

## Research Brief

# Young Adults Most Likely Age Group to Purchase Dental Benefits in Health Insurance Marketplaces

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## Key Messages

- *Young adults are the most likely of any age group to face financial barriers to dental care. Their dental care use has declined over time and they account for most of the increase in emergency room visits for dental conditions.*
- *The take-up rate of dental benefits within the newly established health insurance marketplaces is, on average, 21.2 percent for adults and 20.1 percent for children. Adults ages 26-34 are by far the most likely age group to purchase dental benefits.*
- *Policymakers should consider improving information transparency on adult dental benefits options within health insurance marketplaces. This will improve the shopping experience for young adults, who indicate strong interest in acquiring dental benefits.*

## Introduction

Under the Affordable Care Act (ACA), pediatric dental services are one of the ten essential health benefits (EHB) that all small group and individual market health plans are required to cover.<sup>1</sup> Dental services for adults, however, are not. This dual approach for adults and children is important given the pre-ACA context. Adult dental care use has been steadily declining in the United States, whereas for children the past decade has seen steady gains.<sup>2</sup> Adults – especially young adults aged 19 through 34 – have experienced increasing financial barriers to dental care, and the near doubling of emergency room visits for dental conditions in the United States from 2000 to 2010 was driven almost entirely by young adults.<sup>3,4</sup>

While adult dental services are not an EHB, an analysis of medical and dental offerings within the newly established health insurance marketplaces found that adult dental benefits are available for purchase in most states.<sup>5</sup> In most states, dental benefits for children can be purchased either as a stand-alone product (i.e., dental care only) or embedded within a

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medical plan. In contrast, adult dental benefits are available almost exclusively as stand-alone products.

In this research brief, we analyze the take-up rate of dental benefits in the health insurance marketplaces for specific age groups.

### Data & Methods

We analyzed data from the U.S. Department of Health & Human Services (HHS), which provided monthly reports on marketplace enrollment throughout the 2014 open enrollment period. The final May 2014 enrollment report outlines the number of individuals that selected medical plans and stand-alone dental plans (SADPs), by state and age, through the Federally Facilitated Marketplace (FFM).<sup>6</sup> The report also outlines the number of individuals that selected medical plans by state and age for individuals purchasing insurance through State-Based Marketplaces (SBM). The report does not outline the number of individuals that selected an SADP through an SBM.

Our analysis includes individuals that selected medical plans and SADPs as reported by HHS through April 19, 2014 for the 36 states currently operating through the FFM.<sup>7</sup> We also include Covered California data in our analysis, as California publicly released pediatric SADP selection numbers through February 28, 2014.<sup>8</sup> California did not offer adult dental benefits through their SBM for 2014.<sup>9</sup>

We calculated the take-up rate for SADPs by dividing the number of individuals that selected an SADP by the number of individuals that selected a medical plan. Based on HHS's categorizations, individuals are categorized into seven age groups: under 18, 18 through 25, 26 through 34, 35 through 44, 45 through 54, 55 through 64, and 65 and older. We

assumed, for simplicity, that all individuals that selected an SADP also selected a medical plan.

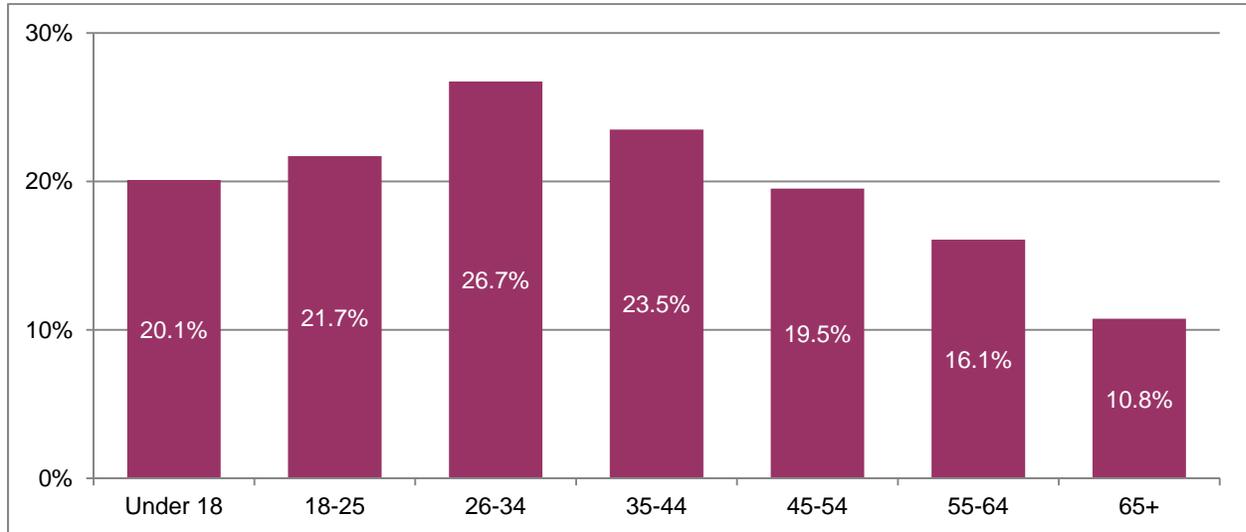
HHS does not categorize medical plans by whether or not they include embedded dental benefits in their enrollment reports. Therefore, we were unable to account for the number of children or adults gaining dental benefits through a medical plan. We feel this is an important limitation in our analysis, particularly among children. About one out of four medical plans offered in the health insurance marketplaces include embedded pediatric dental benefits. For adults, this is much lower at one in 250.<sup>5</sup> Unfortunately, we know of no data source that breaks down medical plan selections by whether or not they include embedded dental benefits.

### Results

Figure 1 summarizes our main finding. Adults 26 through 34 years of age have the highest take-up rate of SADPs of any age group, with 26.7 percent of those selecting a medical plan also selecting an SADP. The take-up rate decreases steadily for older age groups as well as for younger age groups. Interestingly, the take-up rate for children is lower than many age groups, although we interpret this with caution given that our calculation excludes pediatric dental benefits obtained through a medical plan. Seniors have the lowest take-up rate of any age group, with only 10.8 percent of those selecting a medical plan also selecting an SADP.

Table 1 summarizes the total number of SADPs and medical plans selected in the health insurance marketplaces by age group. The age group with the highest number of SADP selections is adults aged 26 through 34. The age group with the highest number of medical plan selections, on the other hand, is adults aged 55 through 64.

**Figure 1:** Take-Up Rate of Stand-Alone Dental Plans in Health Insurance Marketplaces by Age Group



**Source:** ADA Health Policy Institute analysis of HHS’s marketplace enrollment data through April 19, 2014. **Notes:** We calculate the number of individuals in each age group that selected a medical plan and an SADP in the 36 states currently operating through the FFM. We assume that all individuals that selected an SADP also selected a medical plan. We calculate the take-up rate for SADPs by dividing the number of individuals that selected an SADP by the number of individuals that selected a medical plan. We also include individuals aged under 18 in California that selected an SADP through February 28, 2014. In California, no adult-only or family SADPs are offered.

**Table 1:** Marketplace Stand-Alone Dental and Medical Plan Selections by Age Group

	Total Enrollees	Age Group						
		<18	18-25	26-34	35-44	45-54	55-64	65+
<b>Stand-Alone Dental Plans</b>	1,150,052	88,101	133,972	249,726	221,071	237,120	220,251	2,288
<b>Medical Plans</b>	5,502,706	437,767	617,305	934,272	940,856	1,214,491	1,369,976	21,277
<b>Take-Up Rate</b>	20.9%	20.1%	21.7%	26.7%	23.5%	19.5%	16.1%	10.8%

**Source:** ADA Health Policy Institute analysis of HHS’s marketplace enrollment data through April 19, 2014. **Notes:** We calculate the number of individuals in each age group that selected a medical plan and an SADP in the 36 states currently operating through the FFM. We assume that all individuals that selected an SADP also selected a medical plan. We calculate the take-up rate for SADPs by dividing the number of individuals that selected an SADP by the number of individuals that selected a medical plan. We also include individuals aged under 18 in California that selected an SADP through February 28, 2014. In California, no adult-only or family SADPs are offered. Age groups do not sum to total due to rounding.

## Discussion

The highly aggregated data we use in our analysis do not shed light on who purchases dental benefits and who does not, the characteristics of purchasers compared to non-purchasers, or whether individuals purchasing medical insurance have dental benefits from some other source. They simply allow us to compare the likelihood of dental benefits purchases in the health insurance marketplaces.

Given that young adults face the most significant financial barriers to dental care of any age group, a comparatively high take-up rate of dental benefits for this group is encouraging and, in our view, potentially reflects a relatively strong value placed on dental care. Our results are consistent with recent qualitative work that demonstrates that young adults actively search for information on dental benefits products when shopping

within the health insurance marketplaces.<sup>10</sup> This study, which was based on extensive focus group discussions, also uncovered a relatively high degree of frustration among young adults with the scarcity of information on dental benefits products available for purchase, and one of the study's five recommendations was for policymakers to address this. In our view, therefore, it is likely that the take-up rate of dental benefits among young adults would be even higher if it were easier to find information related to dental benefits options in the health insurance marketplaces. A higher take-up rate of dental benefits, in turn, would surely improve access to dental care for this important demographic group.

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## Suggested Citation

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