

The Impact of COVID-19 on the Dental Care Sector

Industry Roundtable Hosted by HPI



Moderator

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Panelists

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Jon Last

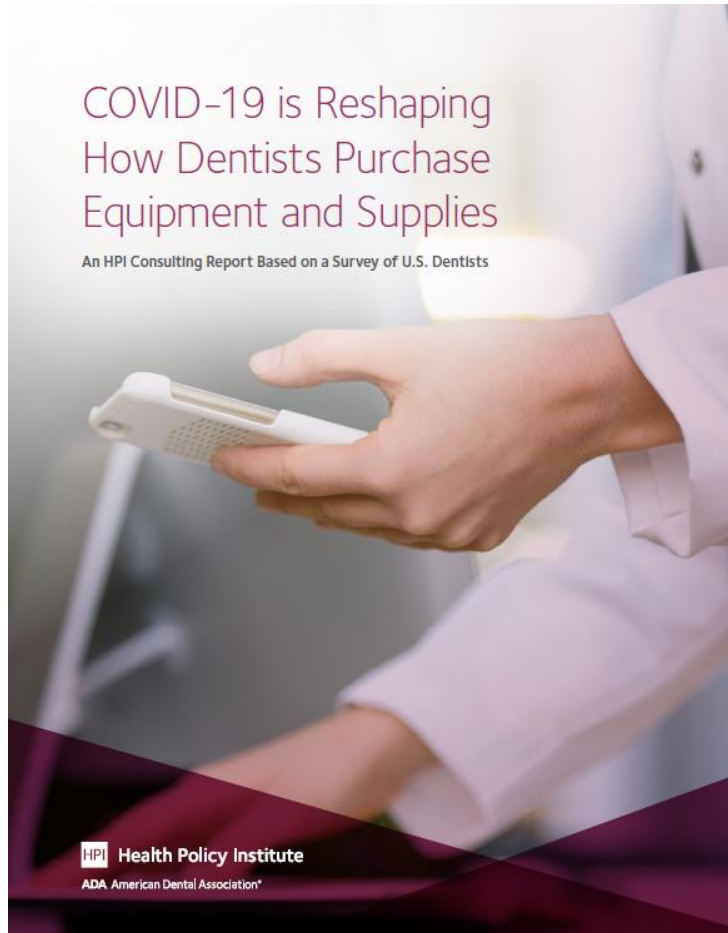
President
SLRG & Partner in 'Back-
to-Normal Barometer'



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CEO
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New HPI Consulting Report



This 150-page report provides the dental industry with up-to-date insights into the purchasing habits and preferences of dentists. Highlights include:

- *How dentists' approach to shopping for supplies has changed since the pandemic began.*
- *Measures dentists have taken – or might take in the future – to help maintain the financial sustainability of their dental practices.*
- *Views about in-person sales rep visits before and during the pandemic.*
- *Dentists' views on what manufacturers and distributors can do to help them recover and adapt to a new normal.*

Purchase report at www.ada.org/hpi

Today



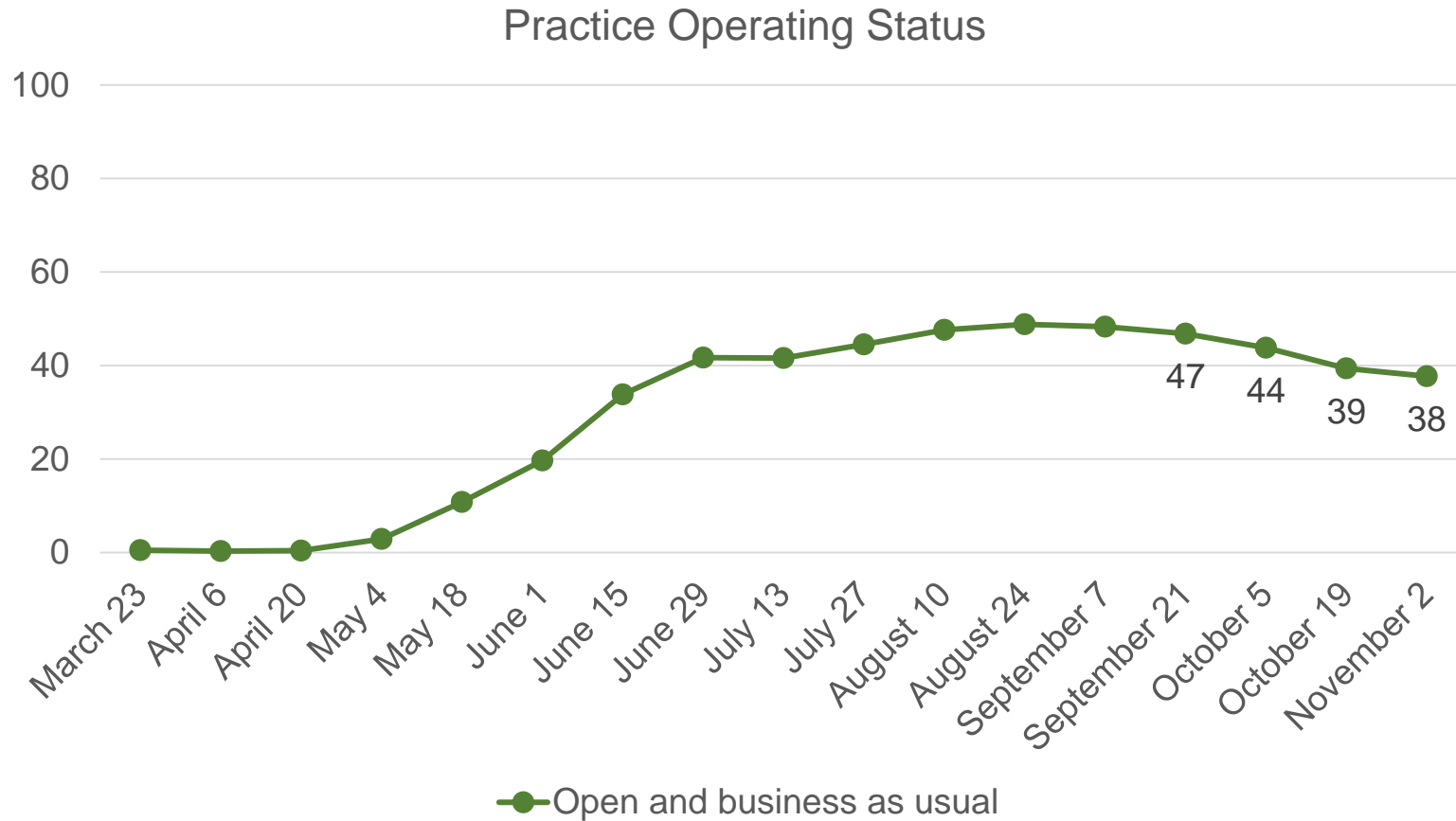
1. *Update on the latest data on dental sector recovery – week of November 2nd.*
2. *'Question of the Week' data on dental practice profitability, student loans, and use of aerosol reducing procedures.*
3. *The latest consumer sentiment data related to dental visits.*

HPI Impact of COVID-19 Tracking Poll

- Bi-weekly poll beginning March 23rd.
- Core measures: Status of your practice, volume of patients, PPE supply.
- “Question(s) of the Week”.
- Nationally representative sample of about 3,000 dentists. State level data is available for many states.
- Links to reports and interactive data dashboard available at www.ada.org/hpi.

Core Questions

What is the current status of your dental practice?

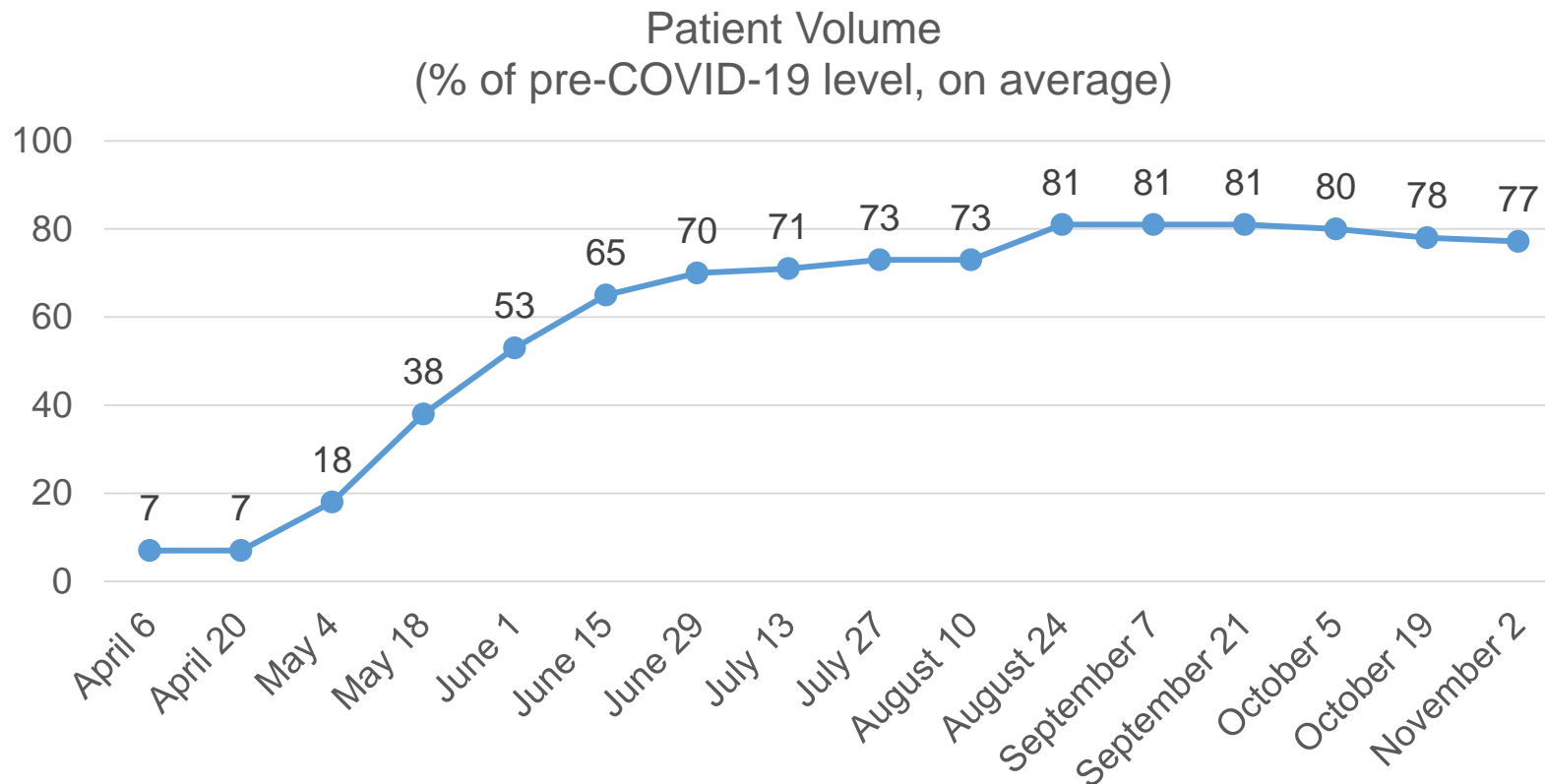


Insight: As of the week of November 2nd, 99% of dental practices in the U.S. were open. About 38% of open practices reported “business as usual” in terms of patient volume. This has declined over the past couple months.

Core Questions

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

Total Patient Volume

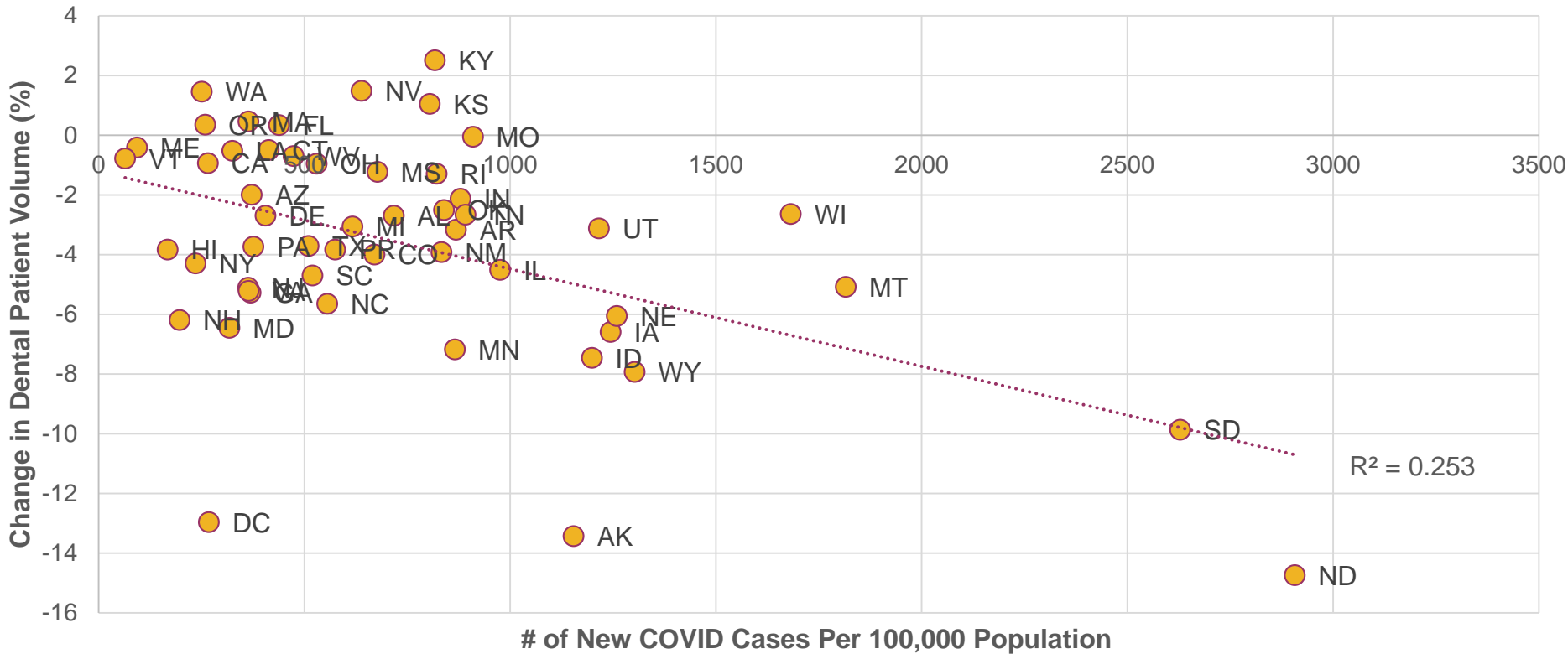


Insight: Patient volume in dental practices is at 77% of pre-COVID-19 levels as of the week of November 2nd. This represents a slight decrease over the past month.

COVID-19 Cases and Patient Volume

Is Dental Patient Volume Correlated with the Number of COVID-19 Cases among the Population?

October 5 - November 2, 2020

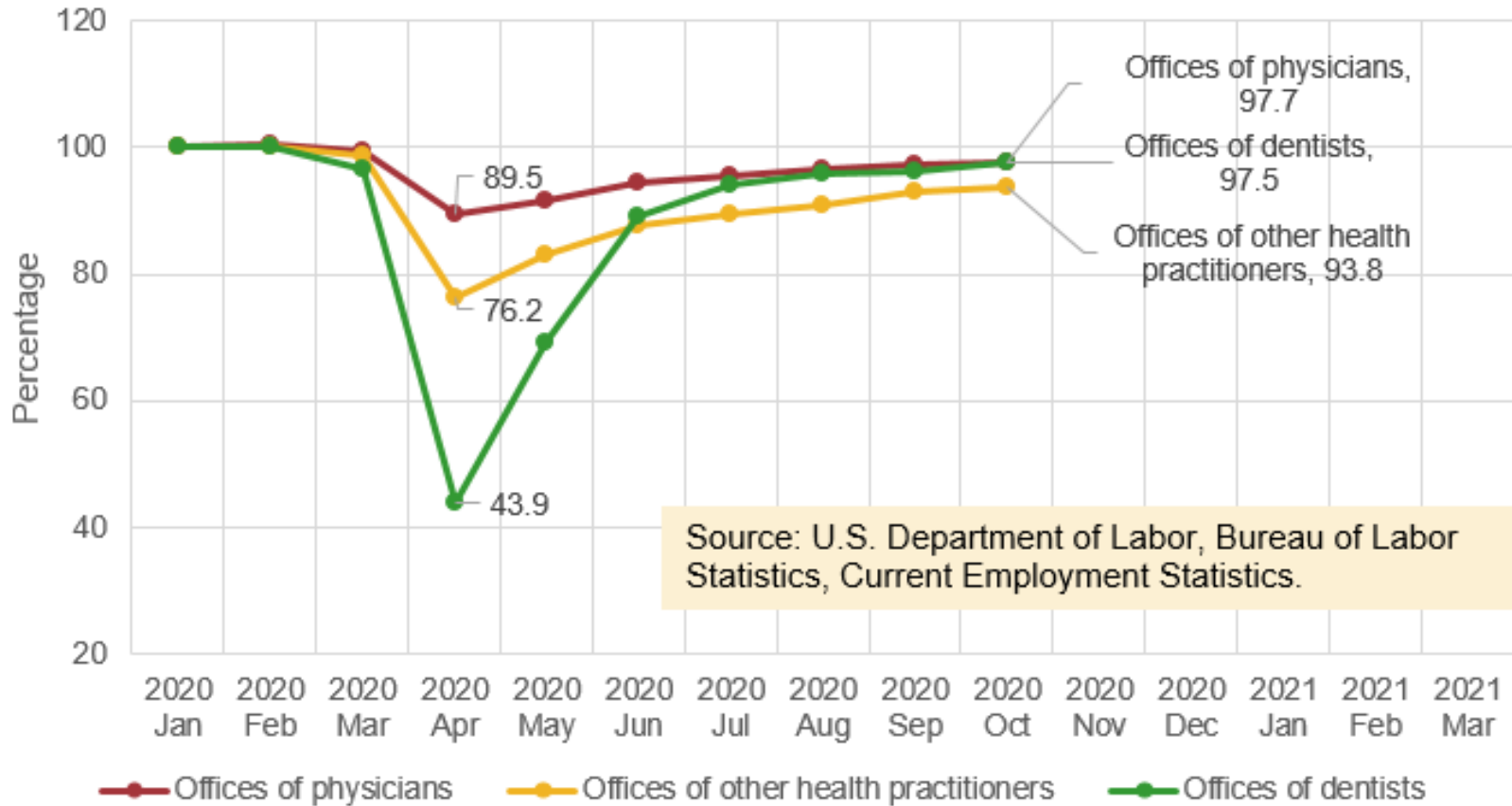


Insight: There is a relationship between COVID-19 cases and patient volume at the state level.

States with a greater increase in COVID-19 cases in their population have a greater decline in patient volume over the past month.

BLS Data

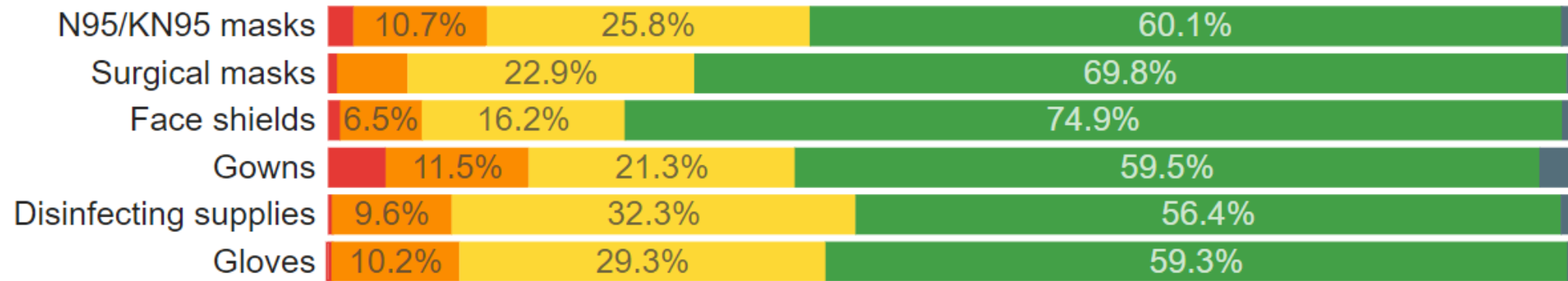
Employment Levels in Health Care, as a Percentage of January 2020 Levels, BLS Data



Insight: Staffing in dental offices is at 97.5% of pre-COVID-19 levels as of end of October. This has risen steadily, but very slowly since the summer months.

Core Questions

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



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

Insight: PPE availability in dental practices has been stable for several months. Gowns, N95s, and disinfecting supplies remain the biggest issue.

Question of the Week

Please select the statement that best describes your practice's profitability **BEFORE** the COVID-19 pandemic.

ALL RESPONDENTS



- It was highly profitable [56%]
- It was somewhat profitable [39%]
- It just about broke even [4%]
- It was somewhat unprofitable [1%]
- It was highly unprofitable [0%]
- Not sure [0%]

Please select the statement that best describes your practice's profitability **NOW**.

ALL RESPONDENTS



- It is highly profitable [11%]
- It is somewhat profitable [49%]
- It is breaking just about even [27%]
- It is somewhat unprofitable [9%]
- It is highly unprofitable [4%]
- Not sure [1%]

Insight: 95% of dentists had highly or somewhat profitable practices before the pandemic, compared to 60% now. 13% report being unprofitable now, compared to 1% before the COVID-19 pandemic.

Question of the Week

Do you have any of the following types of student loans left to pay off?



Insight: Roughly 20% of the respondents have federal student loans, and 14% have private student loans.

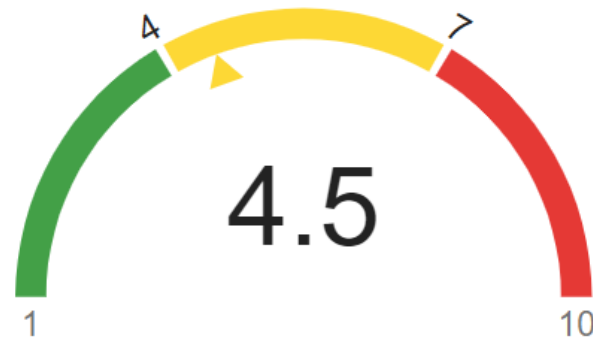
Did the lenders for your PRIVATE student loan(s) offer deferment or any other type of support during the public health emergency?



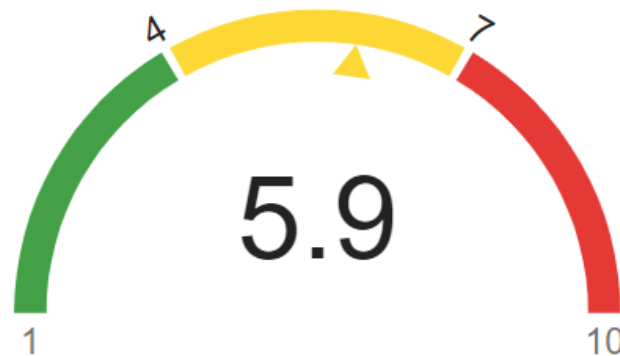
Among those with private student loans, over half report that their lenders offered deferment or other support during the pandemic.

Question of the Week

On a scale from 1 to 10, please rate the level of stress your student loan situation placed on you personally **BEFORE** the COVID-19 pandemic.



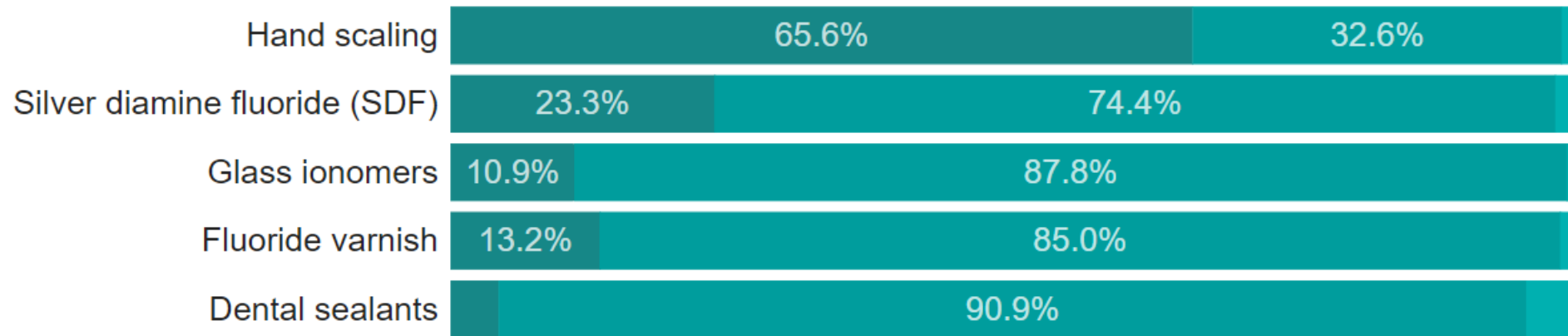
On a scale from 1 to 10, please rate the level of stress your student loan situation has placed on you personally **NOW**.



Insight: Among dentists who have student loans, the stress level caused by the loans has increased since the onset of the pandemic.

Question of the Week

In an effort to reduce aerosols, how has your practice's use of the following changed compared to before the COVID-19 pandemic?



● Increased ● Stayed about the same ● Decreased

Insight: Roughly two-thirds of practices are doing more hand scaling compared to before the pandemic. Nearly a quarter are using more SDF, while 13% have increased their use of fluoride varnish and 11% have increased their use of glass ionomers.

Insights from Consumer Polling



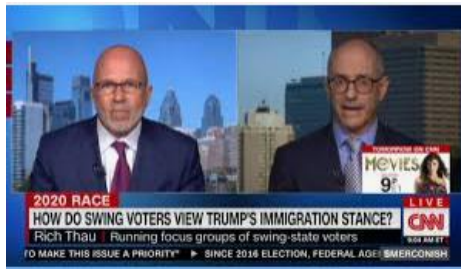
AMERICA STANDS AT AN INFLECTION POINT.

Consumers are now more concerned about the economy than the health crisis. What does that mean as our society attempts to go back to normal? We just completed the fourth wave of a twice-monthly tracking study that listens to the voice of the consumer.

Through surveys, in-depth interviews, social media analyses, and online dial tests, we address a variety of timely questions:

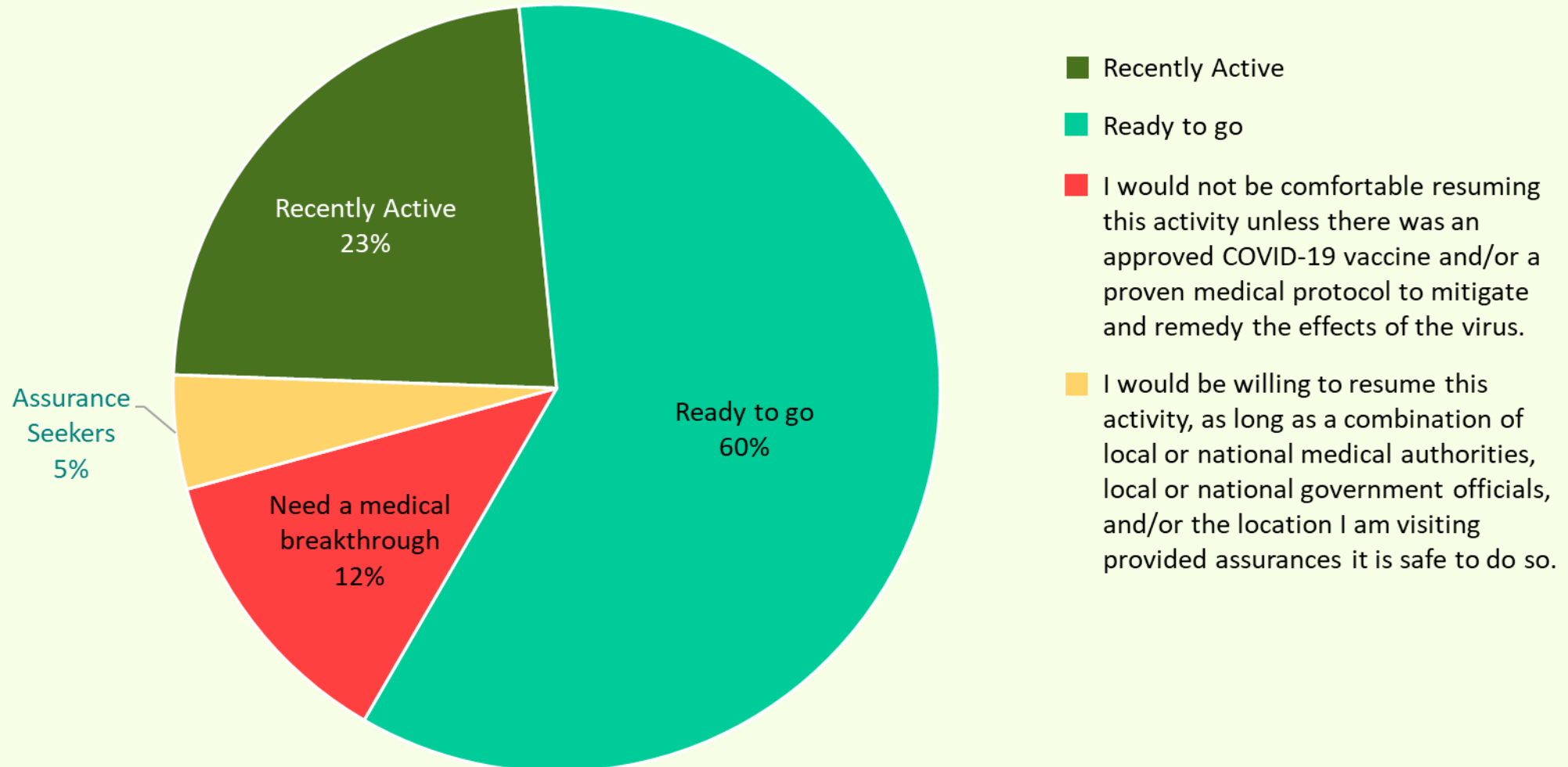
- **What's it going to take to bring consumers back?**
- **Where is the greatest pent-up demand?**
- **What will the new normal look like?**
- **How do employers and employees navigate a workplace return?**

We partnered with Engagious, a leading consumer research firm, to explore consumer sentiment toward visiting the dentist during the pandemic.



83% READY AND WILLING TO SEE A DENTIST

Which of the following conditions is closest to your current point of view... Visit a dentist's office



Key Take-Aways from November 2nd Data

- **Recovery:** As of the week of November 2nd, 99% of dental offices in the U.S. were open, but fewer than 40% reported “business as usual” in terms of patient volume. Patient volume was estimated at 77% of pre-COVID-19 levels, a slight decline over previous weeks. Staffing in dental offices was at 97.5% of pre-COVID-19 levels, while roughly one-quarter of employee dentists are not being paid fully. The latest data suggest that we are firmly in a “new normal” or that economic activity in dental offices might be starting to slow.
- **COVID-19 Cases and Patient Volume:** Given the recent rise in COVID-19 cases across the country, HPI has continued to explore whether there is a relationship between COVID-19 cases and patient volume by state, as well as COVID-19 test positivity rates and patient volume. Patient volume is, at most, only slightly correlated with both COVID-19 cases and test positivity rates.
- **Operating Costs and Profitability:** Nine out of ten dentists reported higher operating costs as of the week of November 2nd compared to before the pandemic. Profitability of dental practices has decreased significantly. An estimated 27% of dentists currently report they are “breaking even” with another 13% reporting they are “unprofitable”.
- **Student Loans:** Among dentists who have student loans, the stress level caused by the loans has increased since the onset of the pandemic. Over half of dentists with private student loans report that their lenders offered deferment or other support during the pandemic.
- **Reducing Aerosols:** The use of hand scaling has increased in two-thirds of practices. Nearly a quarter are using more SDF than before the pandemic, and more than 10% have increased their use of fluoride varnish and glass ionomers.

Thank You!



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