REPORT OF THE COUNCIL ON MEDICAL SERVICE

CMS Report 3-A-19

Subject: Medicare Coverage for Dental Services
(Resolution 111-A-18)

Presented by: James G. Hinsdale, MD, Chair

Referred to: Reference Committee A
(John Montgomery, MD, MPH, Chair)

At the 2018 Annual Meeting, the House of Delegates referred Resolution 111, "Medicare Coverage for Dental Services," which was sponsored by the American College of Cardiology. Resolution 111 asked the American Medical Association (AMA) to (1) reaffirm appreciation and gratitude for the valuable contributions dental health professionals make to Americans' health and well-being as members of our health care team, and (2) promote and support legislative and administrative action to include preventive and therapeutic dental services as a standard benefit for all Medicare recipients. The Board of Trustees assigned this item to the Council on Medical Service for a report back to the House of Delegates at the 2019 Annual Meeting.

This report examines the unmet dental care needs of many Medicare beneficiaries, seniors' current options for obtaining dental health insurance and/or discounted care, the various challenges that would need to be overcome to create a Medicare benefit for dental services, and initiatives that are already underway to work towards better meeting the dental care needs of American seniors.

BACKGROUND

Medicare was created in 1965 as the federal health insurance program for people ages 65 and over, regardless of income or health status.[1] Medicare was later expanded to cover individuals under age 65 who are eligible for Social Security due to blindness or disability, or who have End Stage Renal Disease (ESRD) or Amyotrophic Lateral Sclerosis (ALS). Medicare covers approximately 59 million people who meet one of the criteria for eligibility.[2] Notably, however, traditional Medicare does not include coverage for routine oral health care like checkups, cleanings, and x-rays, or restorative procedures (fillings, crowns, bridges, and root canals), tooth extractions, and dentures.[3] While some Medicare beneficiaries may be able to obtain dental coverage through other sources, the scope of dental benefits varies widely by geography and across plans. As a result, it is estimated that 70 percent of seniors lack or have limited dental insurance and fewer than half access dental care each year.[4]

Accordingly, Medicare beneficiaries have high out-of-pocket expenses when they do access dental care. For example, a 2016 analysis found that nearly one-fifth of the Medicare beneficiaries who received dental care paid more than $1,000 out-of-pocket.[5] For context, it has been reported that half of all Medicare beneficiaries live on annual incomes below $26,200, and one-quarter have incomes below $15,250.[6] The lack of dental coverage and high out-of-pocket costs can lead to patients delaying or forgoing dental care due to cost, as well as higher expenditures for medical and emergency care associated with untreated dental problems. However, while cost is often cited as a top reason for patients not going to the dentist, it is only one of many challenges senior citizens

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face as they seek dental care. Additional significant factors include: fear of the dentist, inconvenient appointment times or locations, dental health professional shortages, transportation challenges, and health literacy issues.[7]

At the same time, Medicare beneficiaries may have medical conditions and medications that worsen their oral health, or oral health issues that exacerbate or complicate treatment of their other medical conditions. Tooth decay and other oral diseases, when untreated, can cause pain, chronic and acute infection, tooth fractures and loss, compromised oral function, and impaired quality of life. Dental problems can make it difficult to eat, leading to poor nutrition, weight loss or gain, and exacerbation of chronic conditions like hypertension, diabetes, and hyperlipidemia – conditions which are common later in life. In addition, oral infections can be especially dangerous for older adults with weakened immune systems.[8] Recognizing that dental care is integral to overall well-being, many within the medical, dental, and patient advocacy communities have suggested that Medicare begin including dental care as a standard benefit. However, there is considerable agreement that adding the benefit would be very expensive and politically challenging.

CURRENT OPTIONS FOR DENTAL COVERAGE FOR SENIORS

It is important to recognize that the scope of dental coverage and affordability of dental care is an issue for people of all ages. The scope of covered benefits, cost-sharing rules, and annual dollar limitations that apply to private dental insurance plans can lead patients of all ages to face high out-of-pocket costs for dental treatment, and this issue extends to Medicare beneficiaries.[9] Medicare coverage policy for dental care is not completely clear, and the Medicare program is reviewing its authority to provide additional services. Currently, dental-related Medicare coverage includes:

- Dental services that are an integral part of a covered procedure;
- Extractions performed in preparation for radiation treatment for cancers involving the jaw;
- Oral examinations (but not treatment) preceding kidney transplants or heart valve replacements; and
- Hospital care resulting from complications of a dental procedure (but excluding the cost of the dental care).[10]

While traditional Medicare does not cover routine oral health care or restorative procedures, seniors have some options for obtaining some level of dental insurance coverage and/or discounted dental care. Medicare Advantage (MA) plans have been an option for seniors, as an alternative to enrolling in traditional Medicare, since the 1970s.[11] Virtually all Medicare beneficiaries have access to at least one MA plan in their area, and in 2018, the average Medicare beneficiary could choose among 21 MA plans offered by six insurers. MA plans provide all Medicare-covered services (except hospice), and they typically provide additional benefits, including dental care. For example, in 2018, approximately two-thirds of MA beneficiaries were enrolled in plans that offer some dental coverage. Beginning in 2019, MA plans will be able to provide targeted services for beneficiaries with chronic conditions. MA continues to be an increasingly popular option among Medicare beneficiaries: enrollment in MA plans has more than tripled, with 6 million beneficiaries in 2005 and 20 million reported in a 2018 study. Its popularity is expected to continue to grow – in 2018, 34 percent of the Medicare population was enrolled in MA, and that figure is projected to rise to 42 percent by 2028. However, as with insurance for other populations, some MA plans charge an additional premium for dental benefits, cost-sharing requirements vary by plan and geography, and dollar limitations on coverage commonly apply.[12]

In addition to MA plans being available, some Medicare beneficiaries receive dental coverage via Medicaid, employer-sponsored retiree health plans, or individually purchased dental plans.[13]

Again, however, the scope of dental benefits varies widely. Seniors must meet qualification criteria for Medicaid benefits, and not all states' Medicaid programs offer dental benefits.[14] Seniors (like other individuals) with employer-provided dental coverage must purchase their dental health plan separately from their medical insurance. Additionally, seniors can choose to purchase individual dental insurance plans through a variety of commercial insurance companies, or they can buy into a program that provides access to discounted dental care. However, given that these plans and programs carry sometimes significant monthly costs and can impose restrictive annual maximums on coverage (for example, a $1,000 annual maximum in some dental PPOs[15]), seniors must carefully consider whether such options are cost effective for them. Finally, some dental offices offer their own in-office dental plan (also known as a "dental membership savings plan" or "direct primary care agreement").[16] Patients participating in such plans pay their dentist/dental office a fixed amount per month or per year, and then they generally receive preventive services at no charge and discounts on other procedures.

CHALLENGES TO CREATING A NEW MEDICARE DENTAL BENEFIT

While it is clear that seniors need better access to affordable dental care, it is not clear how to provide that needed service via a new Medicare standard dental benefit. First, as a general matter, the Medicare program is already struggling under profoundly challenging finances. The 2018 Medicare Trustees Report (the 2018 Report) explains that Medicare Part B and Part D, which together comprise the Supplementary Medical Insurance Trust Fund (SMI), will continue to place a significant burden on the finances of taxpayers and Medicare beneficiaries. SMI costs are projected to demand an increasing proportion of beneficiaries' incomes, and SMI costs are projected to increase significantly as a share of GDP over the next 75 years, from 2.1 percent to 4.0 percent.[17] Yet, adding a comprehensive benefit for dental coverage to Medicare Part B has been estimated to cost approximately $32.3 billion.[18] Policymakers considering a new dental benefit would have to weigh significant competing demands to reduce growth in Medicare spending for currently covered benefits while also addressing the need for a very expensive additional benefit. It is also important to avoid jeopardizing funding for current Medicare benefits. This complicated policy decision must be made in the context of the broader solvency issues facing the Medicare program. The 2018 Report indicated that the Hospital Insurance Trust Fund (HI) component of Medicare has an estimated depletion date of 2026, which is three years earlier than in last year's report.[19] As in past years, the Trustees determined that the fund is not adequately financed over the next 10 years. In fact, the Trustees project deficits in all future years until the trust fund becomes depleted in 2026.

Second, creating a new Medicare benefit for dental care would require legislative and regulatory action. A statutory exclusion in Section 1862(a)(12) of the Social Security Act prevents inclusion of dental benefits in Medicare.[20] Congress would need to act to remove that exclusion, and additional statutory changes, such as establishing a scope of services and structuring provider payment, would be required to ensure a smooth integration of dental benefits into Medicare. Additionally, the Centers for Medicare & Medicaid Services (CMS) would need authority to promulgate new regulations to implement and administer Medicare dental health benefits.

Even if a new Medicare dental benefit were enacted, it is not clear that dentists would be sufficiently interested in participating to provide good access to dental care for Medicare patients. With 40 percent of national health expenditures for dental care being paid by patients out-of-pocket, dentists have been less reliant on third-party payer financial support for their practices than have physicians.[21] Additionally, dental fee-for-service models typically include unique costs such as dental laboratory material and supplies within the fee for a given procedure, and comprehensive dental practices often house significant equipment that contributes to large overhead costs. The

extent to which a newly created Medicare dental benefit covers these costs is likely to influence dental practices' decisions about whether to participate in a Medicare dental benefit.

PROPOSALS FOR IMPROVING ACCESS TO DENTAL CARE FOR SENIORS

A variety of policy options could be considered to expand access to dental care for Medicare beneficiaries. As "America's leading oral health advocate," the American Dental Association (ADA) is deeply committed to advocating for public policies "affecting the practice of dentistry and the oral health of the American public."[22] The ADA recognizes senior citizens' compelling need for dental care and continues to study methods for improving seniors' access to dental care, to explore the possibility of a Medicare dental benefit, and to advocate on behalf of the dental community and its patients. The ADA recently contributed to a multi-disciplinary collaboration that included representatives from the Center for Medicare Advocacy, Oral Health America, Families USA, Justice in Aging, and the Santa Fe Group and resulted in a white paper analyzing a potential oral health benefit in Medicare Part B. While the resulting white paper advocates for inclusion of an oral health benefit in Medicare Part B, the ADA has not reached that conclusion. Instead, the ADA's position has been one of thoughtful engagement, without endorsing a new Medicare dental care benefit. The ADA contributed data to the white paper, explaining that, "The ADA Board of Trustees determined that it was critical for the ADA to educate this coalition to ensure that the dentist perspective on this national health policy issue is represented and understood."[23] Critically, however, the ADA stated that "the Association's input does not constitute endorsement of inclusion of a dental benefit under Medicare at this time."[24] Instead, the ADA explained, "Ultimately, success depends on establishing a sustainable program that will actually increase oral health for seniors."[25] As of July 2018, the ADA's Council on Dental Benefit Programs has been "studying this issue [of a Medicare dental benefit] in order to make an informed recommendation for the profession."[26] More recently, when the ADA House of Delegates met in October 2018, it adopted policy that "calls for the ADA president to appoint an ad hoc committee to review and update existing policy. . . and to identify an implementation plan and timeline to address elder care including Medicare."[27] AMA staff communications with ADA staff indicate that the ADA is carefully studying the issue of senior oral health and Medicare coverage for dental services, and it plans to issue further guidance in the near future, potentially as soon as late 2019.

In addition to the proposal to add a dental benefit to Medicare Part B, others have proposed an optional supplementary Medicare benefit to provide coverage for dental, vision, and hearing services, similar to the Medicare Part D benefit. The optional benefit package would be mostly funded through premiums (with income-based subsidies that follow the design of the Part D subsidy potentially available). At the same time, the study authors acknowledge that calculating the cost of such a benefit package is challenging and dependent upon many assumptions, and they describe their policy option as a starting point for discussion and more extensive modeling.[28] Other policy options include the contention by some advocates that CMS has the authority to cover oral health care when it is medically necessary for the treatment of Medicare-covered diseases, illnesses, and injuries, and CMS is reviewing this question.[29]

Each of these policy options raises questions about budget, scope of coverage, cost-sharing, provider payment, and administration. To inform the policy debate, further studies of possible Medicare benefit plan design, impacts on clinical outcomes, and cost effectiveness are needed. For example, researchers could study outcomes and impacts reported from MA plans offering varying degrees of dental coverage to inform optimal benefit design. Additionally, clinical and comparative effectiveness research from the National Institute of Dental and Craniofacial Research (NIDCR) could inform future analyses.

As the specific debate surrounding a Medicare dental benefit continues to unfold, the ADA is also engaged in broader efforts to examine barriers to dental care and expand access. As part of a series on Access to Oral Health, the ADA issued a report on the role of finance in breaking down barriers to oral health for all Americans. The ADA emphasized that "adequate funding should be made available through both public and private financing mechanisms. Financial barriers to care must be removed or lessened to increase the utilization of dental services."[30] However, the ADA explained that "increased funding alone cannot 'fix' a dental financing system that is rife with inefficiencies and shifting policies. . . Funding alone will not guarantee other needed improvements in the system."[31] Since 2014, the ADA has led a community-based, grassroots movement called Action for Dental Health. Action for Dental Health aims to provide care for people who suffer from untreated dental disease, to strengthen and expand the public/private safety net, and to bring disease prevention and education into communities. This movement advocates for increased dental health protections under Medicaid, providing dental care for seniors in nursing homes with funding through Medicaid, training other health professionals to provide basic dental health education and recognize conditions that need to be referred to a dentist, and providing free dental care to underserved populations.[32] The Action for Dental Health movement recently won a significant victory with the enactment of the Action for Dental Health Act (the Act) which aims to improve access to oral health care for underserved Americans.[33] Specifically relevant to the issue of senior dental care, the Act supports the development of models for the provision of dental services (such as dental homes) for children and adults including the elderly, blind, individuals with disabilities, and individuals living in long-term care facilities. The Act will also support initiatives to reduce the use of emergency departments by individuals seeking dental services that would be more appropriately provided in a dental primary care setting.[34]

AMA POLICY

AMA policy emphasizes the important role of oral health in overall patient care. Policy D-160.925 recognizes the importance of managing oral health and access to dental care as a part of optimal patient care. The policy also states that the AMA will explore opportunities for collaboration with the ADA on a comprehensive strategy for improving oral health care and education for clinicians. Additional policy supports providing coverage for dental care for medical residents and fellows in training (Policies H-295.873 and H-310.912) and for individuals with developmental disabilities (Policy H-90.968).

Policy regarding insurance coverage for hearing aids is also instructive, as hearing aids constitute another category of care that is not covered by traditional Medicare, but that is critical to patient well-being. Policy H-185.929 encourages private health plans to offer optional riders that allow their members to add hearing benefits to existing policies to offset the costs of hearing aid purchases, hearing-related exams, and related services. The policy also supports coverage of hearing tests administered by a physician or physician-led team as part of Medicare's benefit.

However, Policy H-185.964 opposes new health benefit mandates unrelated to patient protections that jeopardize coverage to currently insured populations. Additionally, under Policy H-165.856, the AMA supports the principle that benefit mandates should be minimized to allow markets to determine benefit packages and permit a wide choice of coverage options.

Extensive AMA policy emphasizes the importance of collaboration with health care community stakeholders and national medical specialty societies. Several policies support continued collaboration with national medical specialty societies, interest groups, and other stakeholders to develop clinical guidelines for preventive services; encourage coverage for evidence-based recommendations regarding preventive services, especially for populations at high risk for a given

condition; and promote to the public and the profession the value of Medicare-covered preventive services (Policies D-330.935, D-330.967, H-425.987, and H-425.988). Similarly, Policy D-185.979 encourages national medical specialty societies to identify services that they consider to be high-value and collaborate with payers to experiment with benefit plan designs that align patient financial incentives with utilization of high-value services.

DISCUSSION

The Council commends the sponsors of referred Resolution 111-A-18 for highlighting the inextricable link between oral health and overall health and well-being and the dental care needs of Medicare beneficiaries. In light of the AMA's policy commitment to collaborating with the ADA, the critical importance of the dental profession's perspective on the issue of creating a Medicare benefit for dental care, and the currently evolving research on this issue, the Council believes that the AMA should continue to explore opportunities to work with the ADA to improve access to dental care for Medicare beneficiaries. As part of this collaboration, the AMA should continue to monitor and evaluate the ADA's research and policy recommendations regarding a Medicare benefit for dental care and the broader challenge of meeting the oral health care needs of America's senior citizens. In addition, the Council believes that the AMA should support initiatives to expand health services research regarding expanding affordable access to dental care for Medicare beneficiaries. This research could include studies of the effectiveness of expanded dental coverage in improving health and preventing disease in the Medicare population, the optimal dental benefit plan designs for improving health and preventing disease in the Medicare population, and the impact of expanded dental coverage on health care costs and utilization. Finally, to underscore the importance of the goals articulated through Resolution 111-A-18 and the AMA's commitment to working with the ADA to achieve these goals, the Council recommends reaffirming Policy D-160.925, which recognizes the importance of managing oral health, access to dental care as a part of optimal patient care, and collaboration with the ADA.

RECOMMENDATIONS

The Council on Medical Service recommends that the following be adopted in lieu of Resolution 111-A-18 and that the remainder of the report be filed:

1. That our American Medical Association (AMA) reaffirm Policy D-160.925, which recognizes the importance of managing oral health, access to dental care as a part of optimal patient care, and collaboration with the American Dental Association (ADA). (Reaffirm HOD Policy)

2. That our AMA support continued opportunities to work with the ADA and other interested national organizations to improve access to dental care for Medicare beneficiaries. (New HOD Policy)

3. That our AMA support initiatives to expand health services research on the effectiveness of expanded dental coverage in improving health and preventing disease in the Medicare population, the optimal dental benefit plan designs to cost-effectively improve health and prevent disease in the Medicare population, and the impact of expanded dental coverage on health care costs and utilization. (New HOD Policy)

Fiscal Note: Less than $500.

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APPENDIX

Policy Recommended for Reaffirmation

Policy, D-160.925 Importance of Oral Health in Patient Care
Our AMA: (1) recognizes the importance of (a) managing oral health and (b) access to dental care as a part of optimal patient care; and (2) will explore opportunities for collaboration with the American Dental Association on a comprehensive strategy for improving oral health care and education for clinicians.
(Res. 911, I-16)