

Eye on the Industry™

Commercial Dental Market Recovery Tracking

P&R Dental Strategies® |
DentalMarketIQ®
Market Analysis

May 13, 2020



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DentalMarketIQ®

A division of P&R Dental Strategies

Eye on the Industry™ Market Analysis

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Overview

Throughout the COVID-19 Crisis, P&R Dental Strategies®, and our DentalMarketIQ® (DMIQ) division, will be marshaling our entire arsenal of dental data and analytical firepower, and deep dental domain expertise, to help all dental market stakeholders better understand what's happening, what to consider, and to answer specific questions we've been asked by our clients and colleagues in the market. We plan to produce and share other Coronavirus Impact Insights analyses as the situation develops.

P&R and DMIQ's data-driven insights are derived from our various data resources, including DentaBase®, our ever-expanding proprietary multi-payer database, which contains over 3.5 billion dental procedure records from 66 national and regional commercial dental insurance payers. DentaBase contains statistically significant utilization, financial and claim review data on over 190,000 US dentists covering 70+ million commercial insurance members and enables us to provide keen, actionable insights that are not available from other sources.

Question: As States begin to permit the re-opening of non-essential businesses, where are increases in dental treatments occurring?



Week Ending 4/26/2020, Alaska and Utah were the first states to permit elective dental procedures to start. Dental practices are now reopening in more than 25 states.

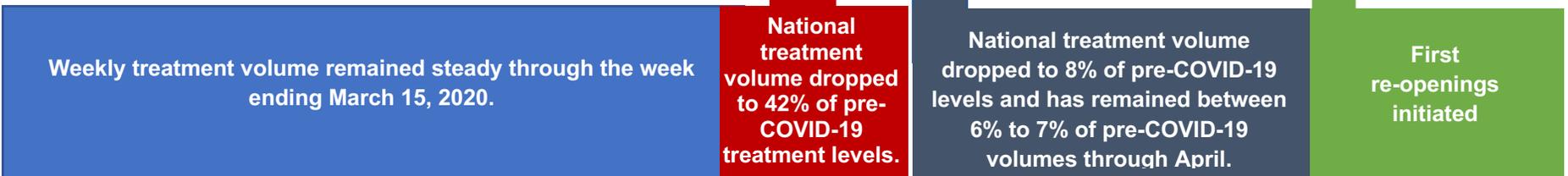
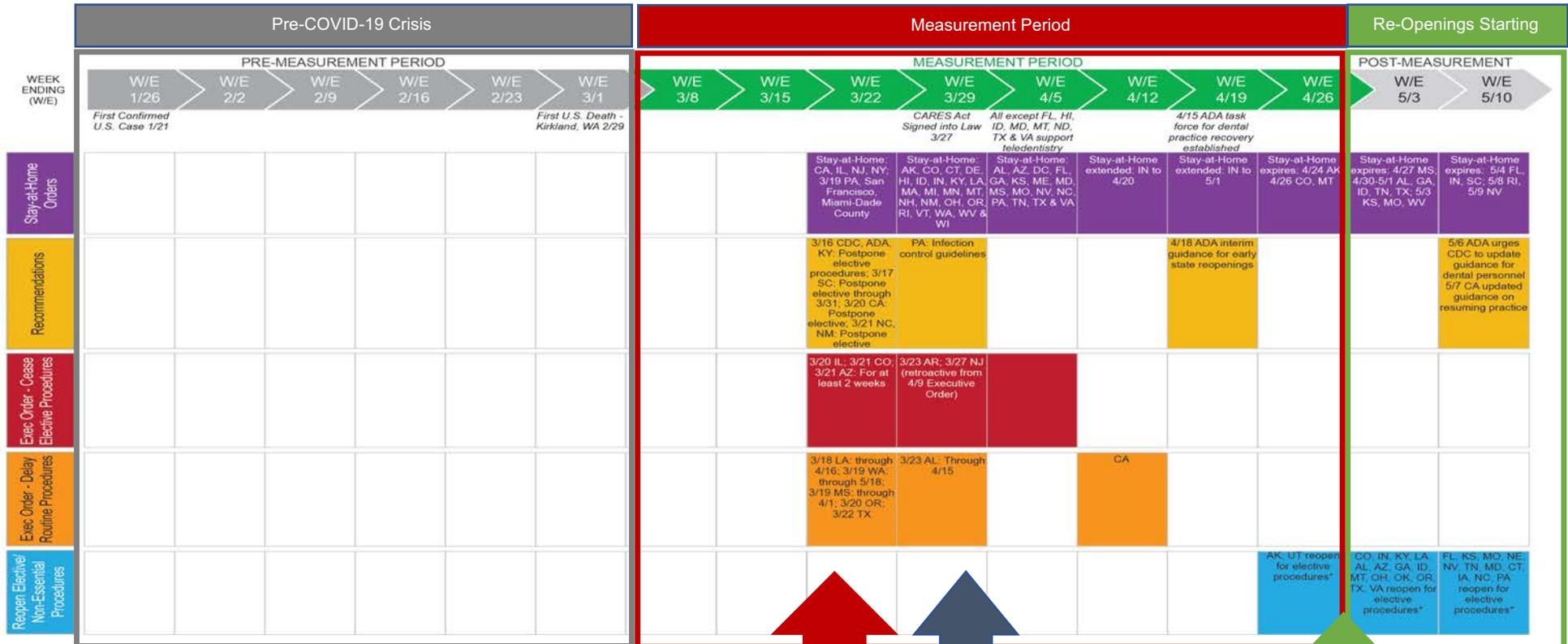
DENTAL TREATMENTS IN THE COMMERCIAL MARKET DECREASED >90% IN APRIL ACROSS ALL STATES

Executive orders, regulatory guidance, and Stay-at-Home orders varied by State.

**Based on DentaBase®*

TIMEFRAME

Overall volume of treatments started to drop, and the distribution of urgent/emergency procedures compared to non-essential procedures started to shift, following the issuance of various guidance, executive orders, and Stay-at-Home directives in mid-March 2020. The rate and magnitude of decline in weekly claim volume in late March/early April varied by State but claim volumes generally reached their lowest levels by the 1st or 2nd week of April.



* Some states may have specific restrictions or qualifications for allowed procedures. *Not an exhaustive list of actions related to the COVID-19 pandemic. Sources: ADA.org, NADP.org, CDA, Beckers Dental Review, DrBicuspid. State Stay-at-Home orders: <https://www.nytimes.com/interactive/2020/us/states-reopen-map-coronavirus.html>; <https://www.kff.org/coronavirus-policy-watch/stay-at-home-orders-to-fight-covid-19/>

OVERVIEW

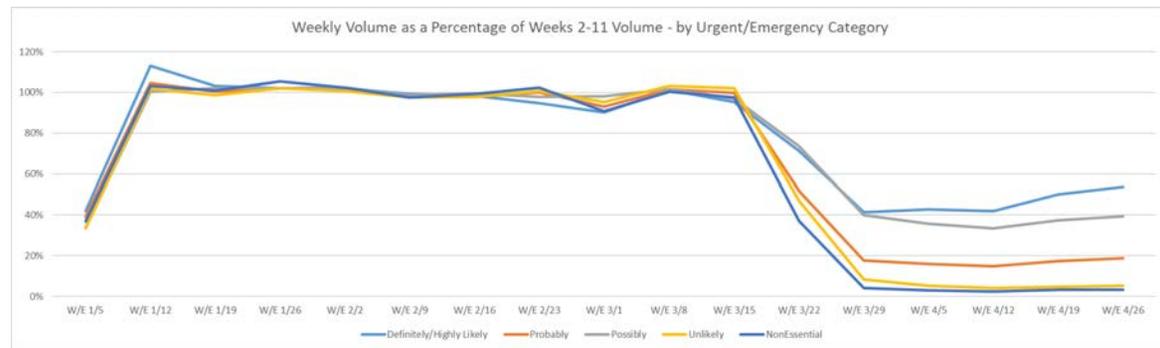
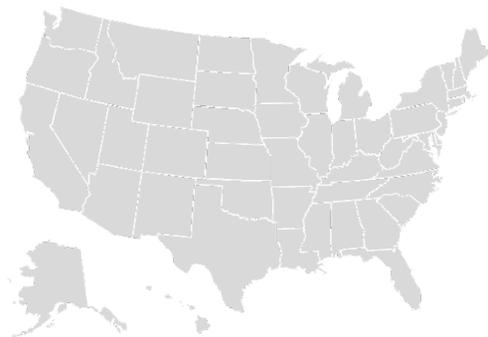


Beginning the week ending March 15, the percentage of non-essential services began to drop materially.

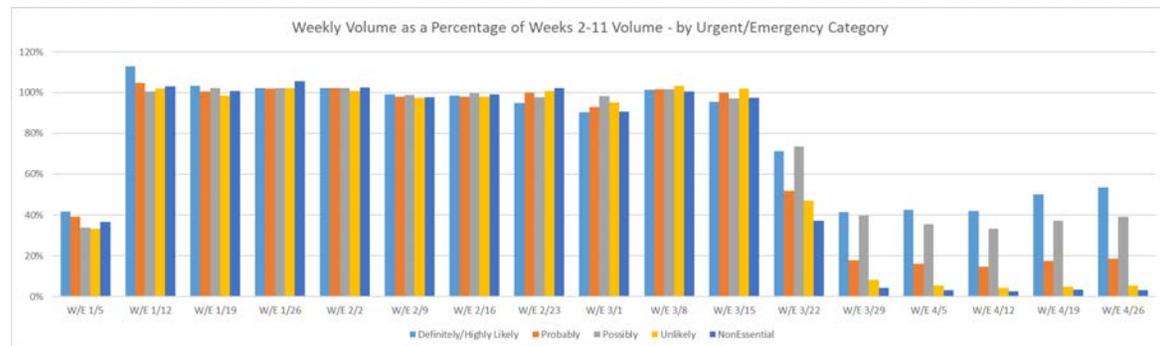
The rate and magnitude of decline in weekly volume in late March/early April varied by state but generally reached minimums by the 1st or 2nd week of April.

*Based on DentaBase®

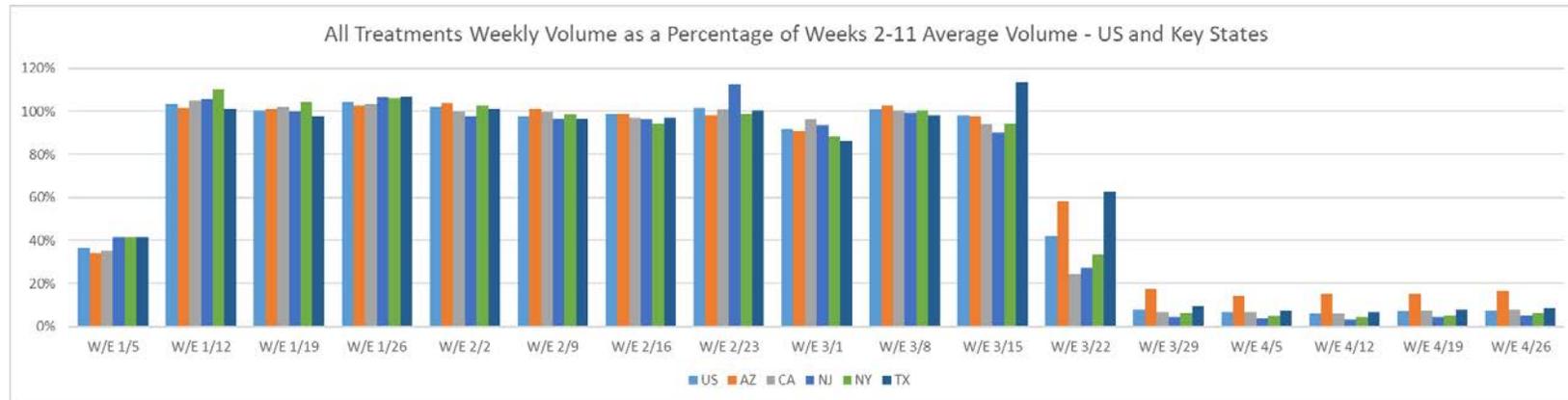
NATIONAL DISTRIBUTION OF URGENT/EMERGENCY TREATMENTS



The decline in weekly claim volume varied by Urgent/Emergency Category. Nationally, Non-Essential Treatments dropped to less than 5% of pre-COVID-19 weekly volume by early April and remained at that level. The distribution of treatments by Urgent/Emergency vs. Non-Essential treatments is based on a review of procedures by CDT code by our Chief Dental Officer and clinical team. See Appendix for a list of procedures by classification.



DIFFERENCES BY STATE

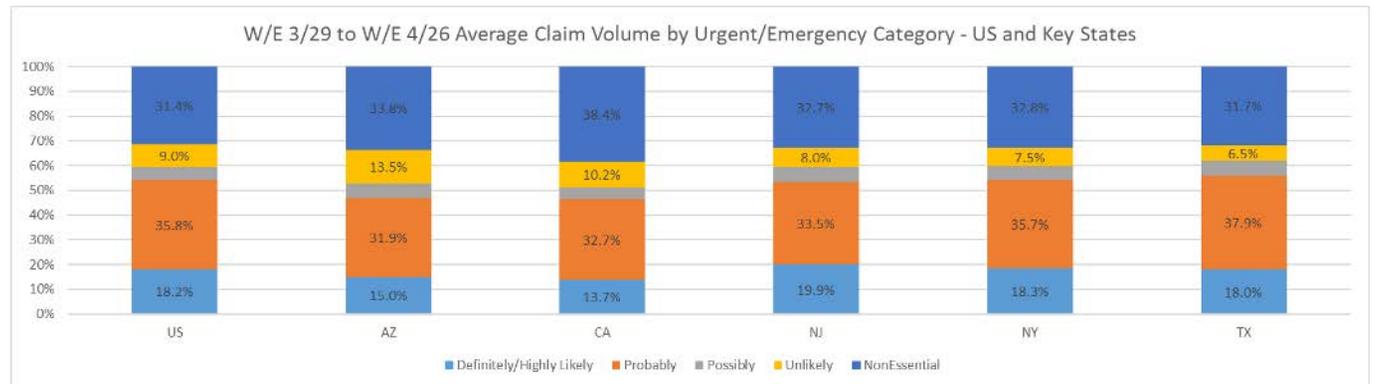
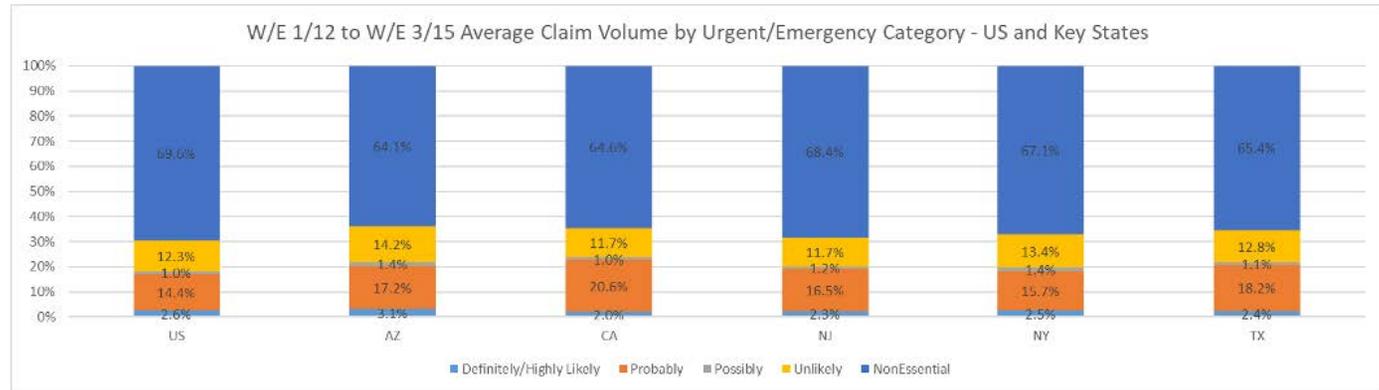


<p>Arizona</p> <p>March 31, 2020 <i>Stay-at-Home</i></p> 	<p>California</p> <p>March 19, 2020 <i>Stay-at-Home</i></p> 	<p>New Jersey</p> <p>March 21, 2020 <i>Stay-at-Home</i></p> 	<p>New York</p> <p>March 22, 2020 <i>Stay-at-Home</i></p> 	<p>Texas</p> <p>April 1, 2020 <i>Stay-at-Home</i></p> 
<p>Arizona volume for the week ending 3/22 remained at 58% of pre-COVID-19 levels.</p> <p>Arizona was an outlier on the other end, with volume for the week ending 4/5 dropping only to 14% and then growing slightly to 17% for the week ending 4/26.</p> <p>Arizona showed a smaller decline in Non-Essential Treatments, with treatments for the week ending 3/22 remaining at 51% of pre-COVID-19 weekly volumes and have remained between 8%-9% through April, higher than most states.</p>	<p>California demonstrated a greater decline in claim volume for the week ending 3/22 compared to most states, dropping to 24% of pre-COVID-19 levels.</p> <p>The following week, claim volume dropped to 7% of pre-COVID-19 levels and remained between 6%-8% throughout April.</p> <p>California's dramatic drop in weekly claim volume was driven by a sharp decline in Non-Essential Treatments, which fell to 21% of pre-COVID-19 weekly volume for the week ending 3/22 and subsequently dropped to 4% in April.</p>	<p>New Jersey claim volume remained between 3%-5% throughout April, dropping overall to 27% of pre-COVID-19 weekly averages.</p> <p>In the week ending 3/29, volume dropped to 4% of pre-COVID-19 levels and remained between 3%-5% throughout April, some of the lowest percentages observed in the US.</p> <p>New Jersey and New York experienced similar trends with weekly treatment volume decreases primarily driven by decreases in Non-Essential Treatments and dropped to even lower percentages in April than California.</p>	<p>For the week ending 3/22 weekly, claim volume in New York dropped to 33% of pre-COVID-19 levels.</p> <p>New York claim volume remained between 4%-6% throughout April, some of the lowest percentages observed in the US.</p> <p>The drop in weekly claim volume was driven by a sharp decline in Non-Essential Treatments, which fell to 29% of pre-COVID-19 weekly volume for the week ending 3/22 and subsequently dropped to 2%-3% in April.</p>	<p>Texas demonstrated a smaller decline in claim volume in mid-March. Volume for the week ending 3/15 was notably above the national average and dropped only to 62% of normal levels the following week.</p> <p>In Texas, the week ending 3/15 had unusually high volumes for Non-Essential Treatments and the decline in claims for the week ending 3/22 was less dramatic vs. other states, dropping only to 58% of pre-COVID-19 weekly volume.</p> <p>By April, Non-Essential treatments had dropped to 3%-5% of pre-COVID-19 weekly volume.</p>

Average Claim Volume by Urgent/Emergency Category – Weeks 2-11 (W/E 1/12 to W/E 3/15) vs. Weeks 13-17 (W/E 3/29 to W/E 4/26)

Nationally, treatments classified as *Definitely/Highly Likely Urgent Care* dropped to 42% of pre-COVID-19 weekly volume for the week ending 3/29 and increased slightly to over 50% by the second half of April.

As the Stay-at-Home orders took effect, the distribution of claim volume by Urgent/Emergency Category changed dramatically. Under pre-COVID-19 conditions, Non-Essential Treatments make up approximately two-thirds of dental claims in all geographies. While Non-Essential Treatments are still occurring, they only made up approximately one-third of the claim volume in April. In the same timeframe, Definitely/Highly Likely and Probably Urgent Care Treatments increased from less than 20% to approximately half of claims.



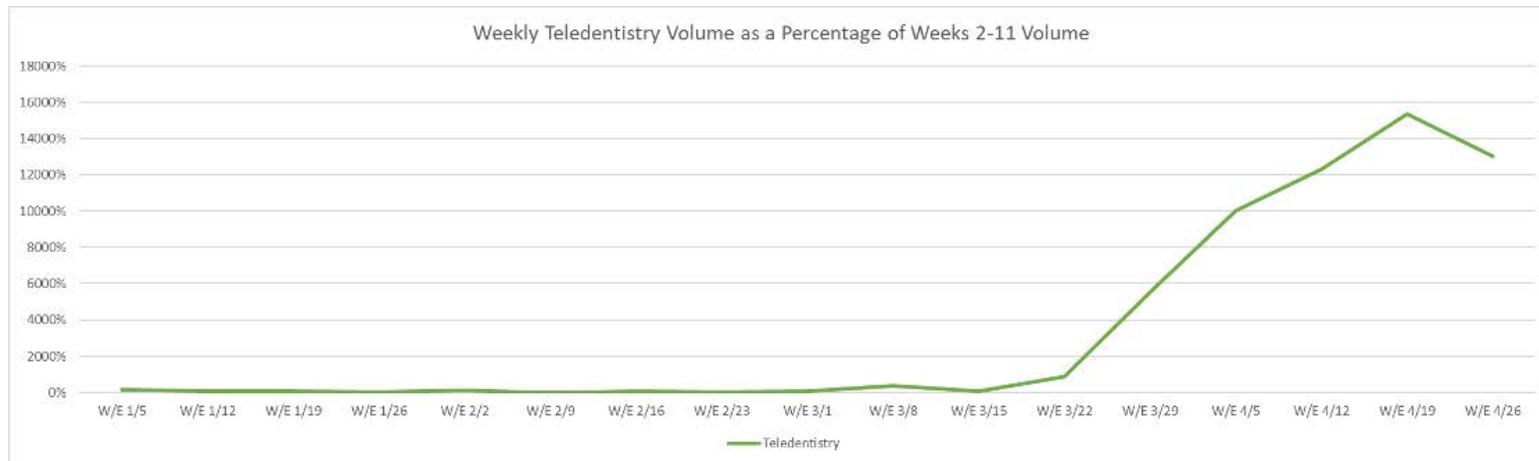
Average Claim Volume by Urgent/Emergency Category – Weeks 2-11 (W/E 1/12 to W/E 3/15) vs. Weeks 13-17 (W/E 3/29 to W/E 4/26)

The slight increase in claim volume observed in the 2nd half April in some States is mostly due to an increase in Urgent/Emergency Care treatments, as more dental offices began to at least partially open and were prioritizing patients with the most serious treatment needs.

<p>Arizona</p>  <p>March 31, 2020 <i>Stay-at-Home</i></p>	<p>California</p>  <p>March 19, 2020 <i>Stay-at-Home</i></p>	<p>New Jersey</p>  <p>March 21, 2020 <i>Stay-at-Home</i></p>	<p>New York</p>  <p>March 22, 2020 <i>Stay-at-Home</i></p>	<p>Texas</p>  <p>April 1, 2020 <i>Stay-at-Home</i></p>
<p>In Arizona, Definitely/Highly Likely Urgent Care Treatments hit a low of 66% of pre-COVID-19 weekly volume for the week ending 4/5 and grew slightly throughout April, hitting 80% for the week ending 4/26.</p>	<p>Non-Essential Treatments made up just under two-thirds of dental claims in California under pre-COVID-19 conditions. While the Non-Essential share of total volume has declined over time, it still stood at 38% for April, higher than the national percentage of 31%. In the same timeframe, Definitely/Highly Likely and Probably Urgent Care Treatments increased from approximately 23% to 46%.</p>	<p>New York and New Jersey experienced similar trends for Definitely/Highly Likely Urgent Care Treatments. Both states bottomed out at approximately 30% of pre-COVID-19 weekly volume in early April but increased to almost 50% by the end of the month.</p> <p>Non-Essential Treatments made up a little over two-thirds of claims volume in New Jersey under pre-COVID-19 conditions. The Non-Essential share of total volume has steadily declined over time and stood at only 33% for April. In the same timeframe Definitely/Highly Likely and Probably Urgent Care Treatments increased from approximately 19% to 53%.</p>		<p>In Texas, Definitely/Highly Likely Urgent Care Treatments remained at over 80% for the week ending 3/22. These treatments bottomed-out at 52% of pre-COVID-19 weekly volume for the week ending 4/12 but subsequently rose above 60% for the next two weeks.</p>

Footnote: Teledentistry

Teledentistry claims were exceedingly rare prior to the Stay-at-Home orders. While national volume continues to appear low, weekly Teledentistry claims volume in April were over 100 times greater than pre-COVID-19 weekly volumes.



Many of the Limited Problem Focused Examinations appearing in DentaBase for this period may have been delivered via Teledentistry and this is masked due to interim claims submission guidelines issued by insurers to foster access to care during the crisis.

If you have any questions about this analysis or would like to discuss monitoring solutions, please contact us at insights@pandr dental.com or insights@dentalmarketiq.com

ABOUT P&R DENTAL STRATEGIES®

P&R Dental Strategies is the premier dental insights company delivering customized, actionable business intelligence and objective dental quality measurement. The power of DentaBase, our national multi-payer claims database and our industry-leading team of dentists, consultants and statisticians makes P&R Dental Strategies the authority on dental quality and data analysis. Our flexible, cutting-edge technology platform provides an enterprise-level suite of quality measurement, claim review and utilization management, provider profiling, fraud and abuse prevention and network development solutions to customers seeking to contain costs and maximize efficiency across their businesses. We aim to recognize and promote continued innovation, improved quality of care and analytical thinking in the dental industry.

ABOUT DENTALMARKETIQ®

DentalMarketIQ is the leading provider of business intelligence and data for dental equipment and merchandise suppliers. Maintaining the most comprehensive dentist location and dental claims database in the country, DentaBase, DentalMarketIQ provides suppliers with a trusted, single source of truth on nearly all active U.S. dentists to guide suppliers to the highest-potential sales targets and support their future growth strategies. Through data and analytics, engagement and execution support and consulting services, we help dental suppliers acquire new customers, keep and grow existing customers, introduce new products and enter new markets. With these powerful data solutions and a team of dental market and analytics experts to help suppliers better understand their markets, DentalMarketIQ is the authority on dental industry trends, developments and business optimization solutions. DentalMarketIQ is a division of P&R Dental Strategies, LLC, the premier dental insights company.

Appendix

Definitely/Highly Likely	Probably	Possibly	Unlikely
D0140 problem focused eval D0171 re-eval post-op (osteitis, dry socket) D0460 pulp vitality tests D7270 tooth re-implantation of accidentally evulsed or displaced tooth 7911, 7912 complicated sutures D9110 Palliative emergency treatment D9910, D9911 Desensitizing medicament/resin	D0220, D0230, D0270-single x-rays D1354-Silver Diamine Fluoride D2799 provisional crown D2910, D2915, D2920 re-cement onlay, veneer, post/core, or crown D2929-D2934 Prefab crowns D2941 Interim therapeutic restoration-primary teeth D2951 Pins D2980-D2983 Repairs-crown, inlay, onlay, veneer D4320, D4321 Provisional splinting D6930 re-cement fixed bridge D6980 repair fixed bridge D7111, D7140, D7210, D7250 Emergency extractions- not for asymptomatic teeth D7220, D7230, D7240, D7241, D7251-pericoronitis or third molar pain 7510, 7511, 7520, 7521 I&D D8701, D8702 Ortho retainer repairs (for acute issues-pain, infection, trauma)	D3220 pulpotomy D3221 pulpal debridement D3230, D3240 Pulpal Therapy D3310, D3320, D3330 RCT D3346, D3347 D3348 RCT Retreatment D33555-D3357 Pulpal Regeneration D34* Apicoectomy/Periradicular surgery, except D3460 Endo implant D5511, D5512, D5520 Full Denture Repairs D5611-D5671 Partial Denture Repairs D6090 Repair Implant prosthesis D6091 Replacement Implant attachment D6092 Re-cement Implant crown D6093 Re-cement Implant bridge D6095 Repair Implant abutment D6253 provisional pontic D6793 provisional retainer crown	D21*,D23* Direct fillings-unless symptomatic carious lesions

* Based on review of the ADA's Code of Dental Procedures and Nomenclature (CDT) by P&R/DentalMarketIQ's Chief Dental Officer and clinical team members and resources