Evidence for Excess Supply of Dental Services

Howard Bailit, DMD, PhD
Organization

- Supply/Demand Trends
- Evidence of Imbalance
- Discussion
Dental Graduates

Graduates

- 2008
- 2012
- 2016
- 2020
- 2024
- 2028
## New Schools

<table>
<thead>
<tr>
<th>New</th>
<th>Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nova, FL</td>
<td>Texas Tech</td>
</tr>
<tr>
<td>Nevada</td>
<td>Arkansas</td>
</tr>
<tr>
<td>A.T. Still, AZ</td>
<td>Marshfield, WI</td>
</tr>
<tr>
<td>Midwestern, AZ</td>
<td>A.T. Still, CA</td>
</tr>
<tr>
<td>Western, CA</td>
<td>Florida A&amp;M</td>
</tr>
<tr>
<td>East Carolina, NC</td>
<td>Central Florida</td>
</tr>
<tr>
<td>Lake Erie, FL</td>
<td>Florida Atlantic</td>
</tr>
<tr>
<td>New England, ME</td>
<td>New Mexico</td>
</tr>
<tr>
<td>Utah</td>
<td>East Tennessee</td>
</tr>
<tr>
<td>A.T. Still, MO</td>
<td>Touro</td>
</tr>
</tbody>
</table>
Existing Schools

- Many Expand Class-Size/Start International Programs
- Effort to Generate More Revenues
Dentist Productivity

- Increases 1.0 to 1.5% Annually
  - More operators, hygienists, staff
  - Delegate more procedures
  - Better technology
  - Better management
## Group Practice

<table>
<thead>
<tr>
<th>Year</th>
<th>Solo</th>
<th>Two</th>
<th>Three+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>70%</td>
<td>17%</td>
<td>12%</td>
</tr>
<tr>
<td>1990</td>
<td>69%</td>
<td>20%</td>
<td>11%</td>
</tr>
<tr>
<td>2000</td>
<td>64%</td>
<td>22%</td>
<td>14%</td>
</tr>
<tr>
<td>2005</td>
<td>63%</td>
<td>20%</td>
<td>17%</td>
</tr>
<tr>
<td>2007</td>
<td>59%</td>
<td>23%</td>
<td>17%</td>
</tr>
</tbody>
</table>
Reasons Group Practices

- Economies of Scale
- Student Debt
- Life Style Preferences
Demand for Dental Services

- Population
- Family Income
- Dental Insurance
- Oral Health
Population Increase

![Graph showing population increase from 2012 to 2032 in millions. The population is projected to rise linearly.]
US GDP Growth

U.S. Real GDP (2005 dollars)

Sources: Bureau of Economic Analysis and Haver Analytics.
US Household Income

Real median household income, 1979-2009

- $60,746 (peak in 2000)
- $52,388 (peak in 1999)
- $55,821
- $49,777

2009 dollars

- $45,325
- $50,000
- $55,000
- $60,000
- $65,000
- $70,000


Note: Vertical lines indicate the start of recessions. Median income for workers under age 65 starts in 1994.

Source: Author’s analysis of U.S. Census Bureau data.
# Dental Expenditures by Family Income, 2007

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Number (000,000)</th>
<th>Total Expenses (000,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>51.4</td>
<td>$6.2 (7%)</td>
</tr>
<tr>
<td>Low</td>
<td>40.5</td>
<td>$7.1 (8%)</td>
</tr>
<tr>
<td>Middle</td>
<td>93.2</td>
<td>$22.7 (28%)</td>
</tr>
<tr>
<td>High</td>
<td>115.1</td>
<td>$46.0 (60%)</td>
</tr>
</tbody>
</table>
Private Dental Insurance

- Enrollment Decline
- Increase Employee Contributions to Premiums
- Larger Deductibles
- No Change in Maxima
- Decline in Fees
Oral Health Status

- Major Improvements Oral Health
- Factors
  - Fluoridation
  - Education/health behavior
  - Utilization dental care
Change Service Mix

GP Service Mix, 1959 to 1999
Evidence: Supply/Demand Imbalance
Quarterly Real Dental Expenditures, 1995:Q1 Though 2010:Q4

$000


71,070  71,070  71,070  71,070  71,070  71,070  87,527  90,201  90,201  90,201  84,726
Per Capita Dental Expenditures
1960 through 2010

$151.0

$309.1

$339.1

$311.3
Real Expenditures: GDP, Physician, Dental Services – Quarterly from 1995 through 2010
Net Income Dentists in 2009
Constant Dollars

Source: ADA, Survey of Dental Practice, 1982–2010
Major Unknowns

- General Economy
- Health Reform
- Subsidies for Low Income Patients
- New Technologies
Safety Net Implications

- Decline in Dentist Incomes
- Increase Dentist Availability
- Private GPS See More Low Income Patients
- More Private GPS Move to Underserved Areas
Conclusions

- Supply Dental Services Increasing
- Demand Decreasing
- Growing Supply Surplus
- Dentist Incomes Decline
- Implications for Safety Net and Access Disparities
“For myself I am an optimist – it does not seem to be much use being anything else”