Private Sector Approaches to Workforce Enhancement

2010 National Oral Health Conference

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The First Decade of the 21st Century

• Our usual focus is on the current economic recession, which began December 2007.
• Would like to divert our attention to the economic stagnation that has taken place during the first decade of the 21st century.
  ◦ The impact on the middle class
  ◦ The impact on the private practice of dentistry
• Suggest that the private delivery system has untapped excess capacity.
Real Incomes Are Stagnating

Real Income Growth By Decade by Household Income Percentile

Source: HPRC calculations based on data from the U.S. Census Bureau, *Current Population Reports*. Household Incomes were converted to 2008 Dollars by Census.
Real Expenditures Declining; Lower Nominal Growth

Nominal and Real Per Capita Dental Expenditures (2008 Dollars)

Real Expenditures Declining; Lower Nominal Growth

Smoothed Annual Growth Rate (5 year avg) - Nominal Per Capita Dental Expenditures

Dental Care Affordability

During the past 12 months was there a time when you could not afford:

Source: CDC/NCHS, National Health Interview Survey, 2008
Private Practice Delivery Systems

- Over 90 percent of professionally active dentists are engaged in private practice as their primary occupation.
- Over 90 percent of dentists active in private practice are in practices with four or fewer dentists.
- Approximately 60 percent of dentists are in solo practice.
Private Practice Delivery Systems

- This arrangement has some of the characteristics of the classic perfectly competitive market.
  - Consumers in many markets can choose among a number of dentists
  - Dentists have limited market power in many markets
  - Dentists must respond to consumer needs
- The dentist bears risk and reward of practice operation
- About two-thirds of population receives care through this approach.
Private Practice Delivery Systems

• This arrangement relies upon need being converted into effective demand
• Barriers to creating effective demand include:
  ○ Economic limitations
  ○ Lack of mobility
  ○ Geographic isolation
• The private delivery system cannot overcome all of these barriers.
• Over 70 percent of dentists in private practice provide charity care worth in excess of $2 billion based on ADA data.

Total Population 281 Million

Community Living 277 Million

Generally Healthy 253 Million

Not Economically Disadvantaged 210 Million

Non-Remote 199 Million

Institutionalized 4 Million

Severe Medical Co-Morbidities 24 million

Economically Disadvantaged 43 Million

Remote 11 Million

Non-Remote 40 Million

Remote 3 Million
Dental Workforce is Aging; More Females Are Entering

Projected Dental Workforce by Age Group

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<th>Age Group</th>
<th>Under 40</th>
<th>40 to 59</th>
<th>60 and Older</th>
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Percentage Distribution of Active Private Practitioners: Age by Gender

- **65+ Years**
  - Female: 1%
  - Male: 13%
- **55 - 64 Years**
  - Female: 7%
  - Male: 27%
- **45 - 54 Years**
  - Female: 30%
  - Male: 31%
- **35 - 44 Years**
  - Female: 20%
  - Male: 38%
- **Under 35 Years**
  - Female: 24%
  - Male: 10%

Let’s Not Use Full-Time and Part-Time Anymore

Average Hours Spent Treating Patients – Dentists Between the Ages of 35 and 54

Human and Physical Capital Growth of Private Practices


- Orange line: Number / Operatories
- Dark blue line: FTE Hygienists
- Light green line: FTE Chairside Assistants
- Blue line: Visits Per Treatment Hour

Overcoming Barriers with Innovations

- Financial and administrative – Michigan Healthy Kids Dental:
  - Great oral health outcomes
  - Current private delivery system had the capacity
- Free or low cost clinics - Beaumont, Texas – private practice dentists and economic development agency
- Community Dental Health Coordinator – ADA pilot project developing individuals with community health and dental skills to help break down barriers.
  - UCLA
  - University of Oklahoma
  - Temple University
Questions

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