

The Economic Benefits of Dental Therapists

Increased revenue for dentists, increased care for patients—A win-win for Kansas



With oral health care provider shortages reported in 83 percent of Kansas' counties, dentists are unable to meet the great need for care and Kansans can't get routine and preventive dental care in communities where they live.

In economic terms, Kansans are at risk of going without critically needed dental care simply because the "supply" of dental care providers can't keep up with demand. Easing the regulatory restrictions on dental practices will increase access to dental care and stimulate the Kansas economy, allowing dentists to earn additional revenue and serve more patients.

Americans for Prosperity has long advocated for public policies that champion the principles of limited government and the free market. To address the dental care crisis in Kansas, AFP is supporting the establishment of dental therapists, professionals with advanced training who can safely and effectively perform the most common routine prevention and treatment. Approving dental therapists in Kansas represents an opportunity to remove the overwhelming regulations that restrict access to dental care unnecessarily, and to allow the marketplace to work without government interference that serves no public benefit.

REGULATORY BARRIERS TO GROWTH AND ACCESS TO DENTAL CARE

Many Kansas dental practices have reached an employment plateau—and government regulations have restricted their growth. State scope of practice laws are restricting dental practices from employing mid-level dental providers like dental therapists to provide routine care.

The same scope of practice laws are also a barrier to career advancement for dental hygienists and, in some cases, entry into the workforce for Kansans who hope to pursue dental careers in their home communities. Studies have shown these restrictive laws also create barriers to cost-effective care for the public. In fact,

research demonstrates that restrictive practice laws do little to improve safety and actually drive up costs for consumers and result in worse oral health outcomes.¹

Americans for Prosperity advocates for approving dental therapists to work in Kansas because it offers the opportunity to make cost-effective care available and gives dentists the opportunity to grow their businesses at no cost to the state. It is a policy that is grounded in the principles of regulatory restraint and is a free-market solution to address our state's dental needs.

HOW FREE-MARKET SOLUTIONS AND MID-LEVEL PROVIDERS BENEFIT DENTISTS AND THE PUBLIC

For dentists in Kansas, it makes good economic sense to hire a dental therapist. These highly trained professionals, who are practicing in more than 50 countries around the world and in two U.S. states, would play a role in dentistry similar to that of physician assistants in medicine.

Using Kansas data to model the economics (costs and revenues) of a typical solo private dental practice, it was determined **a practice could earn an additional \$125,000 by hiring a dental therapist.**

The findings likely underestimate revenues because they do not account for a shift in some of the dentist's time from providing routine procedures to performing more complex and costly procedures such as root canals, crowns and implants. In 2014, a study of a private practice in Minnesota's first-year experience with a mid-level provider found a significant change in the dentist's procedure mix, with an increase in more advanced procedures and a decline in his provision of fillings, many of which he delegated to his mid-level.²

¹ Institute for Justice. "License to Work: A National Study of Burdens from Occupational Licensing." By Dick M. Carpenter II, Ph.D., Lisa Knepper, Angela C. Erickson and John K. Ross. May 2012. University of Virginia Weldon Cooper Center for Public Service and Department of Public Health Sciences. "The Effect of Dental Hygiene Regulation on Access to Care." Tanya N. Wanchek. March 2009.

² Shelly Gehshan, Laura K. Hale, and Jane Koppelman. "Expanding the Dental Team: Studies of two private practices," The Pew Charitable Trusts, February 2014, http://www.pewtrusts.org/~media/legacy/uploadedfiles/pes_assets/2014/expandingdentalteamreportpdf.pdf

COSTS AND REVENUES OF ADDING A MID-LEVEL PROVIDER TO A SOLO DENTAL PRACTICE

	DENTIST ONLY (3% Medicaid patient base)	DENTIST + DENTAL THERAPIST (15% Medicaid patient base)
Revenue (collections)	\$1,511,000	\$1,903,000
Cost		
Direct Labor	\$320,000	\$475,000
Supplies Cost	\$134,000	\$179,000
Rent	\$40,000	\$60,000
Marketing and Other Office Costs	\$80,000	\$120,000
TI Charge	\$8,000	\$11,000
Equipment Loan Payment	\$6,000	\$8,000
Total	\$588,000	\$855,000
Operating Profit	\$923,000	\$1,048,000
Taxes		
Net income	\$923,000	\$1,048,000
Net Impact		\$125,000

*Figures are rounded estimates from the analysis

Methodology:

This study added the cost of hiring a dental therapist and an additional dental assistant, and projected that the Medicaid patient population increased from 3 percent to 15 percent (assuming that adding a lower-cost dental provider would allow the practice to cost-effectively serve more Medicaid patients). After accounting for salary and overhead costs of a dental therapist, an additional dental assistant and two new operatories¹, as well as an increase in the Medicaid patient population and a Medicaid reimbursement rate that pays about 42 percent of regional dental fees, **the practice earned an additional \$125,000.**

The study used a typical staffing pattern for a private dental practice: 1 dentist, 2 dental hygienists, 2 dental assistants and 2 office staff. It added the cost of a dental therapist and an additional dental assistant, using estimates of dental therapists' salaries practicing in Minnesota (the only state where they are practicing statewide)ⁱⁱ and the Bureau of Labor Statistics 2013 wages for hygienists, assistants and office staff. It applied a procedure mix based on published research to depict a typical dentist's office (see Dental Practice Procedure Mix) and Medicaid patient load.³ Assuming 33 percent of the new Medicaid patients had some restorative need,⁴ the study adjusted the procedure mix to increase restorations and, accordingly, slightly increase imaging (supporting restorative work) and decrease preventive procedures. The study estimated practice income based on collections, not billings. Collection estimates and the Medicaid reimbursement rate were based on Kansas' 2013 Medicaid fee

schedule and the American Dental Association's 2013 regional survey of fees. The analysis also assumed a scope of practice that would allow dental therapists to perform evaluations, imaging, prophylaxis, sealants, fillings, temporary crowns, pulpotomies and uncomplicated extractions. The study assumed that a solo dentist, two dental hygienists and two dental assistants would require four operatories. With the addition of a dental therapist and dedicated dental assistant, two additional operatories (and associated costs) were incorporated into the model. (Complete methodology available on request.)

³University of North Dakota, Center for Rural Health. North Dakota Oral Health Report: Need and Proposed Models, 2014. December 2014. <http://ruralhealth.und.edu/projects/nd-oral-health-assessment/pdf/north-dakota-oral-health-report-2014.pdf>

⁴The prevalence of untreated dental caries for individuals 200% and below the poverty level was 33% (for all ages). Kansas Medicaid covers children, some parents, and seniors. Dye BA et al, "Selected Oral Health Indicators in the United States, 2005-2008." NCHS Data Brief; No. 96; May 2012.

DENTAL PRACTICE PROCEDURE MIX

DENTAL PRACTICE PROCEDURE MIX	"BEFORE" PERCENTAGE MIX*	"AFTER" PERCENTAGE MIX
Diagnostic	33%	33%
Radiographs/Imaging	12%	15%
Preventive	31%	25%
Restorative	7%	10%
Endodontics	2%	2%
Periodontics	1%	1%
Prosthodontics	7%	7%
Oral/Maxillofacial Surgery	4%	4%
Other	3%	3%
Total	100%	100%

A WIN-WIN FOR KANSAS

Dentists in Kansas are small-business owners and should be allowed to expand their practices as they see fit. Government should not restrict businesses' growth through unnecessary regulations. Allowing dental therapists to work in Kansas gives dentists the opportunity to grow their businesses and meet demand at no cost to the state. Dental therapists will lead to job creation, business growth and the removal of unnecessary and burdensome government regulations in Kansas. It is a solution to the dental care shortage that is grounded in the principles of regulatory restraint and a free-market solution to address our residents' dental needs. Dental therapists are a win for Kansas businesses and a win for the Kansas economy.

¹ Costs of new operatories reflected in the increased rent (price per sq foot), overhead for electricity and other office expenses, and amortized financing over 20 years.

ⁱⁱ As context to compare wages for dental auxiliaries in Kansas and Minnesota, the average dental hygienist's wage in Minnesota is 2% higher than the average dental hygienist's wage in Kansas. See http://www.bls.gov/oes/current/oes_ks.htm#29-0000 and http://www.bls.gov/oes/current/oes_mn.htm#29-0000