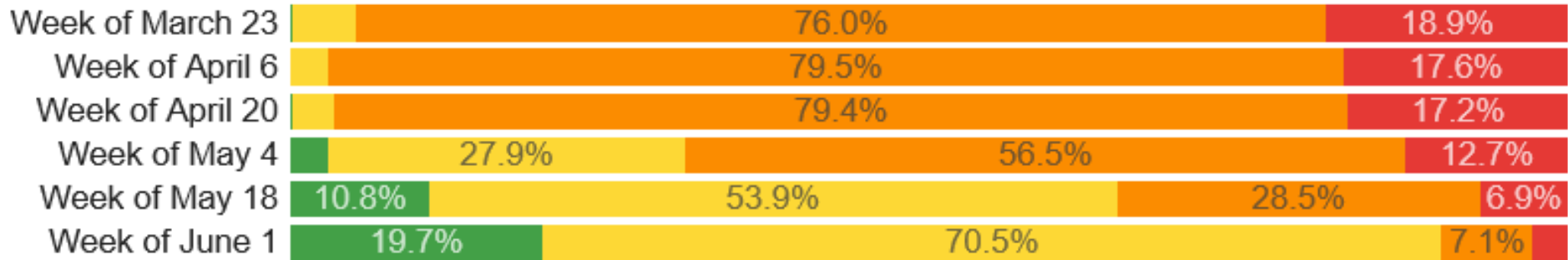
- Bi-weekly poll
- Started week of March 23rd
- Three core measures:
 - Status of your practice
 - Volume of patients and collections
 - Status of your staff
- “Question(s) of the Week”
- Response rate around 50%
- Representative sample of dentists in private practice
- One additional wave of data collection focused on dentists in public health settings

Number of responses

Wave	Responses
Week of March 23	19,154
Week of April 6	6,109
Week of April 20	6,614
Week of May 4	6,774
Week of May 18	6,504
Week of June 1	5,674

Core Questions

What is the current status of your dental practice?



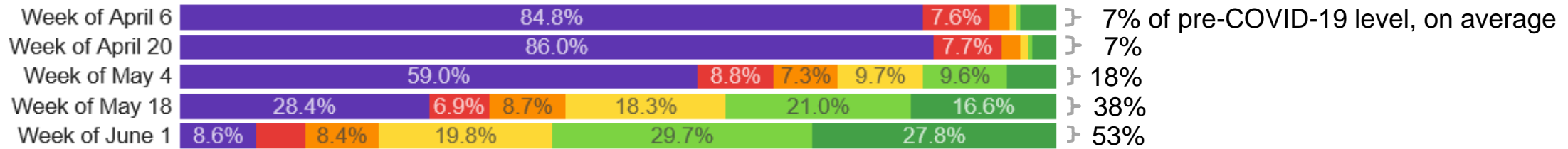
- Open and business as usual
- Open but lower patient volume than usual
- Closed but seeing emergency patients only
- Closed and not seeing any patients

Insight: The week of June 1st 90% of dental practices in the U.S. were open, with 20% reporting being back to “business as usual”.

Core Questions

How does this week compare to what is typical in your practice, in terms of... *

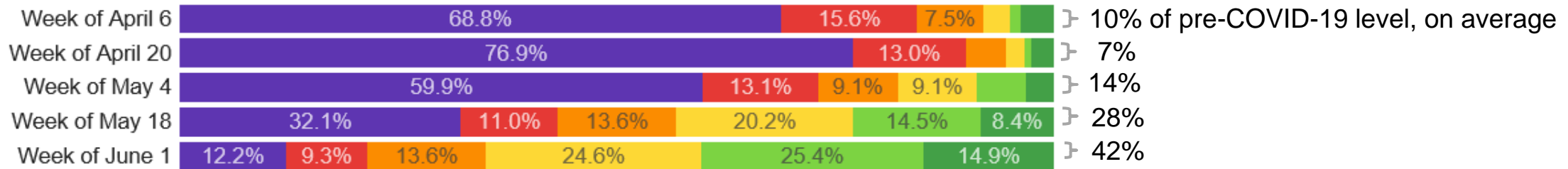
Total Patient Volume



● Less than 5%
 ● 5-10%
 ● 11-24%
 ● 25-50%
 ● 51-75%
 ● 76% or more

Insight: Nationally, patient volume reached 53% of pre-COVID-19 levels the week of June 1st, a steady climb since states began re-opening. In April, it was at 7% of pre-COVID-19 levels.

Volume of Total Collections

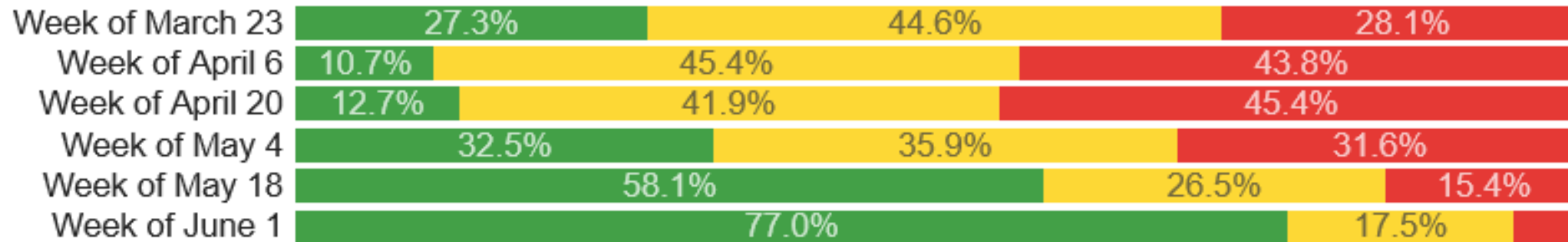


● Less than 5%
 ● 5-10%
 ● 11-24%
 ● 25-50%
 ● 51-75%
 ● 76% or more

Core Questions

Is your dental practice paying staff this week?

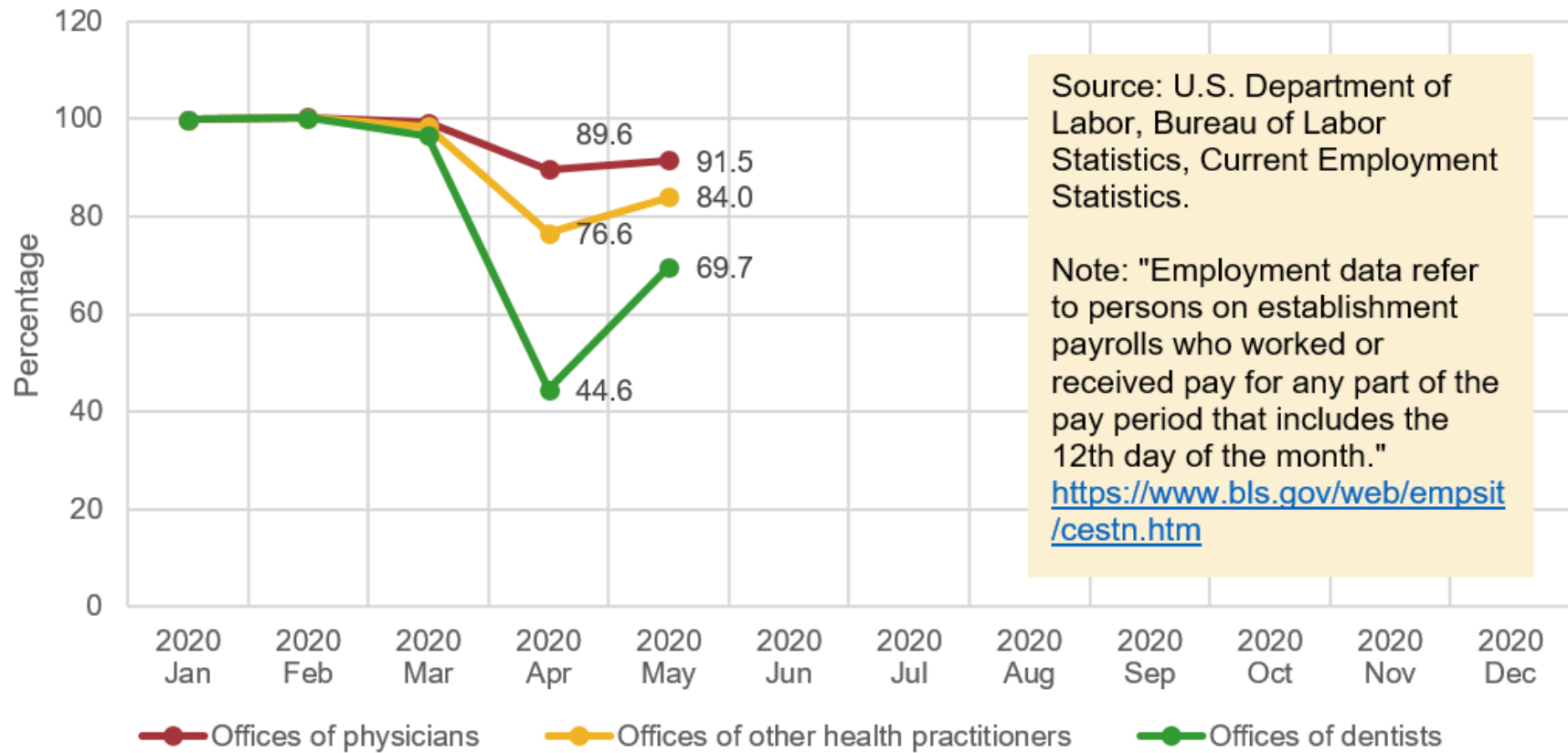
Insight: Nationally, dental practices continue to hire back staff at a rapid pace.



● Yes, fully ● Yes, partially ● Not paying any staff

Core Questions

Employment as a Percentage of January 2020 Employment, by Health Care Industry



Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Statistics.

Note: "Employment data refer to persons on establishment payrolls who worked or received pay for any part of the pay period that includes the 12th day of the month."
<https://www.bls.gov/web/empsit/cestn.htm>

Insight: BLS data show employment in dental offices in May was at 70% of pre-COVID-19 levels, in line with data from HPI's survey.

Core Questions

PAY STATUS OF ASSOCIATES, EMPLOYEES, AND INDEPENDENT CONTRACTORS

[If non-owner dentist] Are YOU being paid this week?



● Yes, fully ● Yes, partially ● Not being paid at all

[If Not Being Paid at All] Are you currently receiving unemployment benefits?

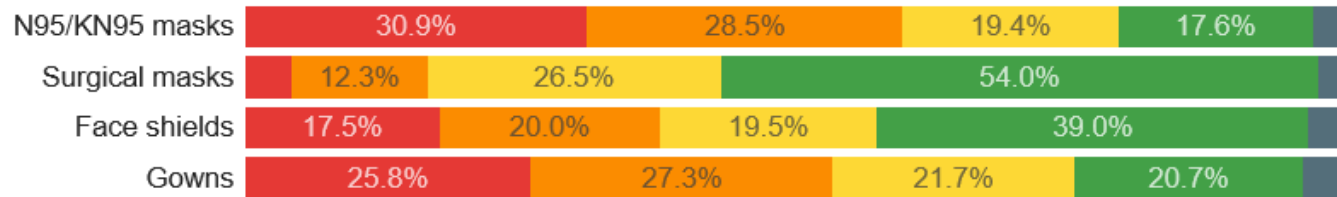


● Yes ● I've applied, but have not received any benefits yet ● No, my application was not approved
● No, I have not applied

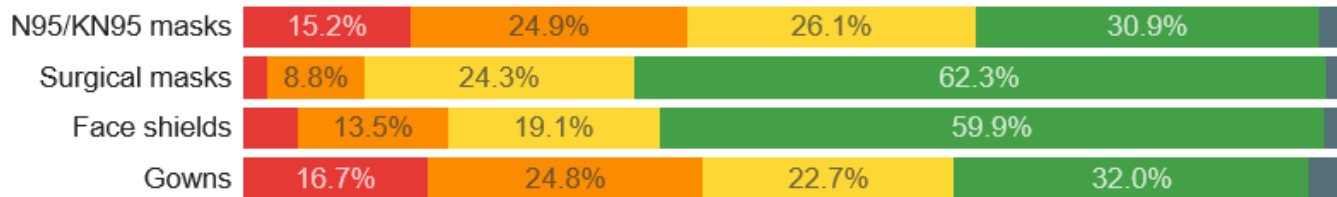
Insight: Layoffs hit employee dentists hard. They are being hired back, but not as rapidly as other staff. Less than half of employee dentists are being paid fully.

Core Questions

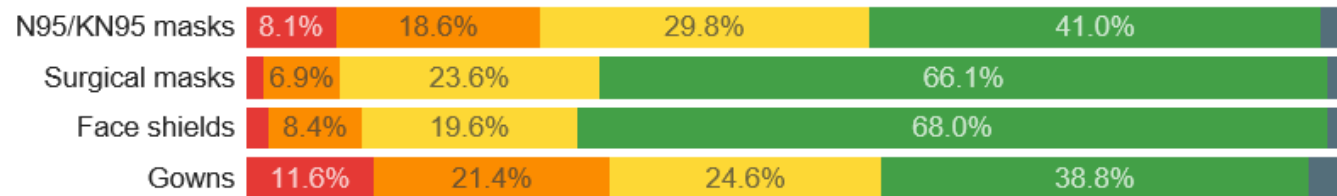
How many days' worth of the following PPE does your practice have at this time?



Week of May 4



Week of May 18



Week of June 1

● 0 days ● 1 to 7 days ● 8 to 14 days ● More than 14 days ● Not sure

Insight: Nationally, PPE availability in dental practices continues to improve.

Question of the Week

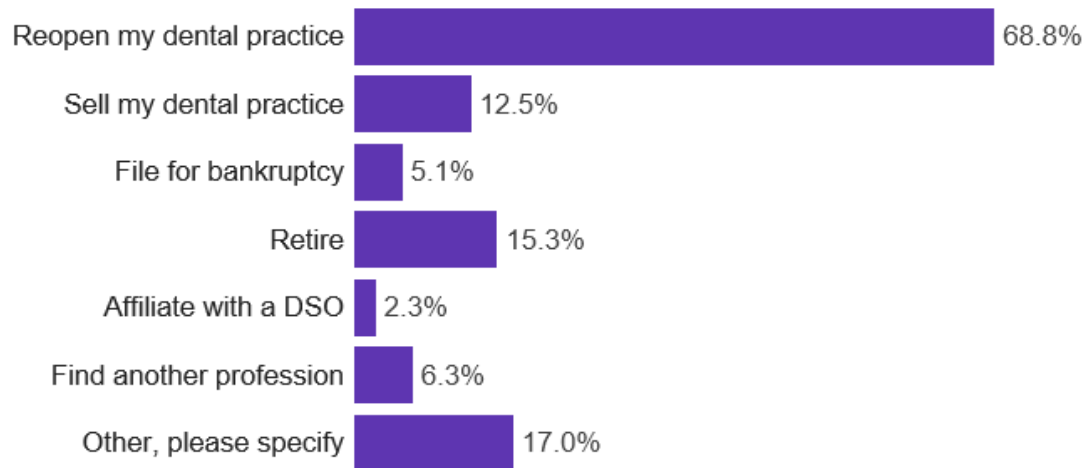
[If practice closed or closed but open for emergencies] Do you expect your dental practice to reopen for elective care by the end of this month?



Putting the data together, among the 10% of dental offices that are closed...

- 7% intend to open by end of June
- 2% intend to open within 6 months
- 1% do not intend to re-open (e.g. retire, sell, etc.)

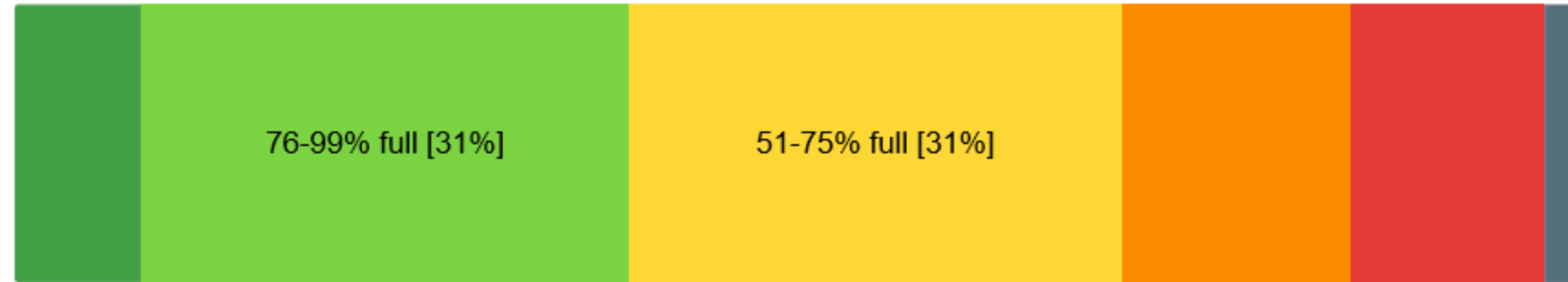
[If No or Not Sure] Do you intend to do any of the following in the next six months? (Select all that apply.)



Insight: The deep economic contraction in April does not appear to be having a long-term impact on practice solvency. At least for now.

Question of the Week

How full is your practice's appointment schedule this month?



- 100% full [8%]
- 76-99% full [31%]
- 51-75% full [31%]
- 25-50% full [15%]
- Less than 25% full [12%]
- Not sure [2%]

70% say their schedule for June is more than half full

Insight: The majority of dentists report their schedules this month are more than half full. More research is needed to identify if the major constraint is lack of patients or reduced capacity due to new safety protocols.

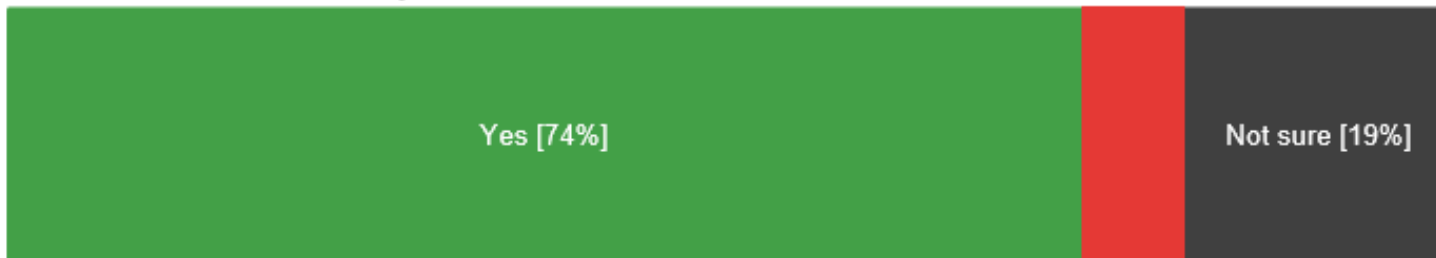
Question of the Week

Prior to the beginning of the COVID-19 pandemic, was your dental practice an enrolled Medicaid provider?



● Yes [24%] ● No [75%] ● Not sure [1%]

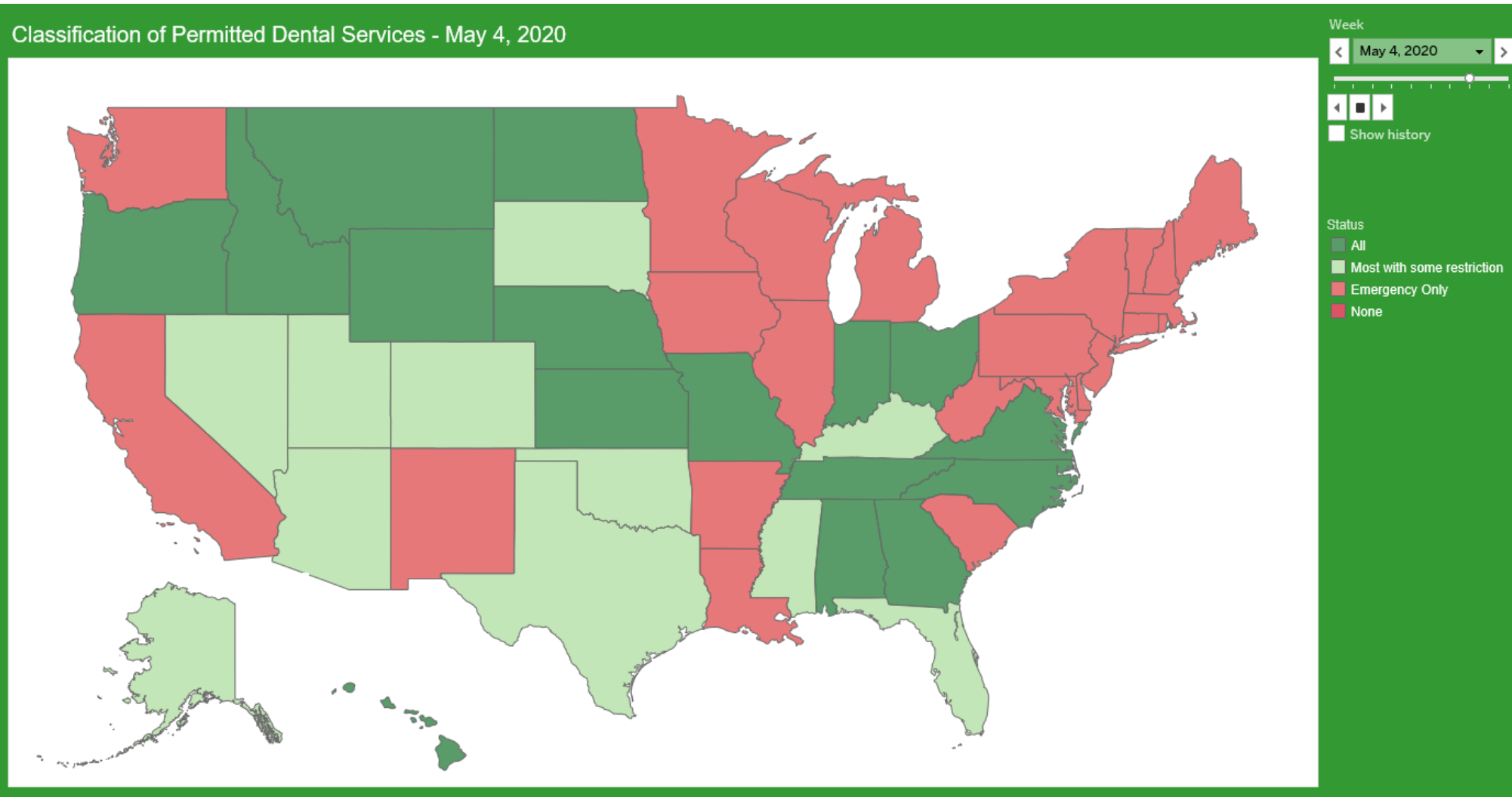
[If an enrolled Medicaid provider] Looking ahead, does your practice plan to continue to be an enrolled Medicaid provider at the end of this month?



● Yes [74%] ● No [7%] ● Not sure [19%]

Insight: The majority of Medicaid providers intend to remain Medicaid providers. Only 7% intend to drop out.

A Closer Look at States That Opened Early

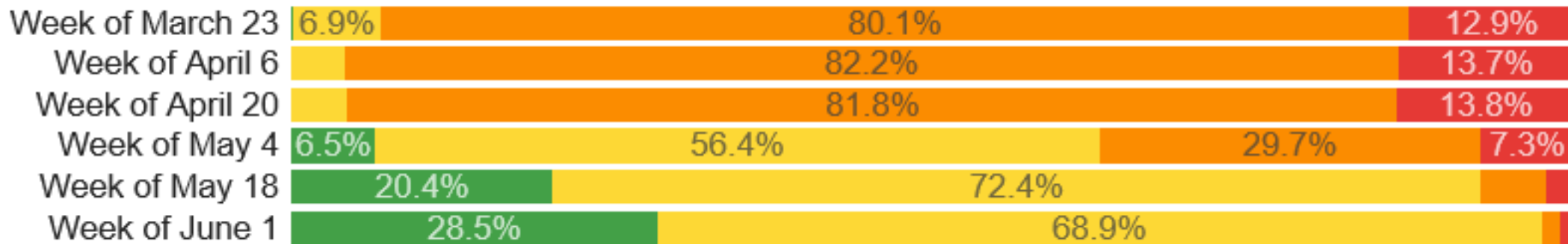


As of May 4th, 27 states had re-opened for elective dental care. These states are in week 5 of re-opening.

Core Questions

What is the current status of your dental practice?

Insight: In the 27 states that have been open for elective care at least 5 weeks, 98% of dental offices are open and 29% report “business as usual”.

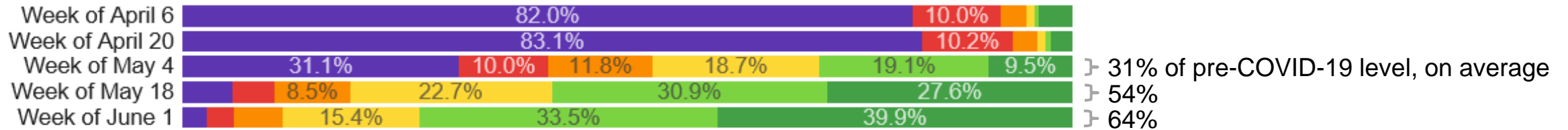


- Open and business as usual
- Open but lower patient volume than usual
- Closed but seeing emergency patients only
- Closed and not seeing any patients

Core Questions

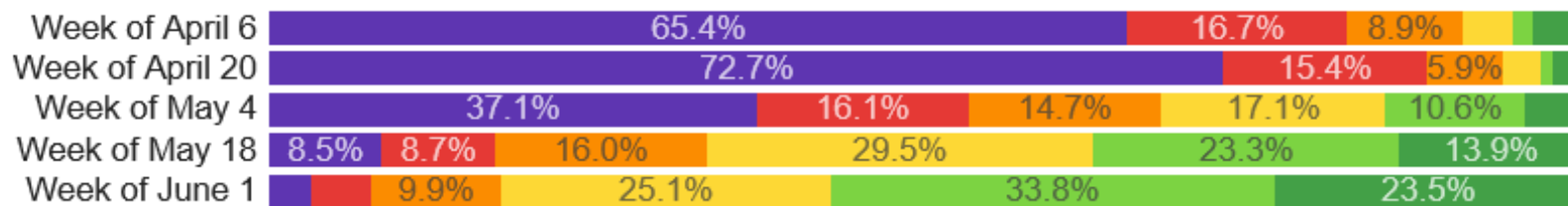
How does this week compare to what is typical in your practice, in terms of... *

Total Patient Volume



● Less than 5%
 ● 5-10%
 ● 11-24%
 ● 25-50%
 ● 51-75%
 ● 76% or more

Volume of Total Collections



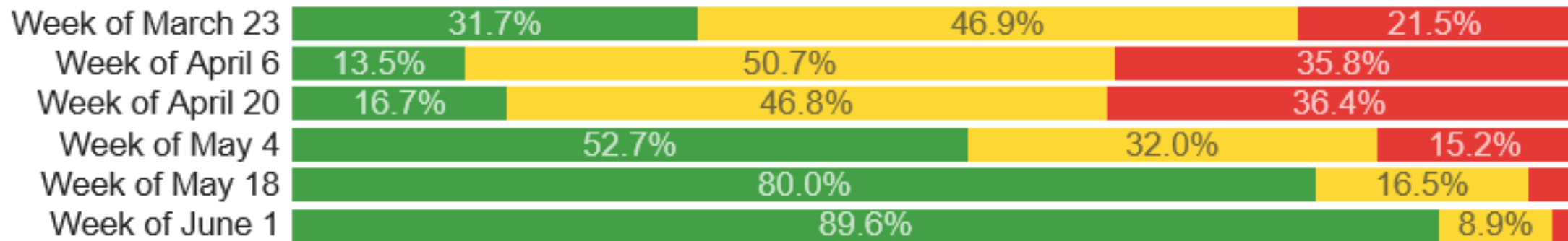
● Less than 5%
 ● 5-10%
 ● 11-24%
 ● 25-50%
 ● 51-75%
 ● 76% or more

Insight: In the 27 states that have been open for elective care at least 5 weeks, patient volume continues to rise. The week of June 1st patient volume reached 64% of pre-COVID-19 levels.

Core Questions

Is your dental practice paying staff this week?

Insight: In the 27 states that have been open for elective care for at least 5 weeks, dental offices are nearly back to full staffing.

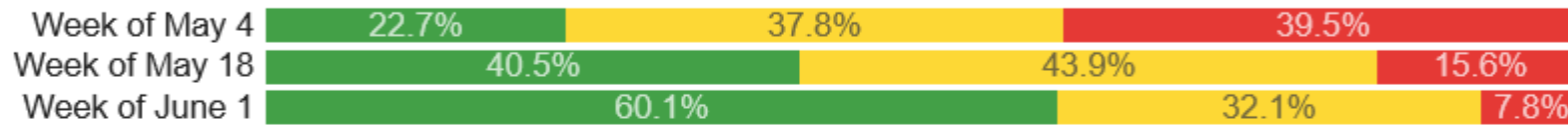


● Yes, fully ● Yes, partially ● Not paying any staff

Core Questions

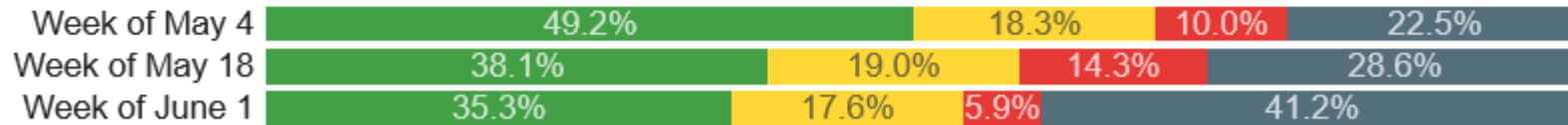
PAY STATUS OF ASSOCIATES, EMPLOYEES, AND INDEPENDENT CONTRACTORS

[If non-owner dentist] Are YOU being paid this week?



● Yes, fully ● Yes, partially ● Not being paid at all

[If Not Being Paid at All] Are you currently receiving unemployment benefits?



● Yes ● I've applied, but have not received any benefits yet ● No, my application was not approved
● No, I have not applied

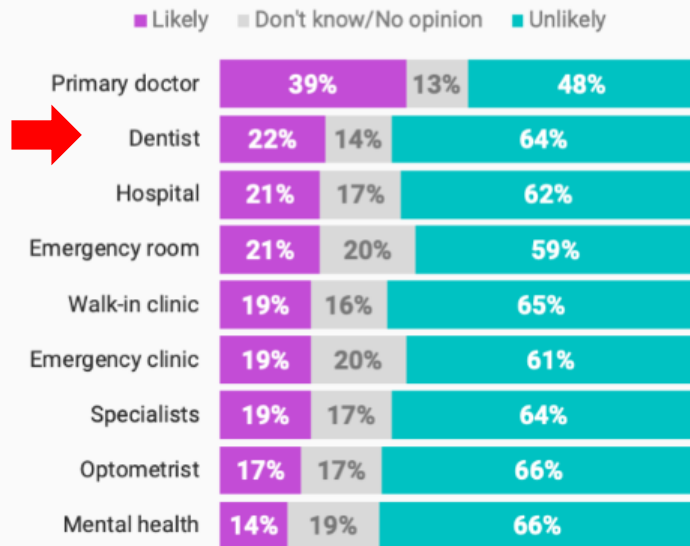
Insight: The majority of employee dentists are now being fully paid. Still, they continue to be hired back slower than other dental team members.

Those not being paid are also those most likely to not have applied for unemployment benefits.

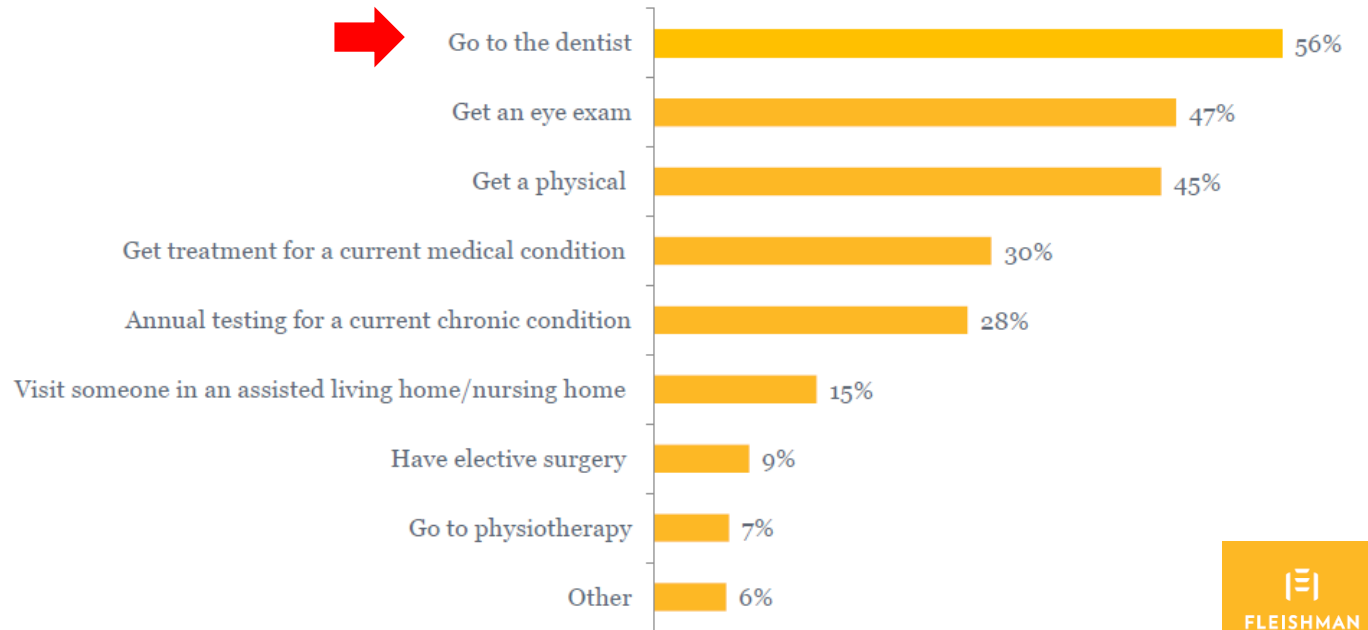
Insights from Consumer Polling

Lion's Share of Adults Unlikely To Seek Non-COVID-19 Treatments Amid Pandemic

Adults were asked, in light of the pandemic, how likely they were to visit the following for appointments or treatments unrelated to the coronavirus:



Q: Which of the following are you planning to do in the next 12 months?

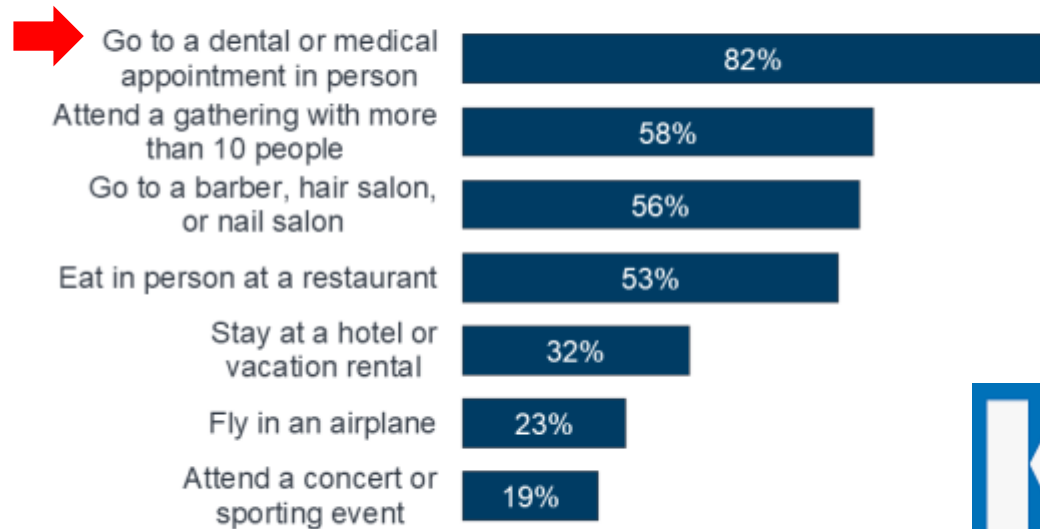


TRUE Global Intelligence, the in-house research practice of FleishmanHillard, fielded an online survey of U.S. adults aged 30-75 on May 4 - 5, 2020.

Insights from Consumer Polling

Most Say Some Activities Will Resume In Coming Months, Few Say The Same About Traveling Or Attending Large Events

Percent who say it is likely that they will do each of the following in the next three months or they are already doing it:



Insight: The public places a relatively high priority on dental visits in “getting back to normal”.

SOURCE: KFF Health Tracking Poll (conducted May 13-18, 2020). See topline for full question wording.



Key Take-Aways from June 1st Data

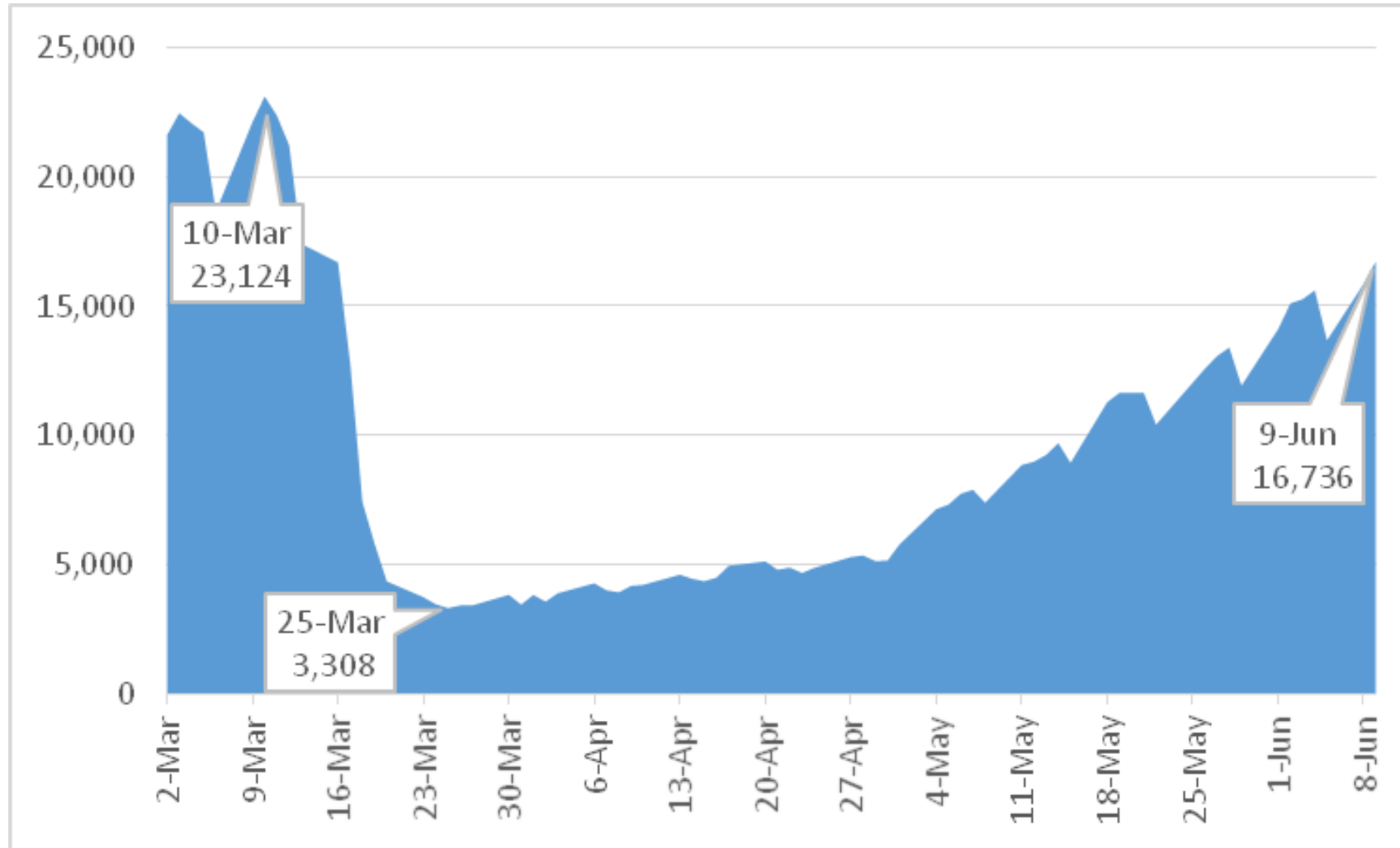
- As of the week of June 1st, 90% of dental offices in the U.S. were open. Among the 10% that were closed, 7% intend to re-open within the month, 2% within 6 months, and 1% do not intend to re-open (e.g. retire/sell/declare bankruptcy).
- As of the week of June 1st, patient volume had rebounded to 53% of pre-COVID-19 levels nationwide. In the 27 states that have been open for elective care for at least five weeks, it had rebounded to 64% of pre-COVID-19 levels. Dental practices are hiring back staff steadily.
- The stockpile of PPE in dental offices continues to increase. The past two weeks saw significant improvements in PPE availability, including N95/K95 masks.
- Most dentists report their appointment schedule for the next month is at least half full. But only 8% report it is completely full. We need to dig deeper into whether the issue is lack of patients or lower capacity due to new safety protocols or hesitancy among dental team members to return to work.
- Consumer attitudes are very encouraging when it comes to visiting the dentist. For now. The data indicate the public is prioritizing visiting the dentist when it comes to “getting back to normal”.
- Taken together, data for the week of June 1st continue to indicate a robust recovery in the dental economy so far.

Pacific Dental Services

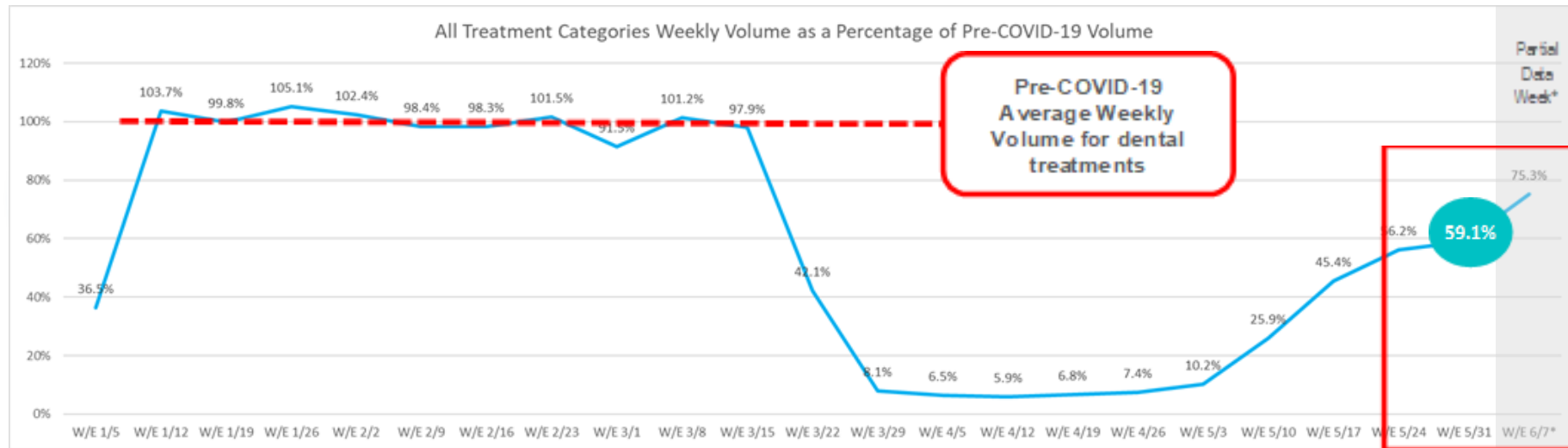
The greatest dental company
in America.



Patient Visits



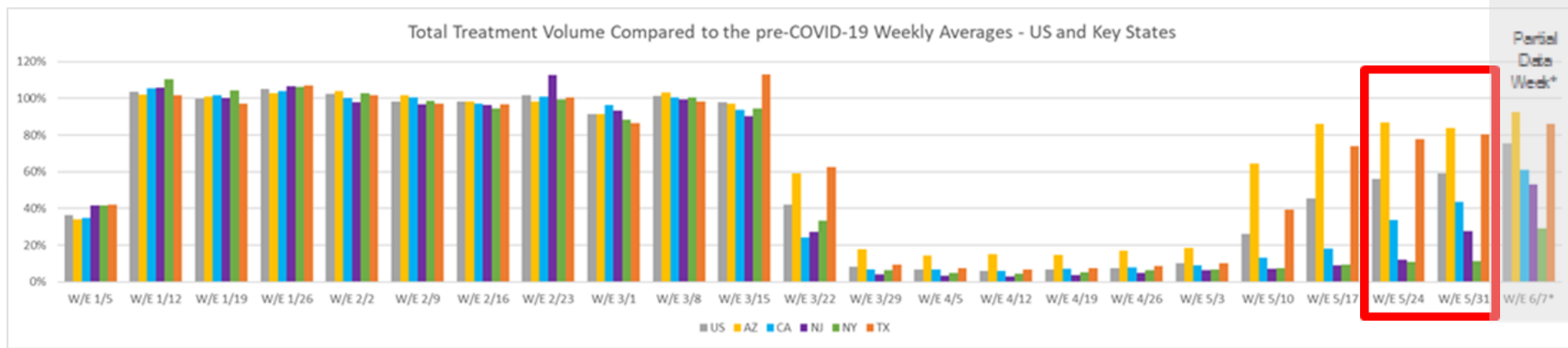
Eye on the Industry™ – Recovery Tracking Report



The week ending 5/31 again showed a material increase in treatment volume with overall national dental treatment volume at 59% of the pre-COVID-19 average weekly treatment volume.

Week Ending May 31 – 59% of pre-COVID-19 Volume
Week Ending June 7 – 75+% of pre-COVID-19 Volume

Recovery Tracking Report – State by State Variation

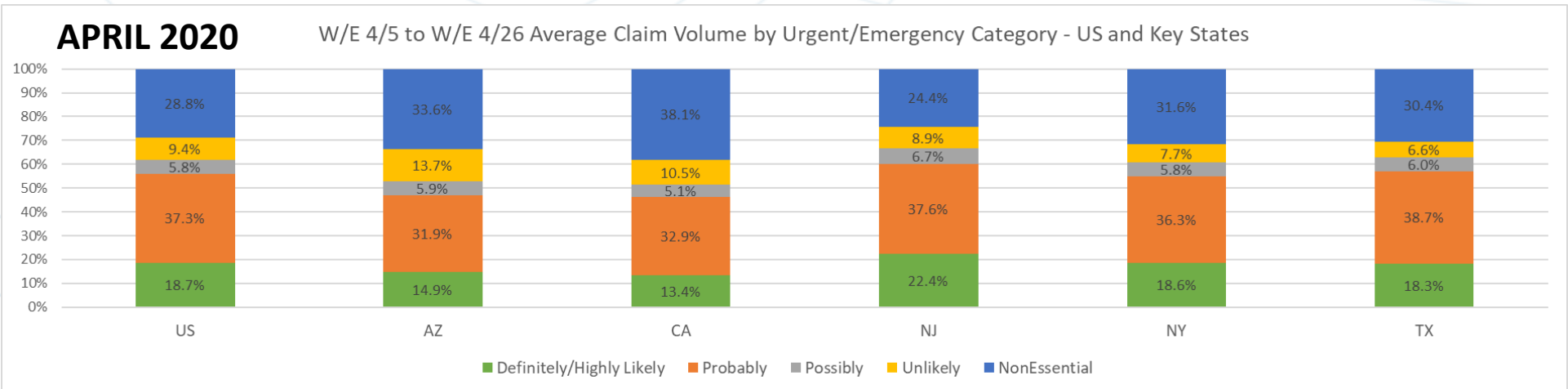
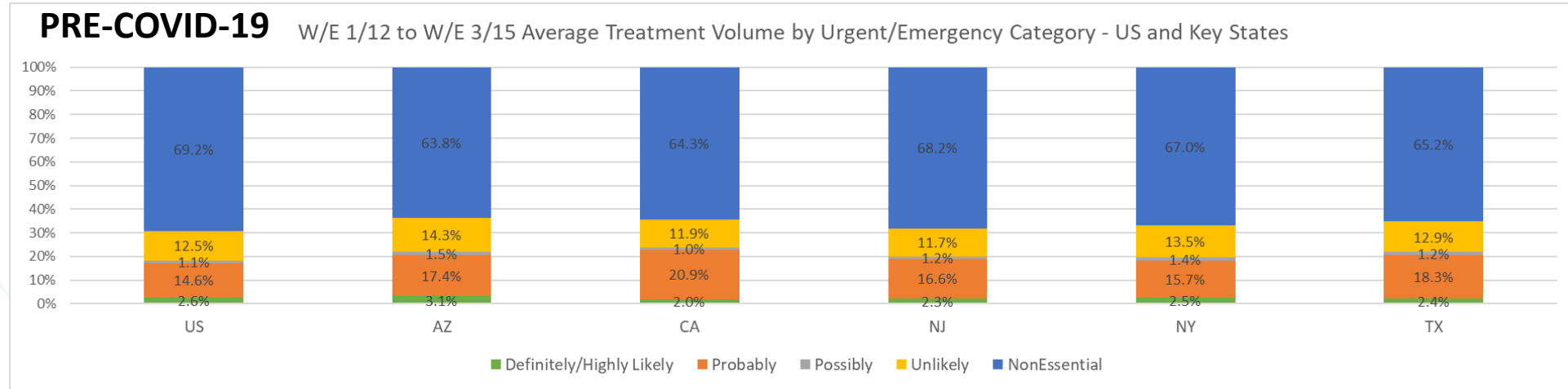


Arizona March 31, 2020 Stay-at-Home	California March 19, 2020 Stay-at-Home	New Jersey March 21, 2020 Stay-at-Home	New York March 22, 2020 Stay-at-Home	Texas April 1, 2020 Stay-at-Home
<p>Treatment volume has been above 80% of pre-COVID-19 levels since mid-May.</p>	<p>Gradual, but continued growth observed in the week ending 5/31.</p>	<p>Weekly volume made a large increase for the week ending 5/31, but still less than most states.</p>	<p>Slight growth for the week ending 5/31, but still mostly locked down.</p>	<p>Weekly volume at >80% of pre-COVID-19 volume for the week ending 5/31.</p>

Arizona- June 7 – 90+% of pre-COVID-19 Volume
New York - June 7 – 29+% of pre-COVID-19 Volume

Distribution of Services – Urgent/Emergency & Non-Essential

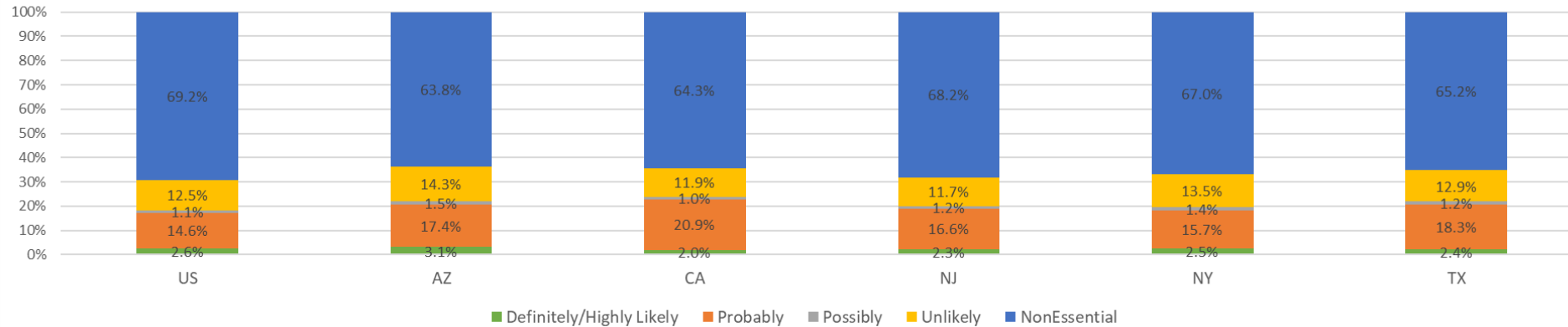
Most Likely Urgent/Emergency Treatments		Possibly Urgent/Emergency Treatments	Not Likely/Not Generally Urgent/Emergency Treatment	
Definitely/Highly Likely Urgent/Emergency	Probably Urgent/Emergency	Possibly Urgent/Emergency	Unlikely Urgent/Emergency	Non-Essential



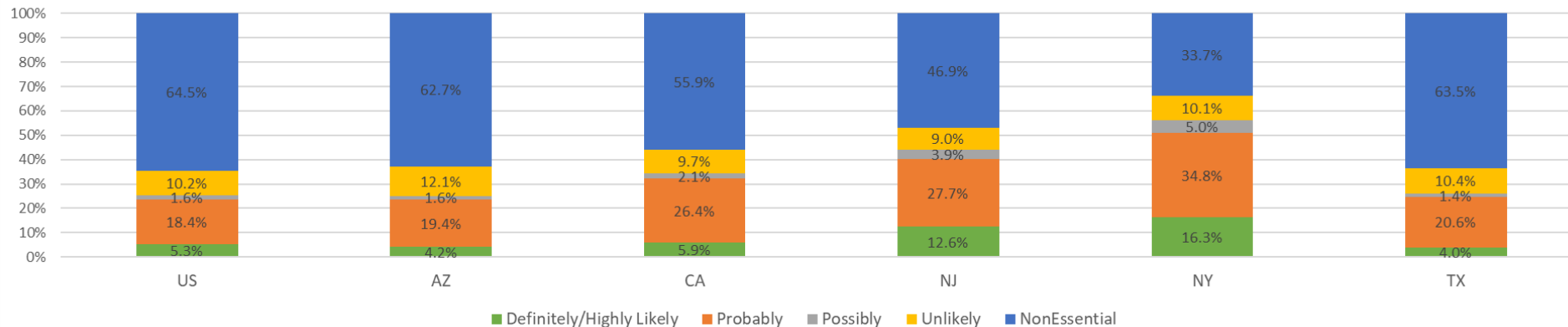
Distribution of Services – Urgent/Emergency & Non-Essential

Most Likely Urgent/Emergency Treatments		Possibly Urgent/Emergency Treatments	Not Likely/Not Generally Urgent/Emergency Treatment	
Definitely/Highly Likely Urgent/Emergency	Probably Urgent/Emergency	Possibly Urgent/Emergency	Unlikely Urgent/Emergency	Non-Essential

PRE-COVID-19 W/E 1/12 to W/E 3/15 Average Treatment Volume by Urgent/Emergency Category - US and Key States



MAY 2020 W/E 5/3 to W/E 5/31 Average Claim Volume by Urgent/Emergency Category - US and Key States

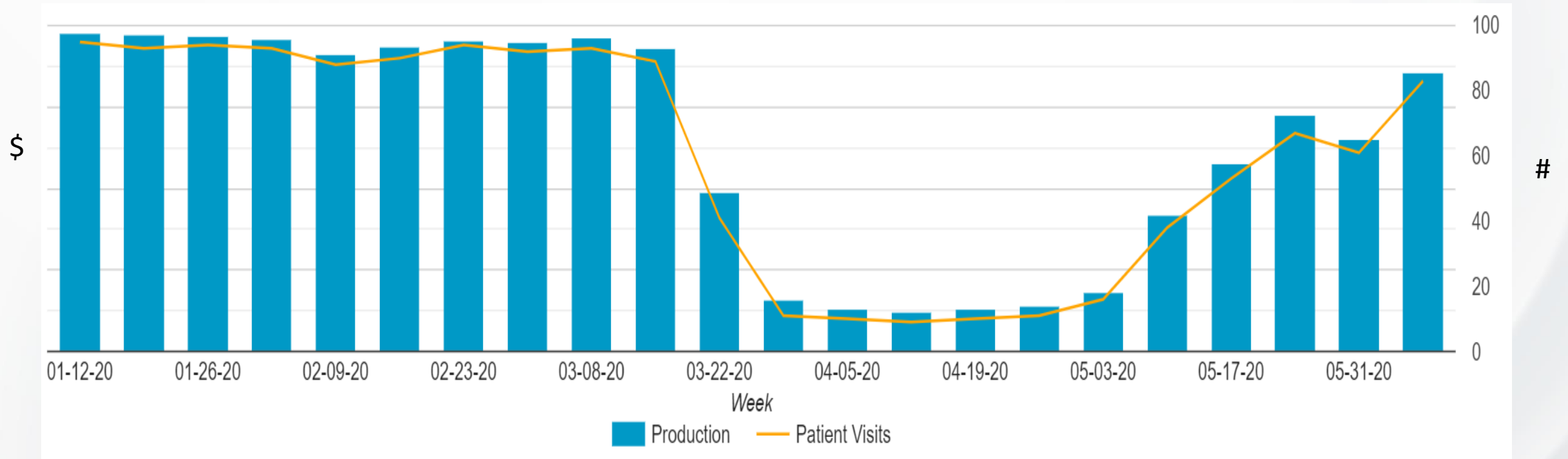




VIJAY@SIKKASOFT.COM

Rebound in Dental Practice Production

Powered by Sikka Insights



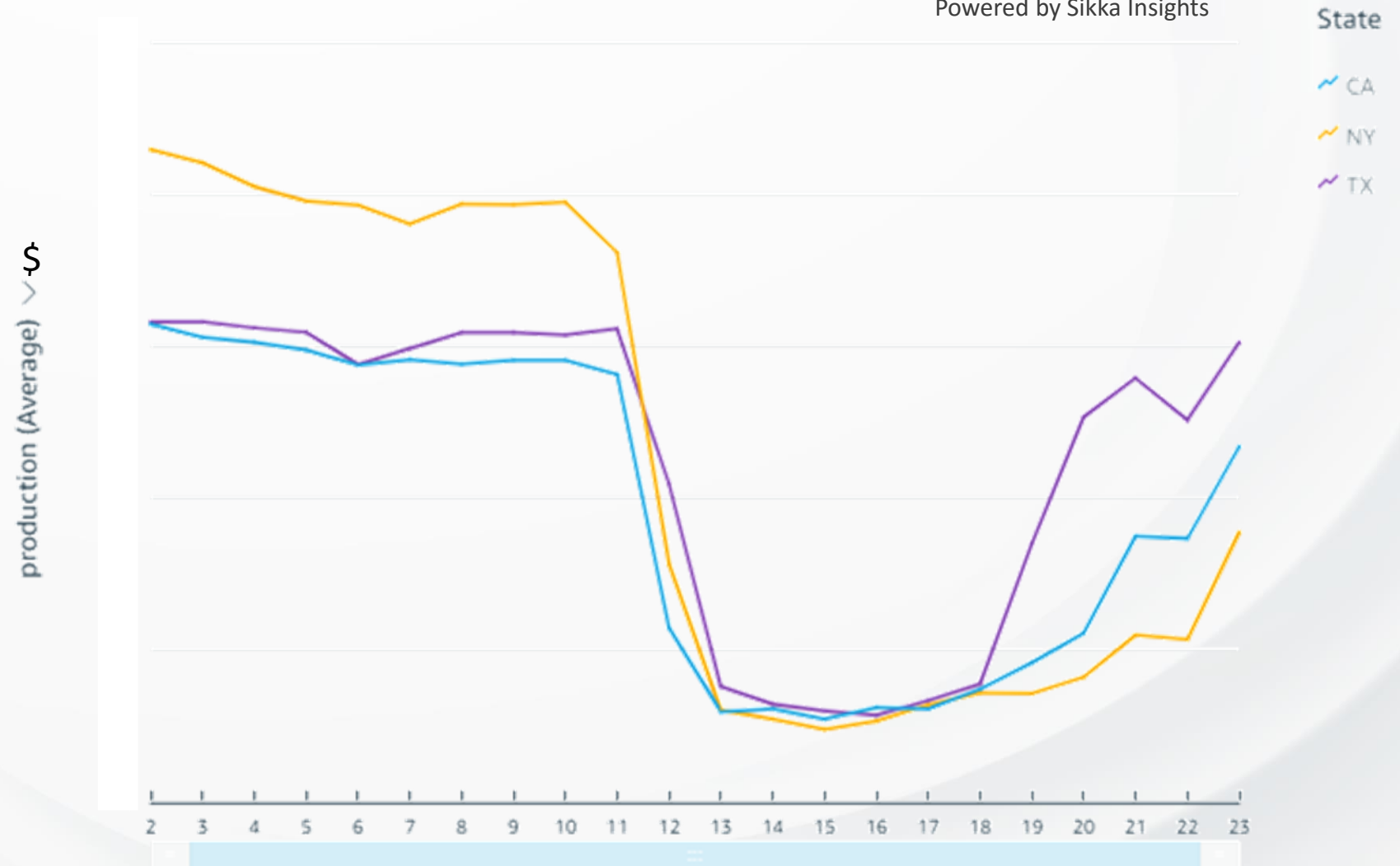
- Dip in week ending May 31 as a result of Memorial Day weekend
- 4-week average of 21% increase in production nationwide
- More data available at <https://www.sikka.com/covid-19-rebound.html>

Comparing Texas, New York and California

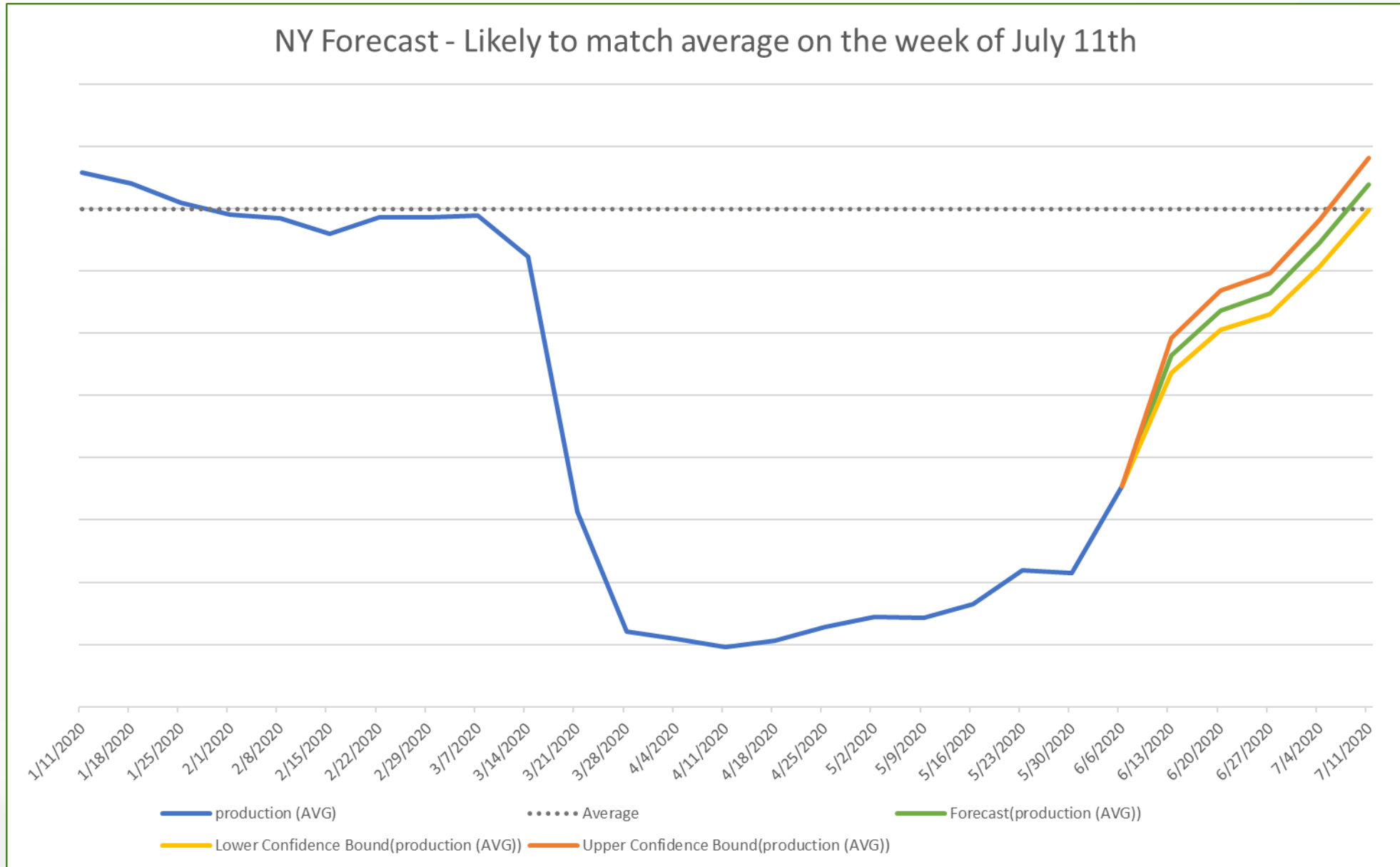
Average of Production by Week and State

Powered by Sikka Insights

- CA, NY and TX all saw a similar impact at the same time
- All 3 states suffered approx. 80% drop for April/May
- TX opened up 2-3 weeks earlier and saw an increase
- CA opened up 2 weeks ago and saw an immediate increase
- NY is open 1 week and is following the same trend



Predictive Analytics



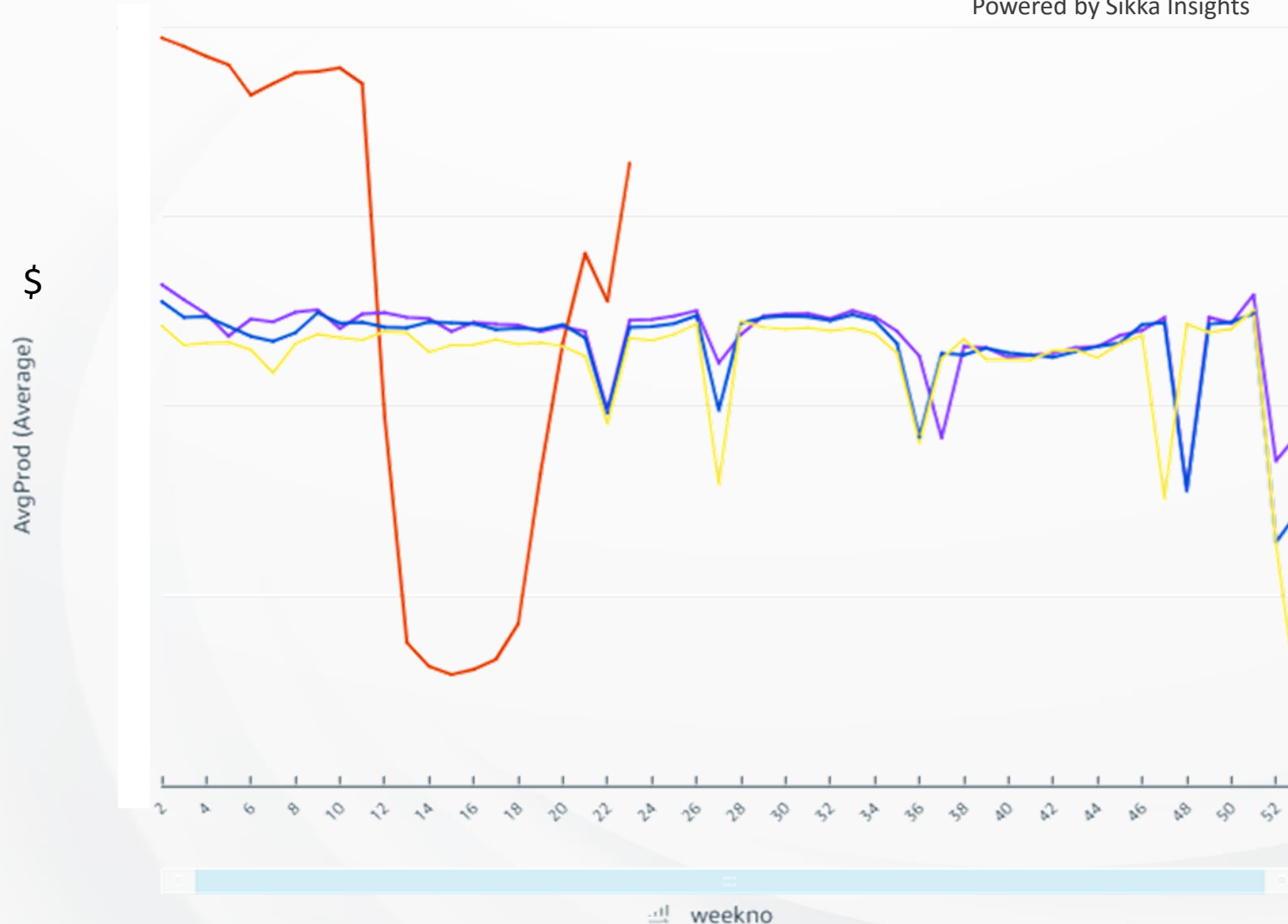


How does the **COVID-19** impact compare to
the **GREAT RECESSION**?

Comparing COVID-19 to Great Recession

Average Weekly Production 2007,2008,2009

Powered by Sikka Insights



- Dental production overall in 12 years has gone up by over 40%
- Covid recession hit dental industry hard (80% drop in production) but bounce back in just a few weeks is remarkable.
- 2008 recession didn't impact dental production other than stagnating YOY growth.
- The dips are holidays such as Memorial Day, Independence Day, Labor Day, Thanksgiving etc.

Thank You!



[ADA.org/HPI](https://ada.org/HPI)

hpi@ada.org



ADA American Dental Association®