

Dental coverage in the individual market

Landscape of 2024 Federally Facilitated Marketplace dental offerings

Tom Murawski, FSA, MAAA
Amy Gray, ASA, MAAA



The individual market requires consumers and families to make informed decisions from several different options for dental coverage.

For over a decade, the majority of U.S. individuals and families who qualify for subsidized health insurance under the Affordable Care Act (ACA) have been shopping for coverage through the Federally Facilitated Marketplace (FFM). The FFM platform was created for use by states that elected against creation of a state-based marketplace (SBM) under the ACA. Today, consumers in 32 states are directed to the FFM platform to compare coverage options and to purchase health coverage and, if needed, dental coverage. As of January 2024, over 21 million individuals selected a plan via the FFM for the 2024 plan year, representing a record number of annual enrollments since the platform's inception.¹

Using publicly available data for the 2024 plan year,^{2,3} this white paper highlights the landscape of dental coverage availability in the 32 states utilizing the FFM. This article was last published by Milliman for plan year 2020.⁴ Since the 2020 plan year, six states converted to SBMs and no longer utilize the FFM platform for enrollments.

The FFM platform provides consumers at varying income levels with access to their states' qualified health plan (QHP) and qualified dental plan (QDP) offerings. An understanding of the current dental benefits landscape provides health insurers, dental insurers, regulators, and lawmakers alike with the insight to identify areas of strength and, conversely, gaps in coverage and market options. In this report we discuss key points regarding the national landscape of child and adult dental benefits in the individual market and highlight a few considerations that impact

the ability of consumers to access coverage and make informed choices about dental care. While the publicly available data used does not include all states with SBMs, we believe that the conclusions of this article apply broadly across the individual dental market.

Dental coverage as an EHB

The 10 essential health benefits (EHBs) are prescribed in the ACA as a set of required benefits for every plan offered in the individual and small group insurance markets. Still, some consumers face challenges when it comes to shopping for and choosing dental benefits.

Generally, EHBs—like annual physical exams, prescription drugs, and hospital visits—are covered by a single QHP. Under the ACA's EHB rules, pediatric dental benefits must also be made available to children in one of two ways:

- As an embedded benefit within a QHP
- As a standalone qualified dental plan (QDP)

However, unlike the preventive health EHB that is usually covered in-network at no cost, cost sharing for the pediatric dental EHB is not uniform across QHPs.⁵ In addition, the dental EHB is not extended to adult dental services, so provision of adult dental benefits is entirely optional.

¹ CMS (January 24, 2024). Marketplace 2024 Open Enrollment Period Report: Final National Snapshot. Retrieved April 25, 2024, from <https://www.cms.gov/newsroom/fact-sheets/marketplace-2024-open-enrollment-period-report-final-national-snapshot>.

² Healthcare.gov. 2024 QHP Landscape Data. Retrieved April 25, 2024, from <https://www.healthcare.gov/health-plan-information-2024/>.

³ Healthcare.gov. 2024 Stand-Alone Dental Plan (SADP) Data. Retrieved April 25, 2024, from <https://www.healthcare.gov/dental-plan-information-2024/>.

⁴ Fontana, J. & Dowe, A.K. (April 2020). Dental Coverage in the Individual Market: Landscape of 2020 Federally Facilitated Marketplace Dental Offerings. Milliman White Paper. Retrieved April 25, 2024, from <https://us.milliman.com/-/media/milliman/pdfs/articles/dental-coverage-landscape.ashx>.

⁵ Preventive health and wellness services are only covered at no cost when delivered by in-network providers at in-network facilities.

According to the American Dental Association (ADA) Health Policy Institute (HPI), cost barriers affect service usage at a higher rate for dental services than for medical, pharmacy, or behavioral health services. The ADA HPI estimates that approximately 17% of adults and 3% of children did not obtain needed dental services in 2022 due to cost.⁶ Avoidance of routine dental services has led to emergency department visits for dental conditions, a trend that also applies to avoidance of routine health and wellness visits. Misalignment of pediatric dental coverage and adult dental coverage can present a potentially confusing array of choices for households looking for broad, complete coverage.

Consumers must assess whether a QHP includes the pediatric dental EHB or if a QDP must also be purchased to obtain pediatric dental insurance. If a QHP includes pediatric dental coverage without adult dental coverage, an additional QDP may still be necessary if adults desire a dental benefit plan. Enrollment in two separate plans for members of the same household may lead to disjointed understanding of insurance coverage.

Further, those enrolled in QHPs with embedded dental benefits may not even be aware of these value-added benefits, and those enrolled without embedded benefits may not be able to afford the cost of separate dental coverage in addition to a health plan.

QHPs

The availability of qualified health plans (QHPs) with embedded dental benefits for children and/or adults varies widely from state to state. Where embedded dental benefits are not common, consumers must navigate the platform to access separate qualified dental plan (QDP) offerings. The table in Figure 1 groups states based on the availability of embedded pediatric and/or adult dental benefits in state QHPs during calendar year (CY) 2024. In four states, no QHPs include dental coverage. In five states, QHPs offer an embedded child dental EHB, but no adult dental benefits. Comparatively, in 2020, six states utilizing the FFM had no QHPs including dental coverage, and 14 states utilizing the FFM offered an embedded child dental EHB but no adult dental benefits. Over the four-year period from 2020 to 2024, the number of states utilizing the FFM with plans that embed both pediatric and adult dental benefits has increased from eight to 20, representing a material increase in consumer access to embedded dental coverage.

⁶ ADA HPI (November 2023). National Trends in Dental Care Use, Dental Insurance Coverage, and Cost Barriers. Retrieved April 25, 2024, from <https://www.ada.org/-/media/project/ada-organization/ada/ada->

FIGURE 1: CY 2024 EMBEDDED DENTAL BENEFITS BY AGE GROUP

Dental Coverage in QHPs	Count	States
States with no QHP embedded dental benefits in their market	4	Hawaii, Idaho, Montana, Utah
States with plans that have embedded pediatric dental benefits but no embedded adult dental benefits	5	Alaska, North Dakota, Oregon, South Dakota, Wyoming
States with plans that have embedded adult, but no embedded pediatric, dental benefits	2	Arkansas, New Hampshire
States with plans that embed both pediatric and adult dental benefits	20	Alabama, Arizona, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Louisiana, Michigan, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, West Virginia, Wisconsin
States with plans that embed adult OR pediatric benefits (but have no plan offerings with both)	1	Nebraska

States with no QHP embedded dental benefits in their market

The markets in these states have zero QHP plan options with embedded benefits. Consumers in these states will need to purchase separate QDPs in order to have any household members with dental insurance coverage.

States with plans that have embedded pediatric dental benefits but no embedded adult dental benefits

These states have QHP plan offerings with embedded dental, limited to pediatric dental benefits only.

States with plans that have embedded adult, but no embedded pediatric, dental benefits

QHPs in these states offer an add-on benefit for adult dental coverage, but no pediatric coverage.

States with plans that embed both pediatric and adult dental benefits

Consumers in these states have the option to choose a single QHP that embeds both adult and child benefits.

States with plans that embed adult or pediatric benefits (but have no plan offerings with both)

In this state, the market varies greatly for embedded dental benefits. No single plan option embeds coverage for both children and adults. Plans that offer adult dental benefits do so only as an optional add-on.

[org/files/resources/research/hpi/national_trends_dental_use_benefits_barriers.pdf](https://www.ada.org/-/media/project/ada-organization/ada/ada-).

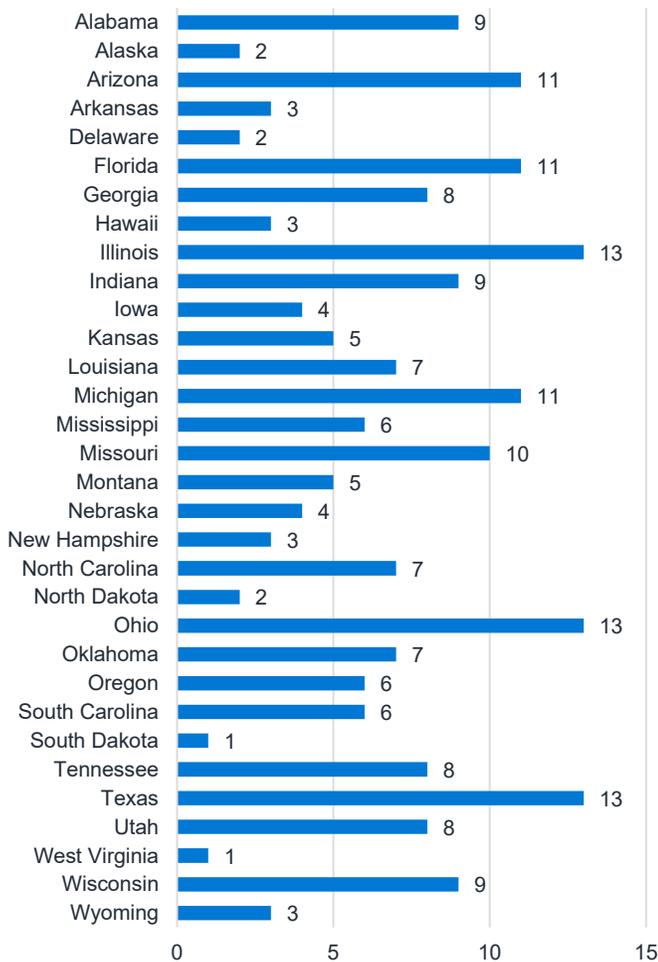
QDPs

Standalone qualified dental plans (QDPs) are another channel for individuals and their households to gain dental insurance coverage. These plans may be offered by health insurance carriers in addition to QHP offerings, but many are offered by plans that specialize specifically in dental coverage.

QDPs cover a wide range of dental services for both children and adults. Consumers shopping on the FFM must be enrolled in a QHP in order to also choose a QDP through the FFM platform.

Child and adult QDP characteristics by state are illustrated in Figures 2 and 3. On average, there are 6.6 dental carriers per state for 2024 compared to an average of 5.9 carriers per state in 2020, when limited to the states that remain FFM utilizers in 2024.

FIGURE 2: CY 2024 QUALIFIED DENTAL PLAN CARRIERS BY STATE



CHILD DENTAL SERVICES

All QDP selections offer comprehensive child dental benefits. This includes regular checkups, routine fillings and x-rays, and major services. Medically necessary orthodontic coverage is also included in all states.

ADULT DENTAL SERVICES

All 32 states utilizing the FFM have QDP options that cover routine, basic, and major services for adults. While adult dental benefits are not as comprehensively covered as child dental benefits, QDPs may be available as a coverage option for adults in states with no embedded adult dental benefits available via QHPs. Figure 3 illustrates categories of adult dental services covered by QDPs in states where no QHPs embed adult dental services.

FIGURE 3: CY 2024 NUMBER OF QDP OPTIONS BY ADULT SERVICE CATEGORIES IN STATES WITH ZERO QHPs OFFERING EMBEDDED ADULT DENTAL

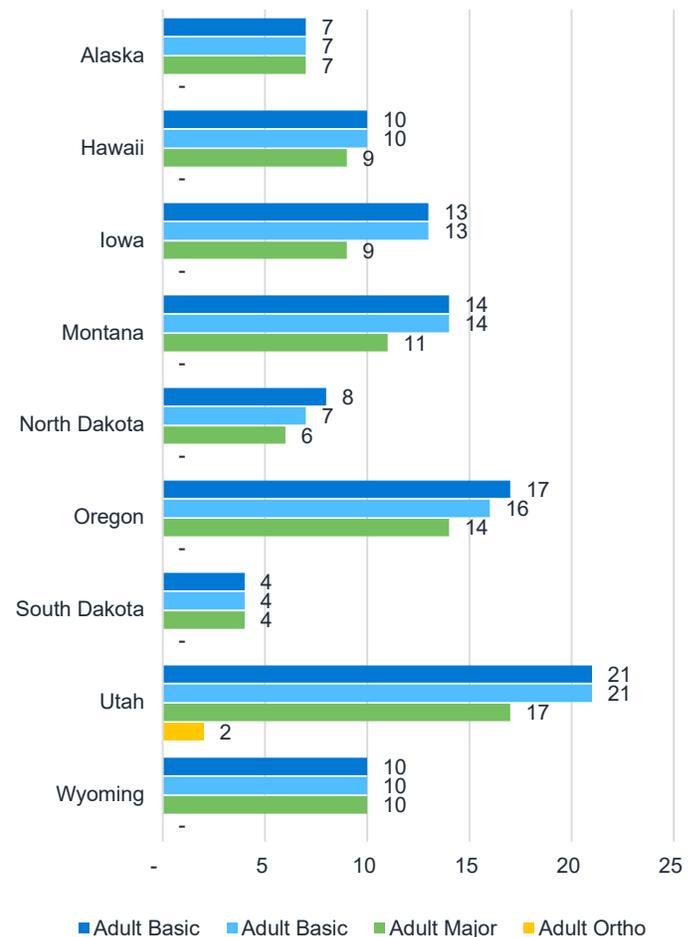


FIGURE 4: ADULT DENTAL SERVICES BY CATEGORY

Category	Services
Adult Routine	Exams, Cleaning, X-rays, Fluoride
Adult Basic	Emergency Palliative Services, Sealants, Minor Restoration, Extractions, Nonroutine X-rays
Adult Major	Bridges, Endodontics, Dentures, Periodontics, Crowns
Adult Orthodontia	Medically Necessary Procedures

For plans covering adult dental, routine and basic services are typically both covered. Major services are slightly less likely to be covered than routine and basic, and orthodontia is the least likely to be covered due to the high cost but low utilization of services in adults. Covered services within each of these categories are not standardized and can vary by carrier, state, and other plan characteristics.

Additional considerations

MARKETPLACE POPULATION AND AFFORDABILITY

As of plan year 2023, approximately 90% of the population purchasing coverage through the FFM receives financial assistance in the form of advance premium tax credits (APTCs) and approximately 48% in the form of cost-sharing reductions (CSRs).⁷ The lowest-income members of this population may be receiving medical coverage with close to zero out-of-pocket expenses or monthly premium costs. For these consumers, purchasing multiple dental plans to ensure adequate coverage for all family members could be cost-prohibitive. Because the amount of financial assistance received is often just enough to cover the cost of QHPs, the monthly cost of a QDP could, in reality, be materially higher than the monthly cost of a household's subsidized medical coverage. In this case, embedded dental benefits are a high-value addition to subsidized QHP coverage.

⁷ CMS. Health Insurance Marketplaces 2023 Open Enrollment Report. Retrieved April 25, 2024, from <https://www.cms.gov/files/document/health-insurance-exchanges-2023-open-enrollment-report-final.pdf>.

EXPANSION OF ESSENTIAL HEALTH BENEFITS TO INCLUDE ADULT DENTAL SERVICES

Federal regulators and state policymakers have recently implemented changes to essential health benefits (EHBs), with a focus on expanding dental services. On April 2, 2024, the U.S. Department of Health and Human Services (HHS) and the Centers for Medicaid and Medicare Services (CMS)—which we will refer to as “the departments”—released the 2025 HHS Notice of Benefit and Payment Parameters Final Rule (“the rule”), which enacts changes to provisions under the Affordable Care Act.⁸ The rule includes a provision that allows qualified health plan issuers to include routine non-pediatric dental services as EHBs, acknowledging the importance of oral health. The departments emphasize the significance of insurance coverage for oral health services, as it plays a crucial role in overall health and is typically covered under employer plans' insurance benefit offerings.

The rule removes a regulatory barrier, allowing routine non-pediatric dental services to be included as EHBs at the state's discretion if the state's current benchmark plan includes such services or the state adds these services to its benchmark; the changes will take effect in benefit years beginning on or after January 1, 2027. The departments recognize potential challenges for issuers that do not currently use Current Dental Terminology codes in claims processing and those needing to create new networks of dental providers. While issuers can omit coverage of pediatric dental services if they are available via standalone dental plans, the rule does not allow issuers to omit coverage of routine non-pediatric EHB dental services. States are also permitted to add routine non-pediatric dental services to their basic health plans.

The inclusion of adult dental services in the EHBs will necessitate strategic and pricing adjustments for QHPs under the ACA. This expansion will require QHP issuers to reassess their coverage offerings and pricing structures to accommodate the additional cost of dental services. The integration of these services might lead to increased premiums, potentially affecting the affordability of plans for consumers. Moreover, issuers will need to address operational challenges, such as incorporating Current Dental Terminology codes into claims processing and establishing networks of dental providers. Ultimately, the expansion could create competitive differentiation among QHPs, prompting issuers to strategically balance comprehensive dental coverage with cost-effectiveness to maintain their market appeal and financial viability.

⁸ The full text of the ACA legislation is available at <https://www.cms.gov/files/document/cms-9895-f-patient-protection-final.pdf>.

CONSUMER CHOICE

The presence of embedded dental benefits in a QHP, particularly for adults, does not always ensure comprehensive coverage. Because plans may define each category of dental benefits differently, it can be challenging for consumers to determine how comprehensive dental benefits are and for which costs they will be responsible for paying out of pocket.

Although embedded dental benefits may be present in a state's QHPs, the level of benefits and cost sharing can vary widely, and those details can be difficult to ascertain from the information available at the point of purchase. In addition, although there are no annual maximum limits on coverage under a QHP, consumers may still be subject to high levels of cost sharing on embedded dental benefits because those benefits would be subject to the medical maximum out-of-pocket limit, which is \$9,450 for CY 2024.⁹

Further, the need to enroll different family members in different plans in order to access complete dental coverage may be confusing to consumers. Even QHPs with embedded dental may administer the dental benefits through a third party, allowing for the potential of confusion or disconnects in coordination of coverage.

Oral health is increasingly regarded as a key component of overall health, and simplified access to dental insurance benefits can help children create, and adults maintain, healthy dental care habits. Plans and the federal government have worked toward a more streamlined shopping experience, but comparing dental benefits across plan types and carriers continues to be challenging for some. Markets that offer few choices for individuals and families, paired with scarce decision supports, may not be yielding positive oral health outcomes.

DECOUPLING QHP AND QDP PURCHASE

The FFM currently requires that individuals select a QHP as a prerequisite to selecting a QDP and, therefore, does not allow for purchase of dental-only coverage. This is contrary to some state-based marketplaces, which allow the independent purchase of dental insurance. The National Association of Dental Plans (NADP) estimates that roughly 20 million fewer Americans have dental coverage than medical coverage and indicates that nearly all of these individuals fall into one of the following three categories:

- Employees of small businesses that do not offer dental coverage
- Original Medicare (as opposed to Medicare Advantage) beneficiaries
- Medicaid beneficiaries in states without adult dental coverage¹⁰

Due to ACA provisions that require employers to offer medical benefits but allow dental to remain optional, many employees have gaps in dental coverage. According to employee benefit data from the U.S. Bureau of Labor Statistics (BLS), approximately 72% to 95% of employees (depending on industry) have access to medical benefits through their employer, while only 41% to 64% of employees have access to employer-sponsored dental benefits.¹¹

In addition, neither Medicare nor Medicaid have minimum requirements for adult dental coverage, though dental benefits may be available to Medicare beneficiaries via supplemental coverage or Medicare Advantage plans and to Medicaid beneficiaries in states that have elected to include adult dental coverage in the state plan.

In each of these instances, allowing for individual purchase of QDPs on the FFM platform would help make dental benefits more accessible for individuals and families.

⁹ CMS (December 12, 2022). Premium Adjustment Percentage, Maximum Annual Limitation on Cost Sharing, Reduced Maximum Annual Limitation on Cost Sharing, and Required Contribution Percentage for the 2024 Benefit Year. Retrieved April 25, 2024, from <https://www.cms.gov/files/document/2024-papi-parameters-guidance-2022-12-12.pdf>.

¹⁰ Adelberg, M. (February 28, 2024). Allow the Independent Purchase of Qualified Dental Plans on Healthcare.gov. NADP. Retrieved April 25, 2024, from <https://www.nadp.org/allow-the-independent-purchase-of-qualified-dental-plans-on-healthcare-gov/>.

¹¹ BLS. Employee Benefits in the United States, March 2023. Retrieved April 25, 2024, from <https://www.bls.gov/ebs/publications/employee-benefits-in-the-united-states-march-2023.htm>.



Milliman is among the world's largest providers of actuarial, risk management, and technology solutions. Our consulting and advanced analytics capabilities encompass healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe.

milliman.com

CONTACT

Tom Murawski
Tom.Murawski@milliman.com

Amy Gray
Amy.Gray@milliman.com