

Private Sector Approaches to Workforce Enhancement

2010 National Oral Health Conference

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Wayne Wendling, Ph.D.

Managing Vice-President, Health Policy Resources Center

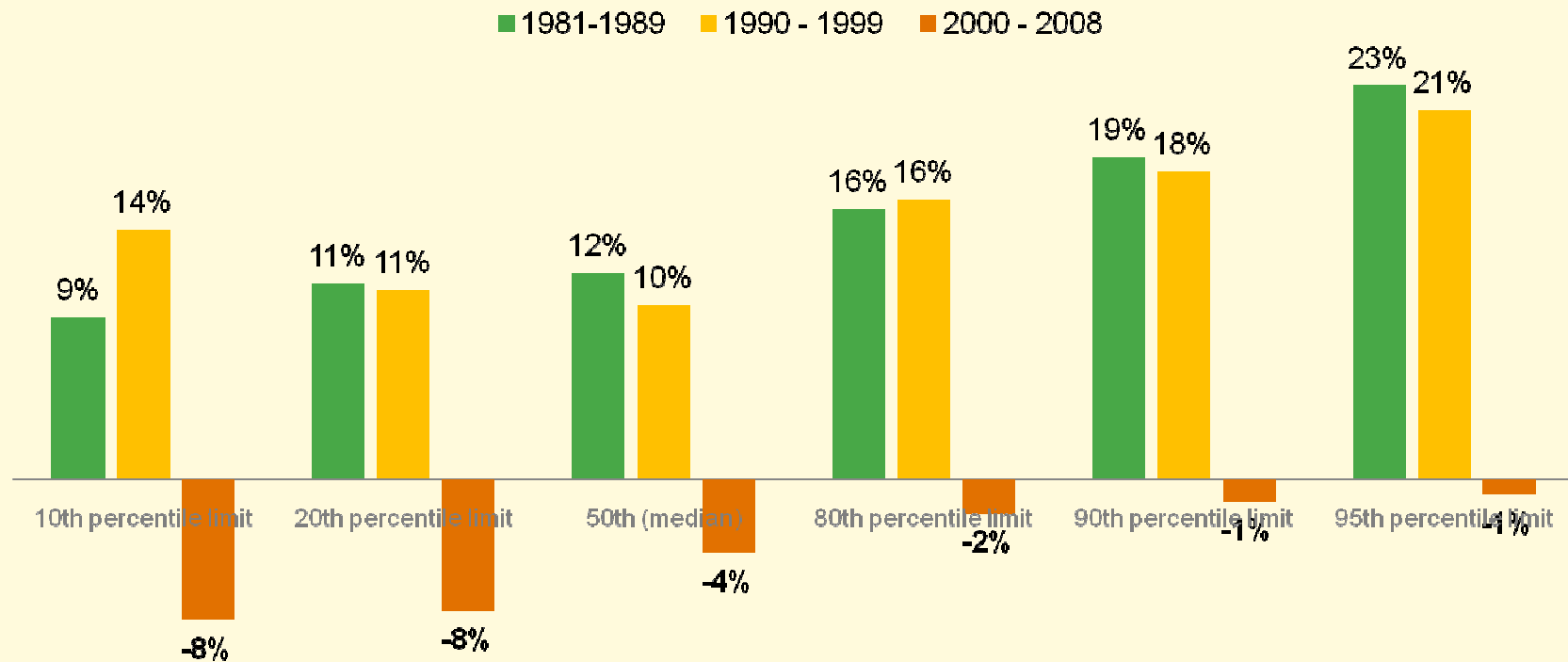
ADA American Dental Association®

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

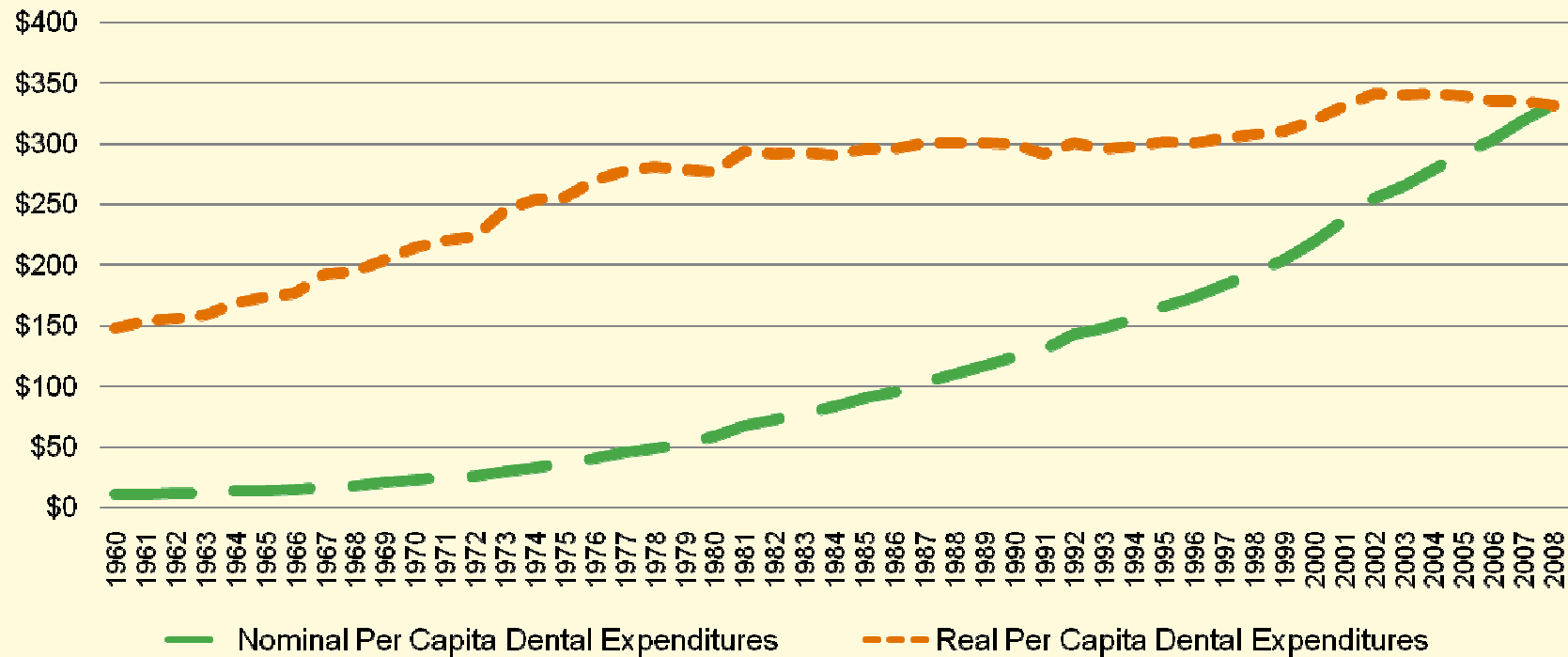
Real Income Growth By Decade by Household Income Percentile



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

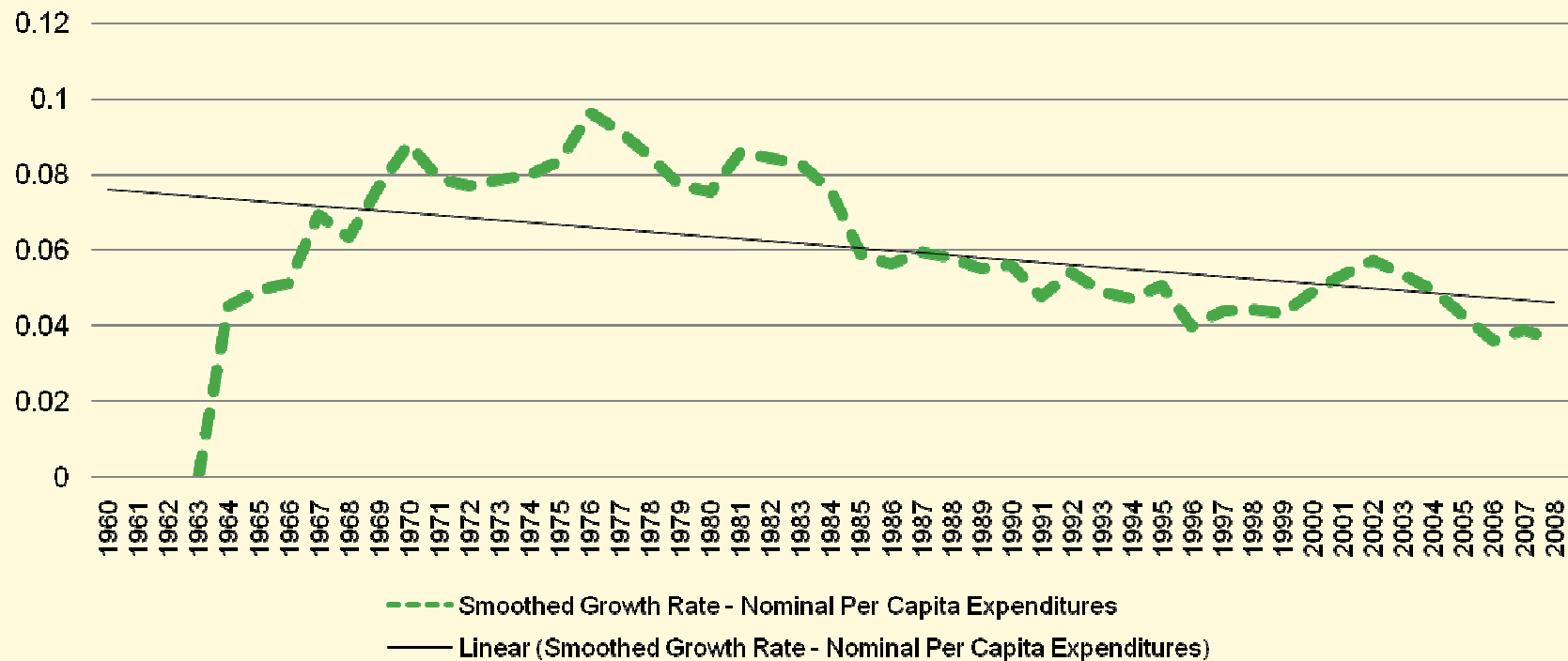
Nominal and Real Per Capita Dental Expenditures (2008 Dollars)



Source: CMS, National Health Expenditures, 1960 – 2008, Downloaded, January 5, 2010, and HPRC calculations using U.S. Bureau of Labor Statistics, CPI Data Tables, Downloaded, January 5, 2010.

Real Expenditures Declining; Lower Nominal Growth

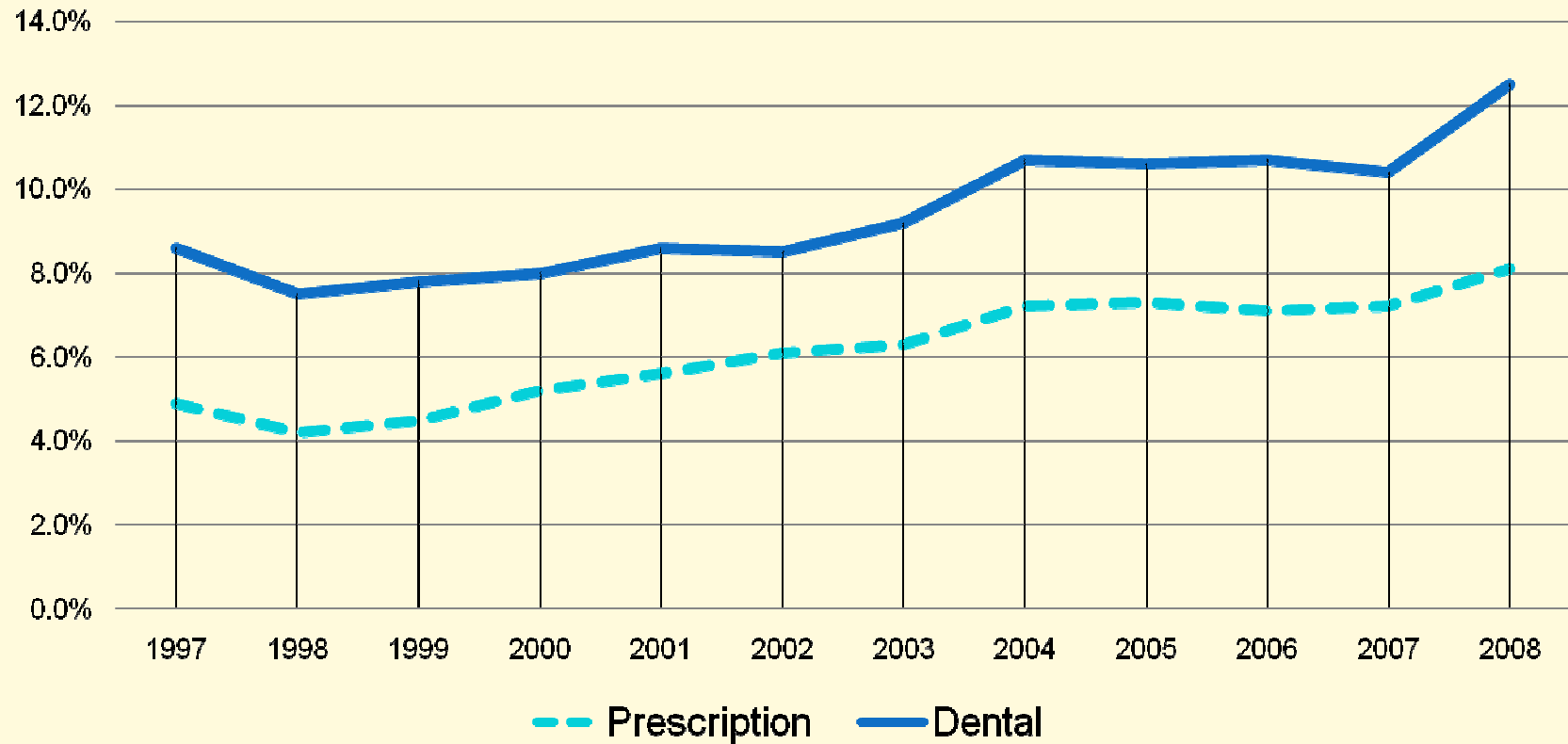
Smoothed Annual Growth Rate (5 year avg) - Nominal Per Capita Dental Expenditures



Source: CMS, National Health Expenditures, 1960 – 2008, Downloaded, January 5, 2010, and HPRC calculations using U.S. Bureau of Labor Statistics, CPI Data Tables, Downloaded, January 5, 2010.

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.

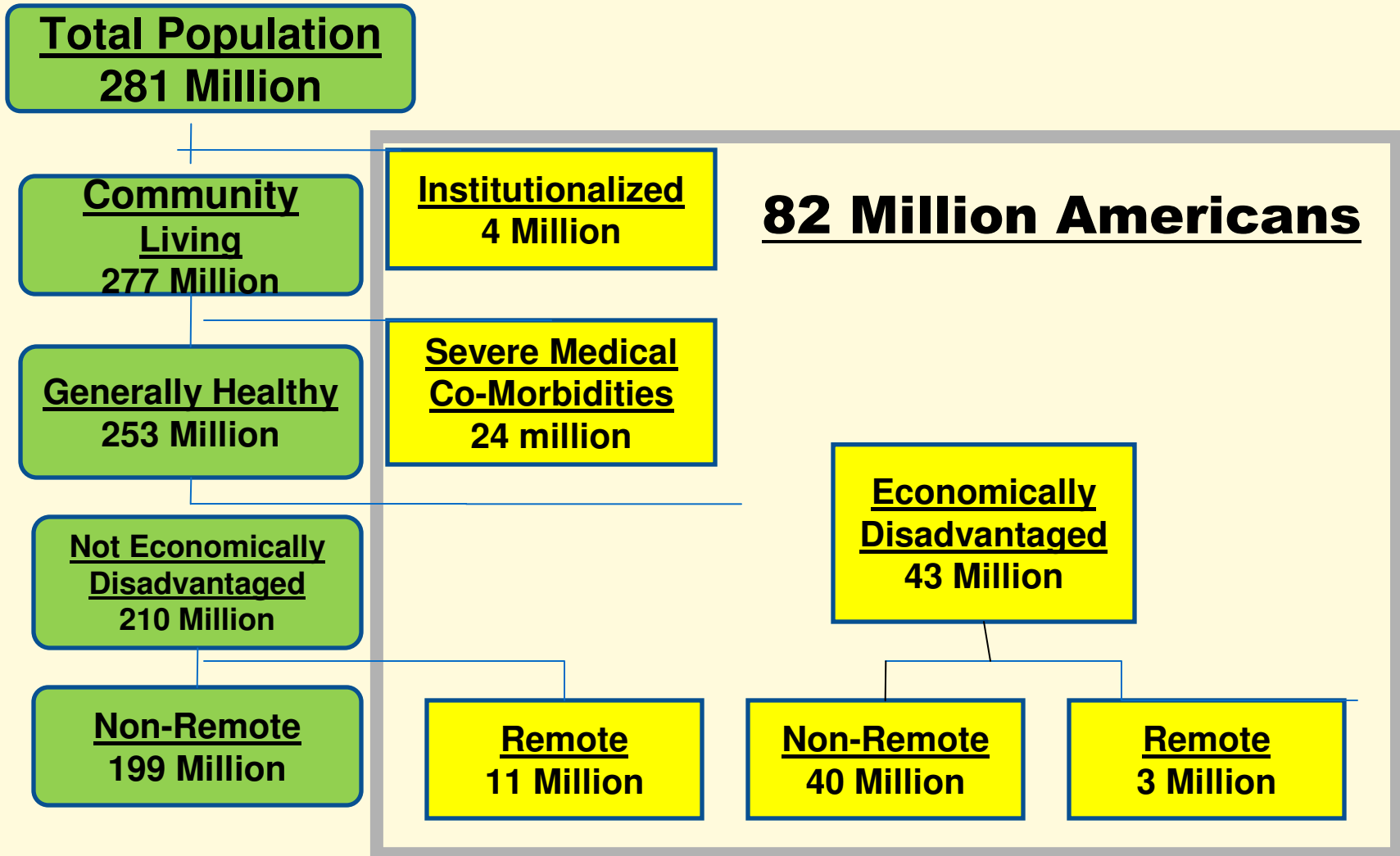
Private Practice Delivery Systems

- 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

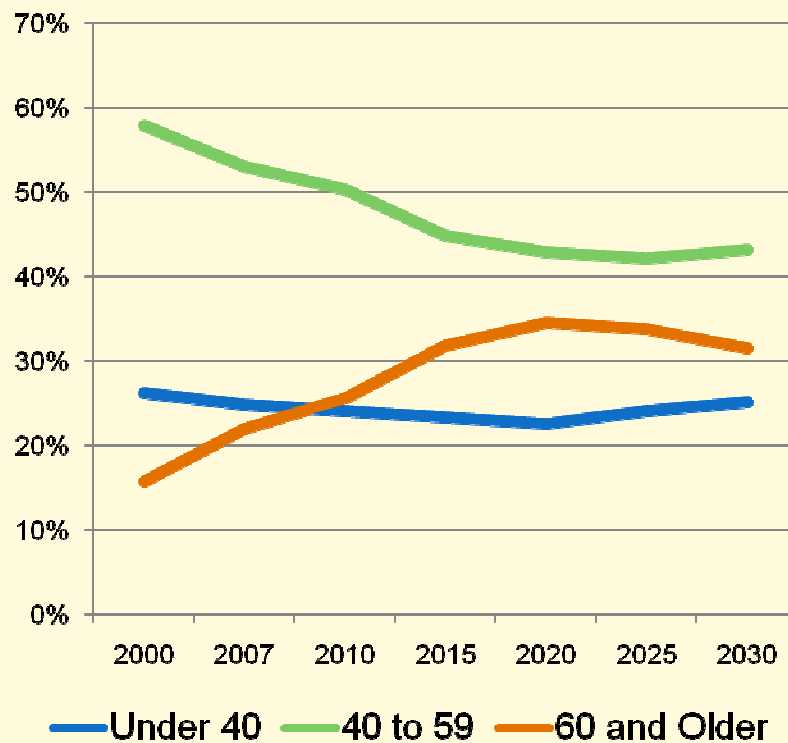
- This arrangement relies upon need being converted into effective demand
- Barriers to creating effective demand include:
 - Economic limitations
 - Lack of mobility
 - Geographic isolation
- The private delivery system cannot overcome all of these barriers.
- Over 70 percent of dentists in private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

Access – U.S. Population - 2000 Census



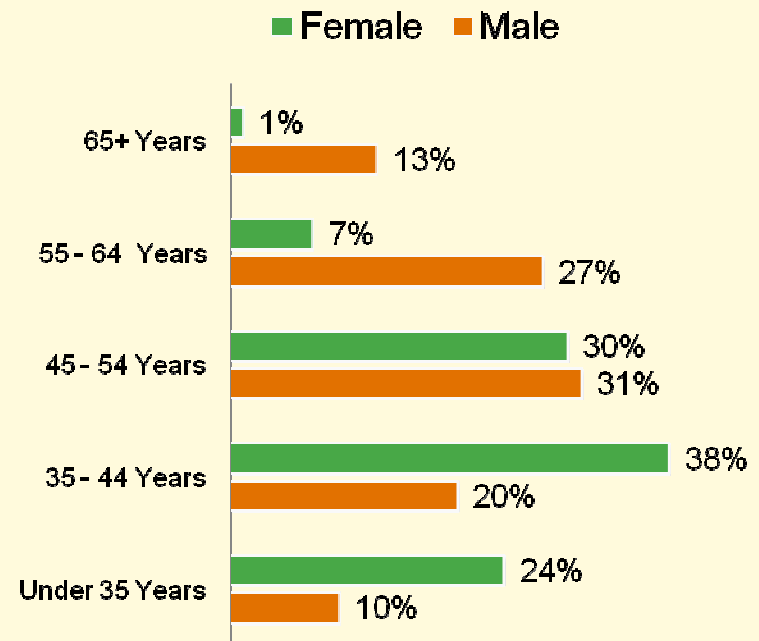
Dental Workforce is Aging; More Females Are Entering

Projected Dental Workforce by Age Group



Source: American Dental Association, Dental Workforce Model: 2007 – 2030, OCTOBER, 2009.

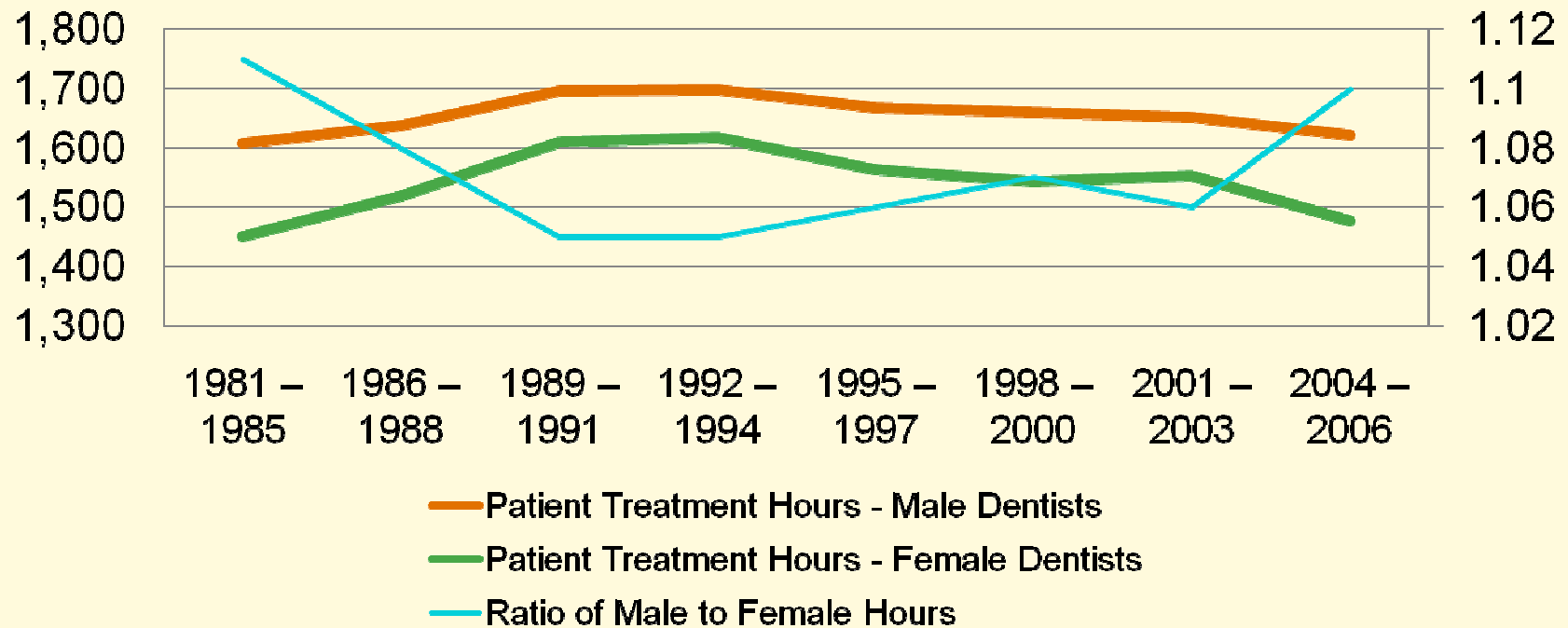
Percentage Distribution of Active Private Practitioners: Age by Gender



Source: American Dental Association, Survey Center, 2006 *Distribution of Dentists in the United States by Region and State*, Figures 15 and 16, August 2008.

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

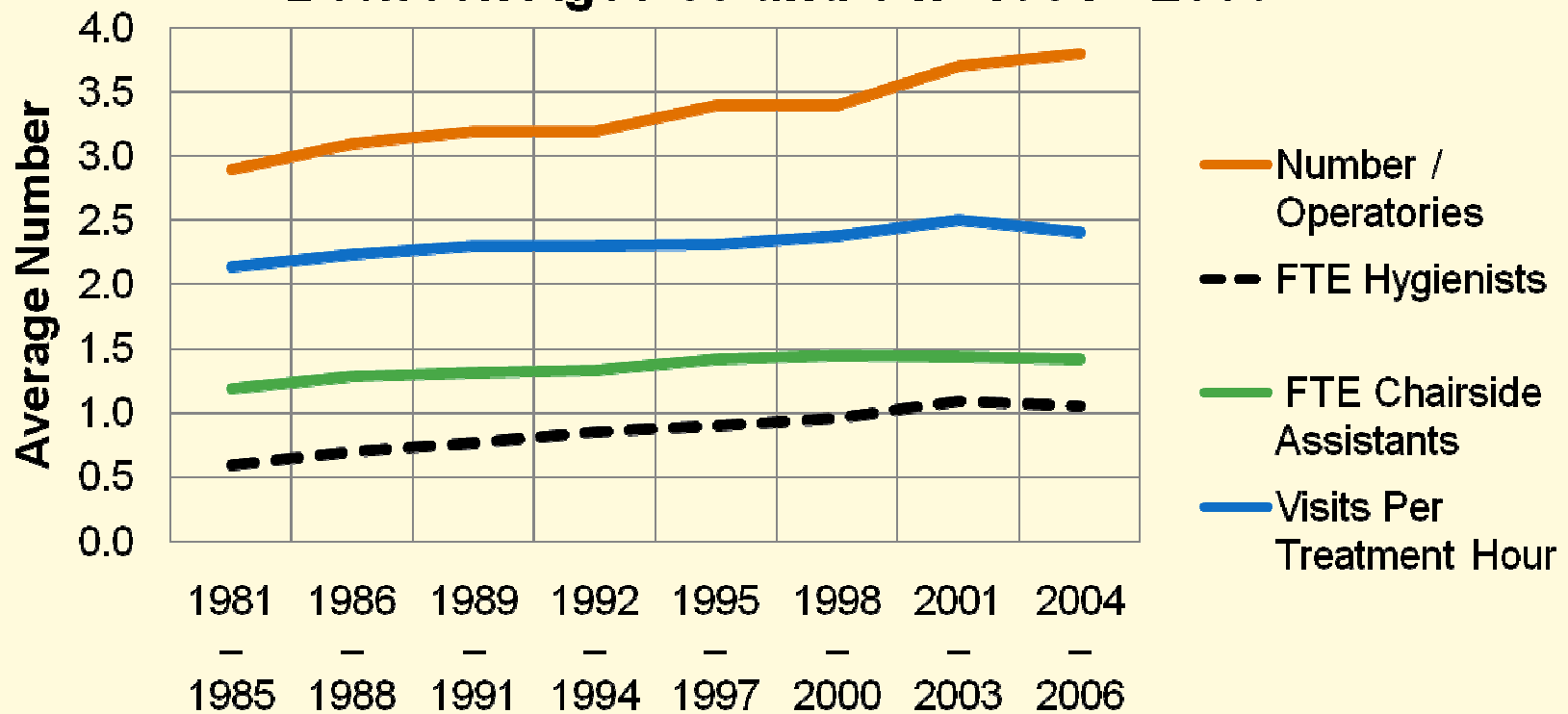
Average Hours Spent Treating Patients – Dentists Between the Ages of 35 and 54



Source: American Dental Association, Survey Center, *Survey of Dental Practice* 1982 - 2007.

Human and Physical Capital Growth of Private Practices

Practice Characteristics of Owner Dentists Between Ages 35 and 54: 1981 - 2006



Source: American Dental Association, Survey Center, *Survey of Dental Practice* 1982 - 2007.

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

Contact Information:

Wayne Wendling Ph.D.

wendlingw@ada.org

312.440.7745