

DISCUSSION BY ROGER A. JOHNSON

Mr. Durkin has made a brave effort in tackling what has been, up to now, an untouched field in the annals of the Casualty Actuarial Society. In my opinion, he has taken more than a "glance." It is more like a "long, hard look" at the subject, including a substantial amount of research.

Since few, if any, of us have had any actual experience with this type of coverage, any comments must necessarily be limited to general observations or anticipated problems. There is, for better or worse, an obvious analogy between prepaid dental coverage and prepaid hospital and medical coverage, and Mr. Durkin has adequately discussed the similarities and differences in his paper.

In view of the fact that more and more discussion and thought is being given to prepaid dental programs, it appears that we are on the threshold of a big spurt in the development of such programs. The basic problems, however, still exist. The very character of dental disease is a problem in itself. Some dental conditions occur so often that they are a certainty rather than a risk. Initial care is often the result of needs that have arisen over a long period of time and is, therefore, a pre-existing condition which many feel is of a non-insurable nature. Others feel that the most serious and costly forms of dental care could be included in major medical programs. The public's attitude itself has been such that most dental treatment can be postponed indefinitely. These attitudes are changing. People are becoming more interested in dental health, if not for themselves, at least for their children. Experience has usually proved that, where there is a real unfulfilled need, ways will be found to fulfill that need.

Following are some of the more obvious difficulties which may be encountered along the way:

1. Experience has shown that prepayment of health care increases the use of health services and it is reasonable to assume this will be true of dental care. If so, are there a sufficient number of dentists and technicians to provide the required services? It was estimated that in 1960 the mouths of 180 million Americans contained at least 700 million unfilled cavities brought about by tooth decay. At the rate of \$5 per filling, the cost to fill these teeth would be about 3½ billion dollars. Furthermore:
 - a. It would take about 5.2 hours for the initial care of the teeth of each U. S. citizen. This would amount to 493,000 Dentist Years of work.

- b. It will take about 2.8 hours for annual maintenance care for each citizen. This amounts to 265,000 Dentist Years.
 - c. There were less than 100,000 dentists active in the practise of dentistry at that time.
2. It appears that the more competent dentists are now working to capacity. Less competent men would therefore have to serve the increasing number of patients due to prepayment, and this could serve to increase the utilization.
3. Mr. Durkin implies that, because of its cost, group dental coverage cannot succeed without substantial employer participation. Yet, while employers generally have accepted participation in group hospital and medical care as a part of the cost of doing business, in order to keep the employee well and on the job and to relieve him from worry about the health of his dependents, employers might react rather strongly to further increases in fringe benefits, for a service which is not absolutely essential.
4. All of Mr. Durkin's figures indicate that the cost of dental coverage is, for obvious reasons, greater in the first year than in subsequent years. This is contrary to normal expectation in other health insurance, where waiting periods and elimination of pre-existing conditions lessen the initial cost. Waiting periods in dental coverage would only delay the treatment of "simple" procedures to the point where they might become "complex" procedures and thus be more costly in the long run.
5. Rating Problems:
 - a. Adverse selection – some people are blessed with excellent teeth and never require any services except cleaning. They would not be interested at any price.
 - b. Children will require proportionately more treatment than they do under health coverages. This would make a family rate relatively much greater than a family hospital-surgical rate.
 - c. Provision for care of retirees should be included from the beginning to avoid problems later on.
6. Service vs. Indemnity Benefits:

If the purpose of dental coverage is to insure against the cost of dental care, it should be provided on an indemnity basis. If it is to be a real attempt to provide "dental health care," especially for the low and middle income groups, then it should be on a service basis.