Economic Impact of COVID-19 on the Dental Care Sector:

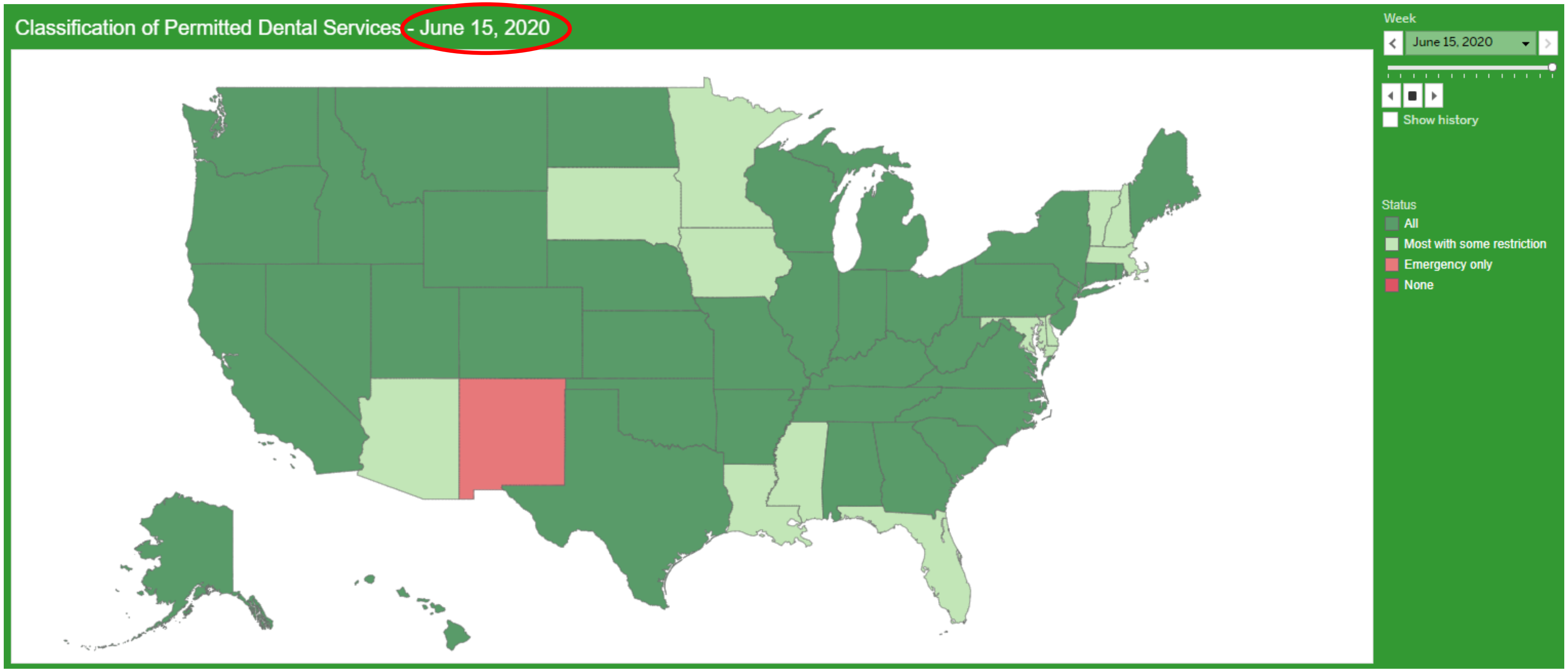
Data for Week of June 15th Show Steady, Sustained Rebound in the Dental Economy

New HPI Projections of U.S. Dental Spending

HPI Health Policy Institute

ADA American Dental Association®

Path to Reopening



As of June 15th 49 states had re-opened for elective dental care.

HPI Economic Impact of COVID-19 Tracking Poll

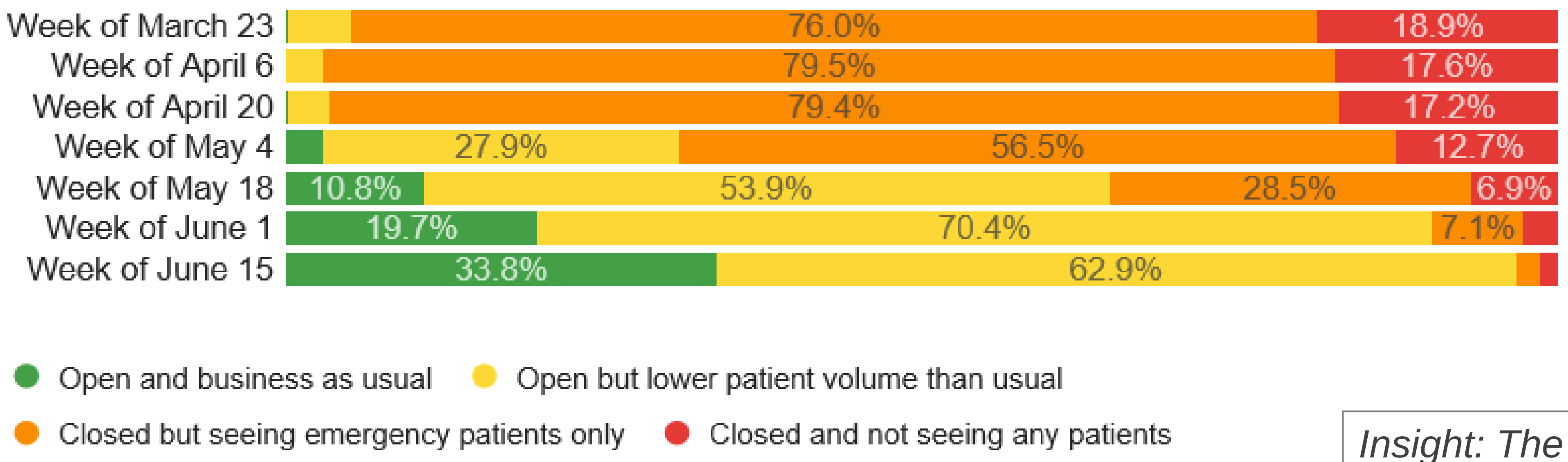
- Bi-weekly poll
- Started week of March 23rd
- Three core measures:
  - Status of your practice
  - Volume of patients and collections
  - Status of your staff
- “Question(s) of the Week”
- Response rate around 50%
- Representative sample of dentists in private practice
- One additional wave of data 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	5,675
Week of June 15	4,808

Core Questions

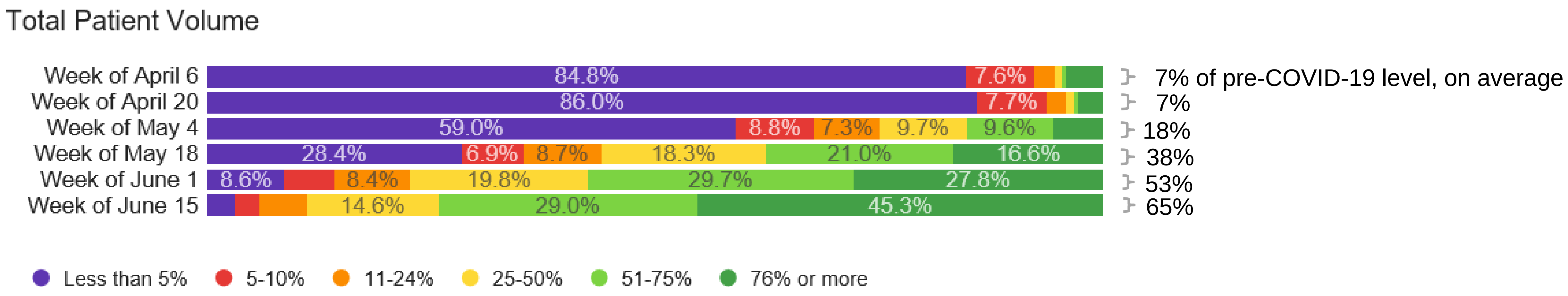
What is the current status of your dental practice?



Insight: The week of June 15th 97% of dental practices in the U.S. were open, with one-third reporting being back to "business as usual".

Core Questions

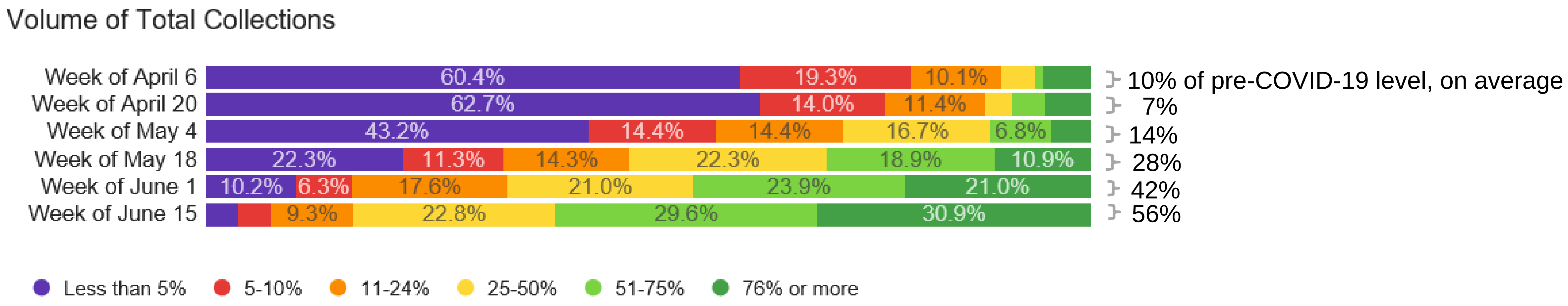
How does this week compare to what is typical in your practice, in terms of... *



Insight: Nationally, patient volume does not seem to be leveling off. Yet. Patient volume reached 65% of pre-COVID-19 levels the week of June 15th, and has climbed steadily since states began re-opening.

Core Questions

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

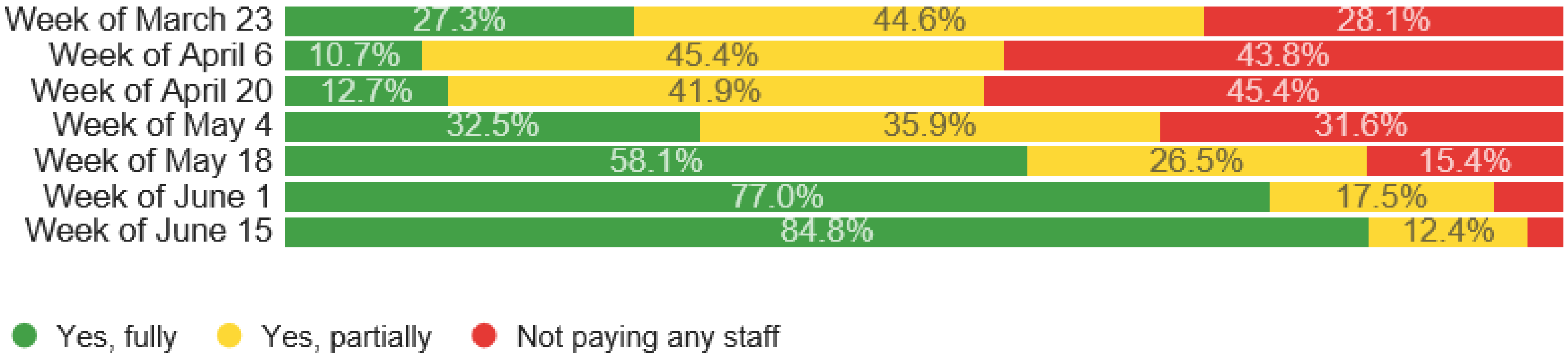


Insight: Nationally, the volume of collections continues to increase, reaching 56% of pre-COVID-19 levels the week of June 15th.

Core Questions

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

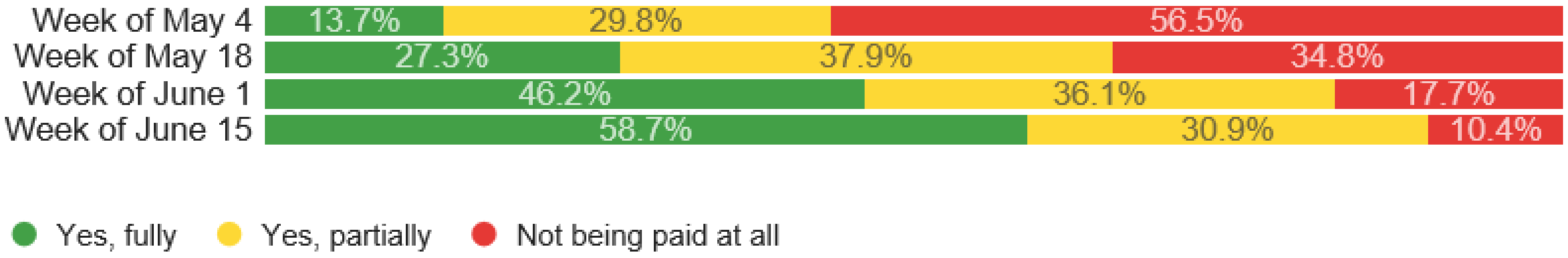
Is your dental practice paying staff this week?



Core Questions

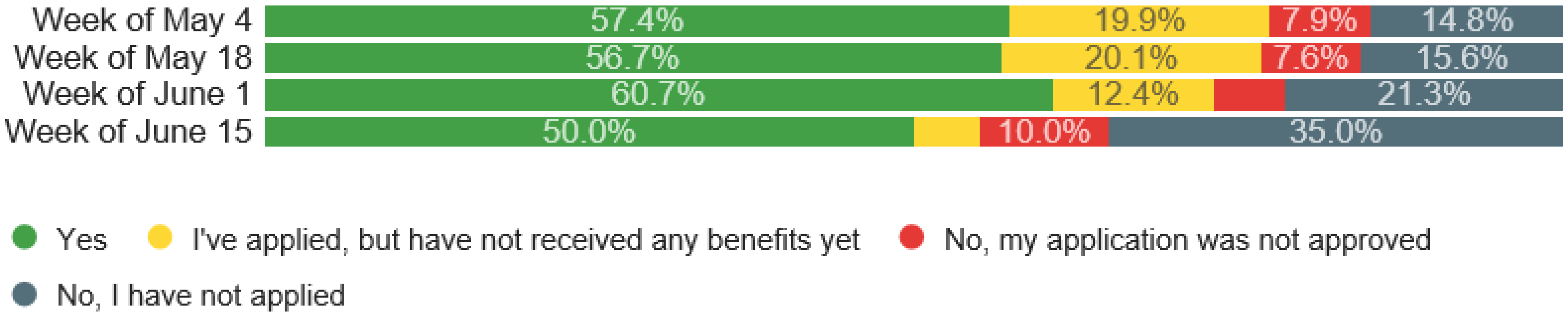
PAY STATUS OF ASSOCIATES, EMPLOYEES, AND INDEPENDENT CONTRACTORS

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



Insight: The majority of employee dentists are now being paid fully.

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



Question of the Week

Average Number of Dentists in Practice

Week of March 23: 1.8

Week of June 15: 1.6

Average Number of Non-dentist Staff

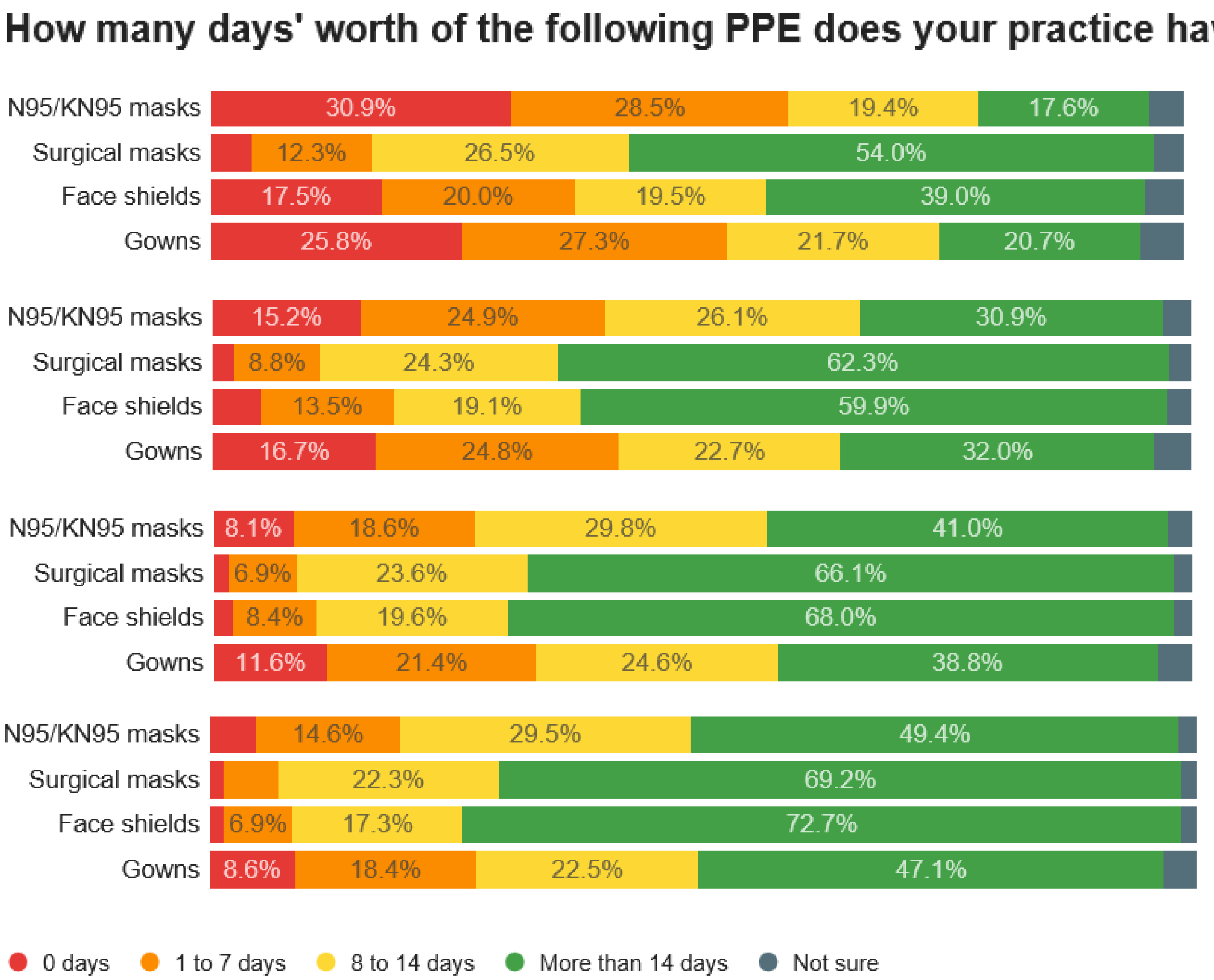
Week of March 23: 8.2

Week of June 15: 7.1

Statistics above reflect panel members who completed the baseline survey for both the weeks of March 23 and June 15. Respondents who joined the panel after the March 23, or whose data had outlying values of 99 or greater in the baseline survey, are excluded.

Insight: Staffing the week of June 15th is about 12% below pre-COVID-19 levels.

Core Questions



Week of May 4

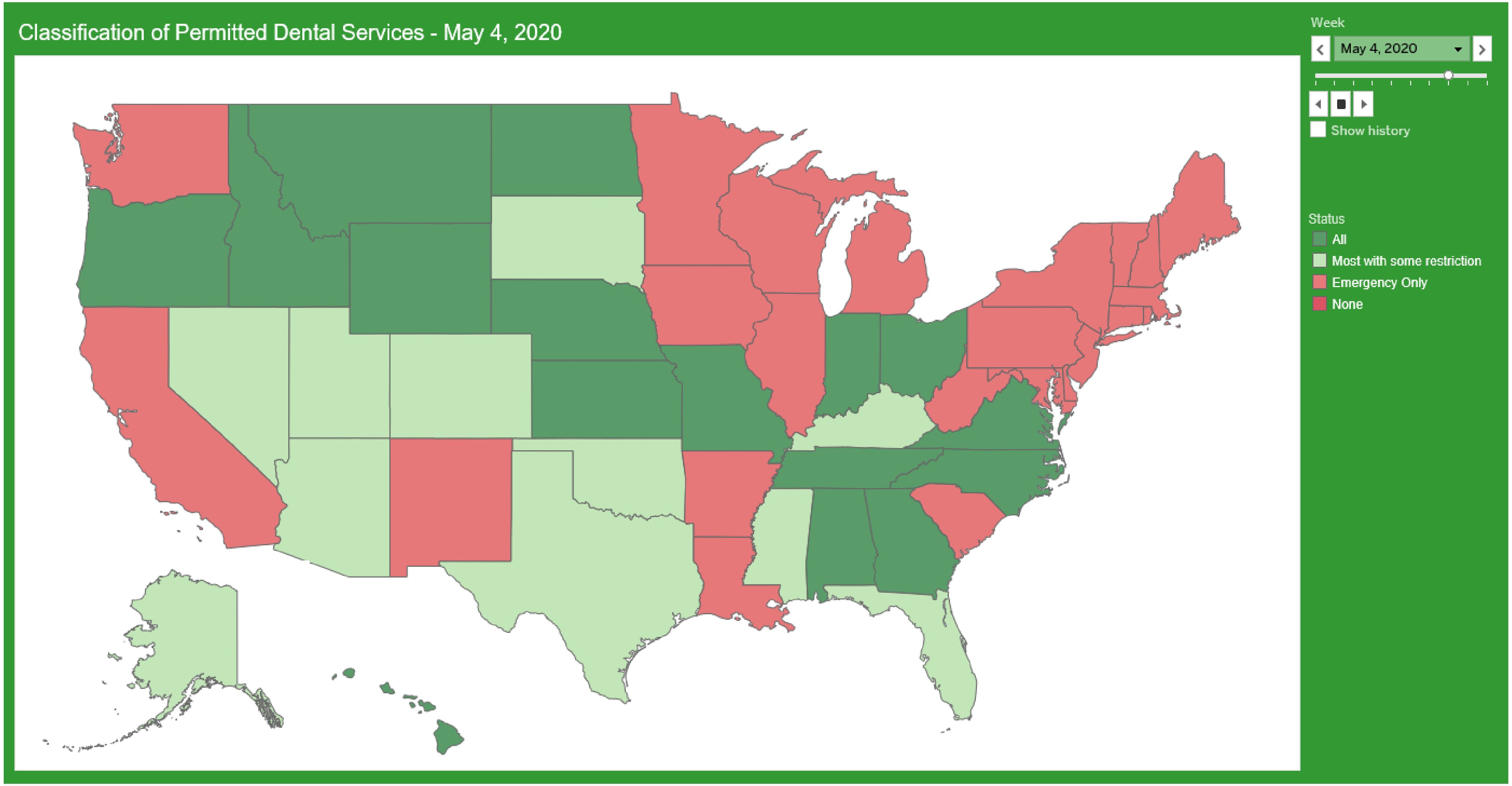
Week of May 18

Week of June 1

Week of June 15

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

A Closer Look at States That Opened Early

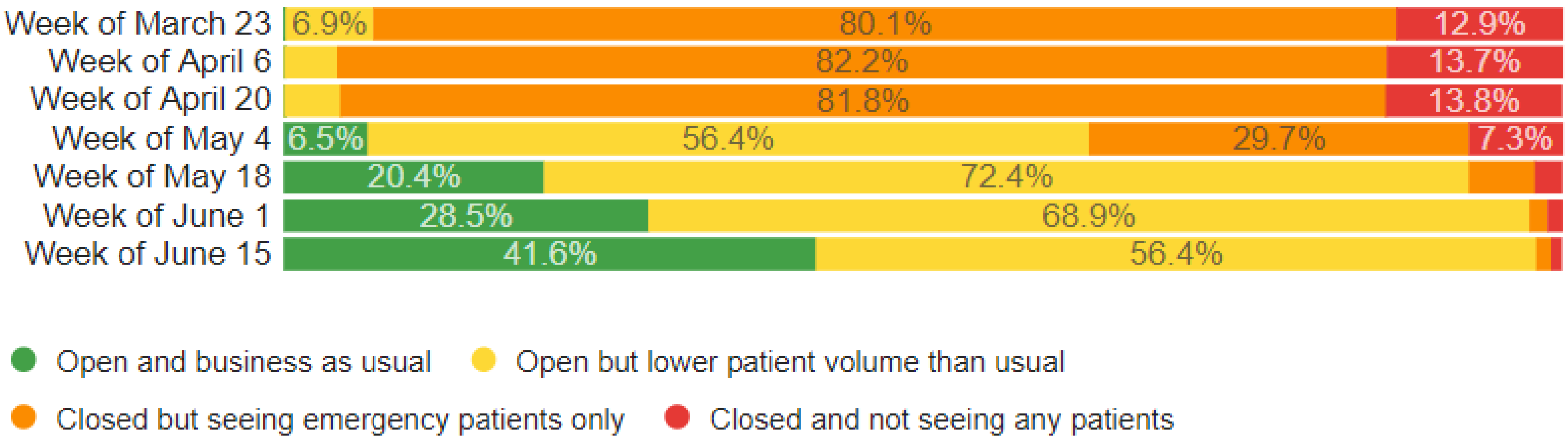


As of May 4th, 27 states had re-opened for elective dental care. These states are in week 7 of re-opening.

Core Questions

What is the current status of your dental practice?

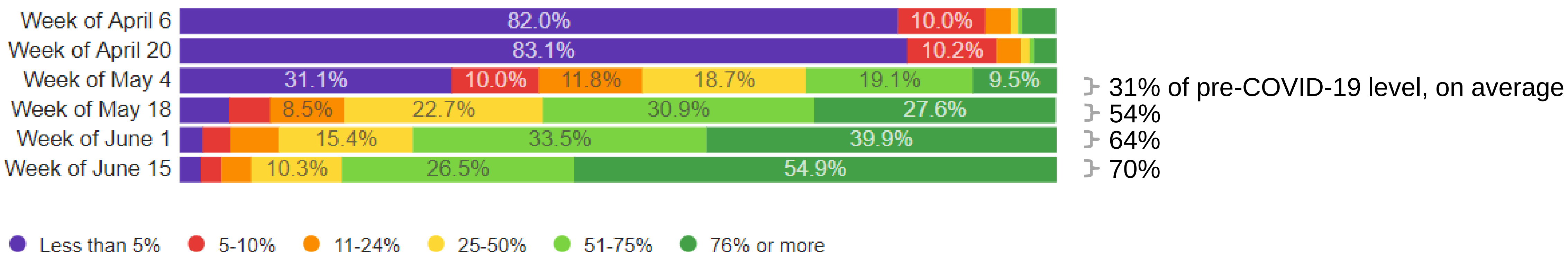
Insight: In the 27 states that have been open for elective care at least 7 weeks, 98% of dental offices are open and 42% report "business as usual".



Core Questions

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

Total Patient Volume

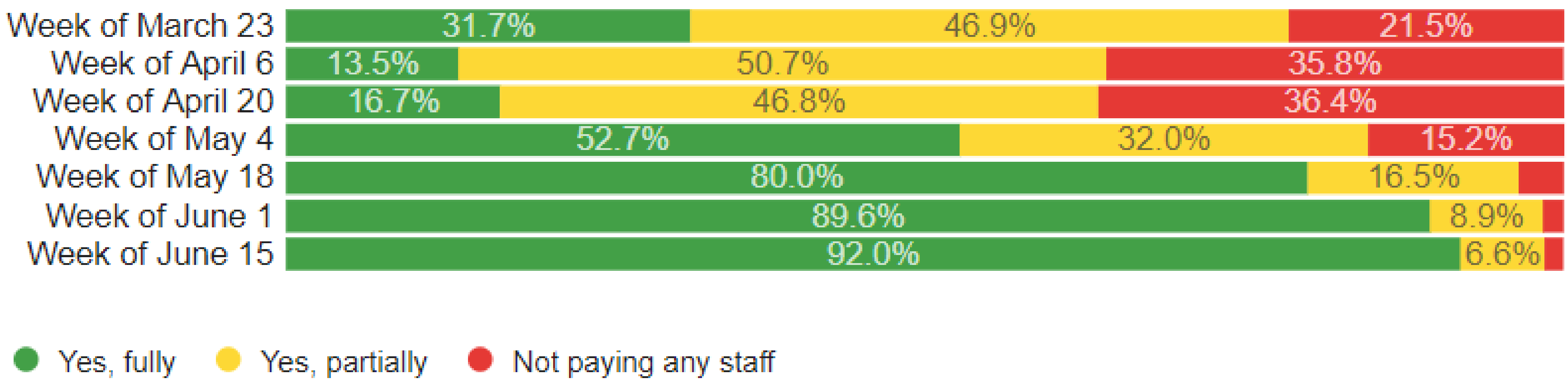


Insight: In the 27 states that have been open for elective care at least 7 weeks, patient volume continues to rise. The week of June 15th, patient volume reached 70% of pre-COVID-19 levels.

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 7 weeks, dental offices are nearly back to full staffing.



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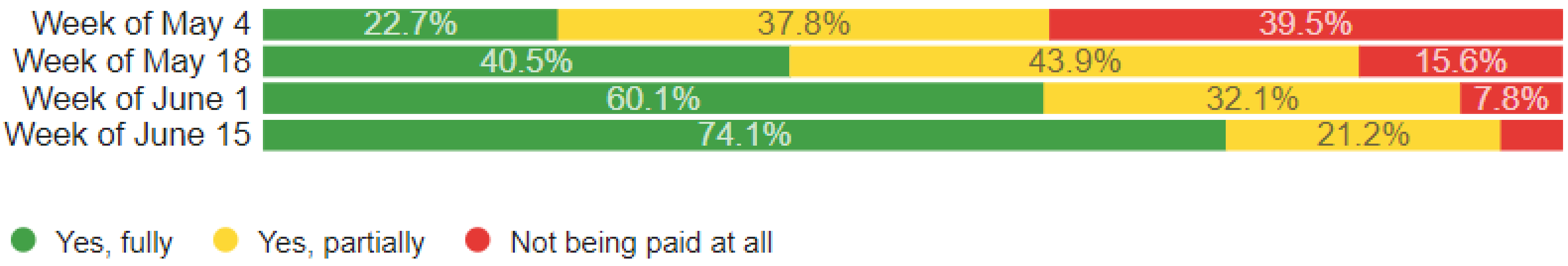

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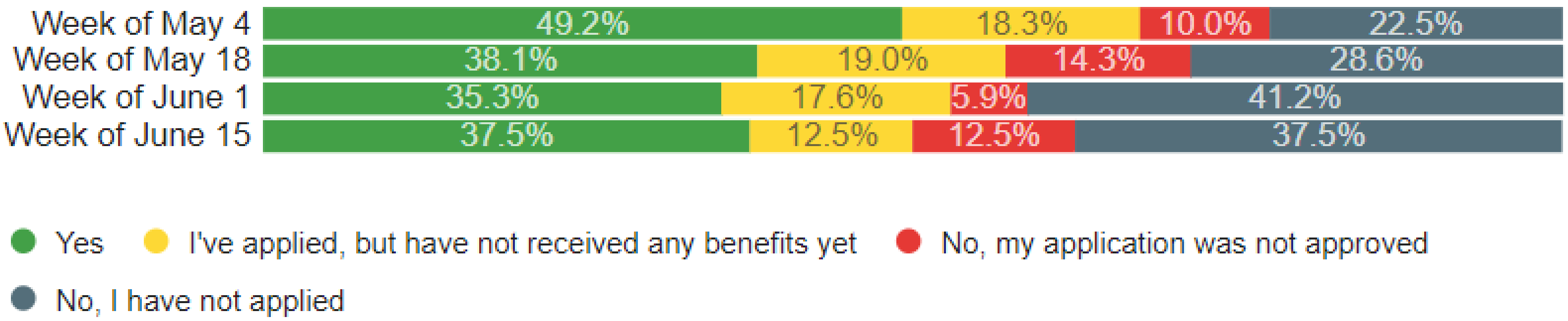


Insight: About three out of four employee dentists are now being fully paid in the 27 states have been open for elective care for at least 7 weeks.

Employee dentists appear to lag in terms of re-hiring.

Modeling the Impact of COVID-19

HPI Health Policy Institute
ADA American Dental Association®

COVID-19's Impact on the Dental Care Sector

Modeling the Impact of COVID-19 on U.S. Dental Spending — June 2020 Update

Authors: Kamyar Nasseh, Ph.D.; Marko Vujicic, Ph.D.

The Health Policy Institute (HPI) is a thought leader and trusted source for policy knowledge on critical issues affecting the U.S. dental care system. HPI strives to generate, synthesize, and disseminate innovative research for policy makers, oral health advocates, and dental care providers.

Who We Are

HPI's interdisciplinary team of health economists, statisticians, and analysts has extensive expertise in health systems policy research. HPI staff routinely collaborates with researchers in academia and policy think tanks.

Contact Us

Contact the Health Policy Institute for more information on products and services at hpi@ada.org or call 312.440.2928.

Key Messages

- *The U.S. economy has begun its recovery from the COVID-19 pandemic. Dental practice activity in terms of patient volume and practice employment has rebounded, though these markers are still below pre-COVID-19 levels.*
- *Our latest modeling predicts that U.S. dental care spending could decline by up to 38 percent in 2020 and 20 percent in 2021. We model alternative scenarios as well and they have a more muted impact.*
- *Our updated spending projections are more optimistic than those we published in April 2020. This is due to dental practices opening and patient volume recovering faster than anticipated.*
- *Our analysis is still subject to major uncertainty at this stage, and we will update it as more data become available. Our scenarios do not account for a potential major second wave of COVID-19, which could cause a significant relapse in the dental economy.*

Introduction

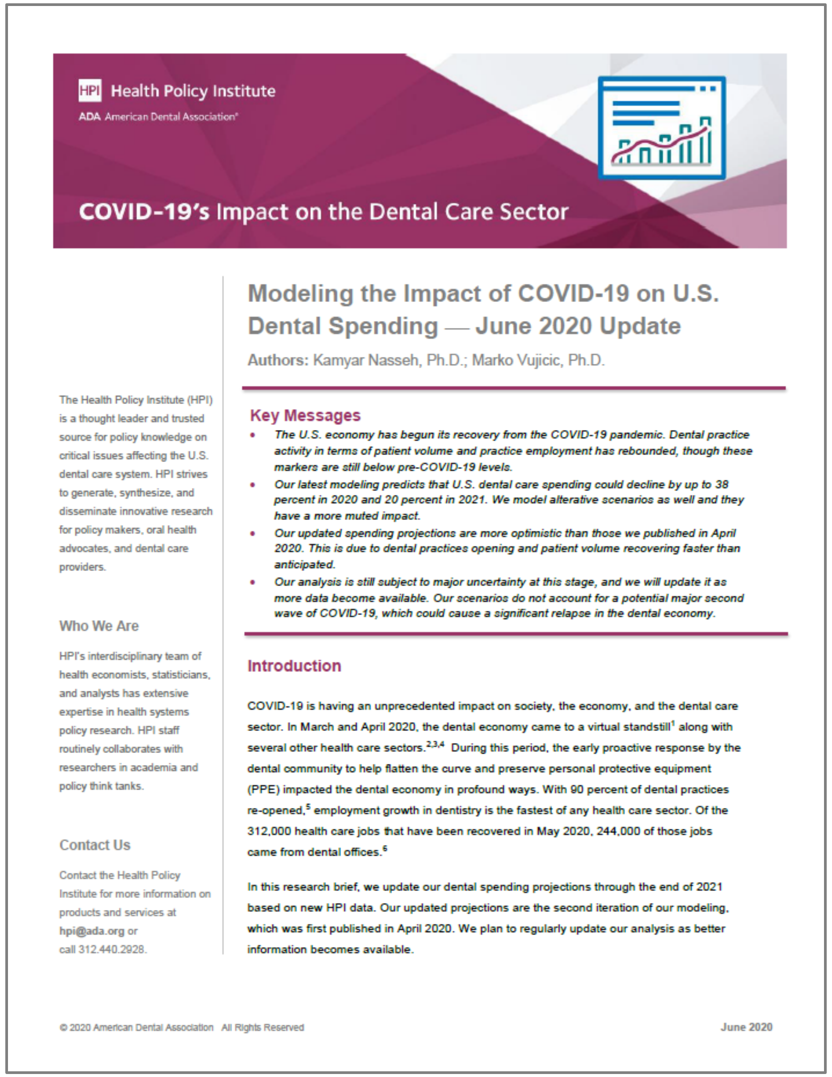
COVID-19 is having an unprecedented impact on society, the economy, and the dental care sector. In March and April 2020, the dental economy came to a virtual standstill[1] along with several other health care sectors.[2,3,4] During this period, the early proactive response by the dental community to help flatten the curve and preserve personal protective equipment (PPE) impacted the dental economy in profound ways. With 90 percent of dental practices re-opened,[5] employment growth in dentistry is the fastest of any health care sector. Of the 312,000 health care jobs that have been recovered in May 2020, 244,000 of those jobs came from dental offices.[6]

In this research brief, we update our dental spending projections through the end of 2021 based on new HPI data. Our updated projections are the second iteration of our modeling, which was first published in April 2020. We plan to regularly update our analysis as better information becomes available.

 June 2020

Today, HPI releases an updated analysis of U.S. dental spending projections in 2020 and 2021.

Modeling the Impact of COVID-19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 June 2020

Table 3: Total Projected Expenditures in Billions (% of CMS pre-pandemic projection)

Scenarios	2020	2021
Economy recovers by October 2020, dental economy recovers to 80%	92.8 (62.6%)	123.9 (80.0%)
Economy recovers by October 2020, dental economy fully recovers	102.2 (69.0 %)	154.9 (100.0%)
Economy recovers by January 2021, dental economy recovers to 80%	91.5 (61.7%)	124.9 (80.7%)
Economy recovers by January 2021, dental economy fully recovers	97.5 (65.8%)	156.2 (100.8%)
CMS Projection (pre-COVID-19)	148.3	154.9

Source: ADA Health Policy Institute modeling results.

Modeling the Impact of COVID-19

Table 4: Estimated Impact of COVID-19 on U.S. Dental Spending in 2020 and 2021

	Dental spending recovers to 100% of projected levels	Dental spending recovers to 80% of projected levels
U.S. economy recovers to pre-COVID-19 level by October 2020	31.0% reduction in 2020 0% reduction in 2021	37.4% reduction in 2020 20.0% reduction in 2021
U.S. economy recovers to pre-COVID-19 level by January 2021	34.2% reduction in 2020 0.80% increase in 2021	38.3% reduction in 2020 19.3% reduction in 2021

Source: ADA Health Policy Institute modeling results.

HPI predicts a 31% to 38% decrease in U.S. dental spending in 2020 and a 0% to 20% decrease in 2021 due to COVID-19. This is a smaller negative effect than our original estimates that we publishes in April.

Key Take-Aways from June 15th Data

- The dental economy is steadily rebounding. As of the week of June 15th, 97% of dental offices in the U.S. were open and patient volume had rebounded to 65% of pre-COVID-19 levels.
- In the 27 states that have been open for elective care for at least seven weeks now, the recovery is further along and does not show signs of flattening. Yet.
- The stockpile of PPE in dental offices continues to increase. The past two weeks saw significant improvements in PPE availability, including N95/K95 masks.
- Updated modeling, that takes account of the most recent data, indicates U.S. dental spending could shrink 31-38% in 2020 and 0-20% in 2021. HPI will continue to update the analysis as needed.
- Taken together, the data continue to indicate a robust recovery in the dental economy. HPI's data do not show any signs of a plateau. Yet.

Thank You!

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