american association of endodontists

Corporate Community Conference – Dental Trends

Data and content provided by Fluent

Agenda

Evolution of Fluent

1996

Founded as P&R Dental Strategies, an outsourced utilization and claims review provider in the dental industry

2014

- Deployed enhanced suite of DentaBase®-powered informatics solutions for Payer Market
- Developed DentistSource™ database
- Launched DentaQual®, the industry's first objective, data-driven measurement tool

2021

Acquired by The Beekman Group in December 2021

2022

- Embedding Artificial Intelligence across all products, starting with ProntoAI™
- Significant Expansion of DentaBase® from 1 BN procedures to over 5 BN
- Entered Supplier and Provider Markets

2023+

Acquired Go2Dental and Dentistat

Rebranded to Fluent to better reflect our expanded market presence and new capabilities

Foundation as claim review market leader

- Became and remain the recognized "gold standard" in claims review
- Created and expanded DentaBase®

Expansion of data asset and solution suite

Emergence as a big data & analytics platform

Dental data domain expertise: DentaBase®

DentaBase is a multi-payer, fee-for-service dental claims database, created by Fluent to support various analyses of the dental industry.

HIPAA Compliance

SOC 2 TYPE 2

HITRUST CSF Certified

SCA Control Validation (formerly AUP) by ControlCase

SFG SHARED ASSESSMENTS

70+
National and regional payers contributing monthly data updates

5.0 Billion+
Procedures captured, adding over 40 million per month

110 Million+
Commercially insured members represented in DentaBase claims data

50 States
Represents dentists from every state in the U.S.

CARES Act Provider Relief Fund

FOR IMMEDIATE RELEASE

The Department of Health & Human Services Awards Contract to P&R Dental Strategies to Assist in Identifying U.S. Dental Providers

The Department of Health & Human Services has selected P&R Dental Strategies to help identify U.S. dentists and dental practices to support HHS's distribution of billions of stimulus dollars under the CARES Act's Provider Relief Fund.

HAMILTON, NJ, July 13, 2020 -- P&R Dental Strategies, LLC, the premier dental insights company, today announced that it has been awarded a contract by the Department of Health & Human Services (HHS) to supply data to help identify U.S. dentists in support of HHS's distribution of billions of stimulus dollars to dentists and other health care providers under the CARES Act's Provider Relief Fund.

Overall Dental Market Trends: Are We Back to Normal?

How "Normal" was Normal in 2022?

265M
Monthly 2022 Patients Average 21M – 25M per Month

Compared to 2019: Average
19M – 23M per Month

3.17
Average # of Procedures per Treated Patient

Compared to 2019:
3.09
2.6% increase

$176
Average Undiscounted Price per Treatment

Compared to 2019:
$161
9.3% increase

$558
Average Undiscounted Cost per Treated Patient

Compared to 2019:
$496
12.5% increase

184.7M 2021 Estimated Commercially-Insured Members in the US
Source: National Association of Dental Plans

US Monthly Patients by Procedure Category

Exams

2022 Monthly Patients

Average **12.7M – 15.4M** per Month

Compared to 2019:
Average **11.5M – 14.1M** per Month

Higher Patient Volume compared to 2019

Procedures per Treated Patient	
2022 **1.04**	2023 Forecast **1.03**
Compared to 2019 **<1%**	Compared to 2019 **<1%**

Imaging

2022 Monthly Patients

Average **9.1M – 10.9M** per Month

Compared to 2019:
Average **8.0M – 9.8M** per Month

Higher Patient Volume compared to 2019

Procedures per Treated Patient	
2022 **1.85**	2023 Forecast **1.89**
Compared to 2019 **6.9%**	Compared to 2019 **9.2%**

Preventive

2022 Monthly Patients

Average **11.4M – 13.8M** per Month

Compared to 2019:
Average **10.4M – 12.7M** per Month

Higher Patient Volume compared to 2019

Procedures per Treated Patient	
2022 **1.44**	2023 Forecast **1.44**
Compared to 2019 **<1%**	Compared to 2019 **<1%**

US Monthly Patients by Procedure Category

Restorative

2022 Monthly Patients

Average **3.8M – 4.7M** per Month

Compared to 2019: Average **3.7M – 4.6M** per Month

Similar Patient Volume compared to 2019

Procedures per Treated Patient	
2022 **1.99**	2023 Forecast **1.99**
Compared to 2019 **+1.0%**	Compared to 2019 **+1.0%**

Endodontics

2022 Monthly Patients

Average **460k – 560k** per Month

Compared to 2019: Average **460k – 580k** per Month

Similar Patient Volume compared to 2019

Procedures per Treated Patient	
2022 **1.24**	2023 Forecast **1.26**
Compared to 2019 **1.6%**	Compared to 2019 **3.3%**

Periodontics

2022 Monthly Patients

Average **1.9M – 2.3M** per Month

Compared to 2019: Average **1.7M – 1.9M** per Month

Higher Patient Volume compared to 2019

Procedures per Treated Patient	
2022 **1.79**	2023 Forecast **1.79**
Compared to 2019 **4.1%**	Compared to 2019 **4.1%**

US Monthly Patients by Procedure Category

Implants

2022 Monthly Patients

Average **230k – 300k** per Month

Compared to 2019:
Average **180k – 250k** per Month

Higher Patient Volume compared to 2019

Procedures per Treated Patient	
2022 **2.03**	2023 Forecast **2.05**
Compared to 2019 **+3.0%**	Compared to 2019 **+4.1%**

Oral Surgery

2022 Monthly Patients

Average **980k – 1.2M** per Month

Compared to 2019:
Average **870k – 1.1M** per Month

Higher Patient Volume compared to 2019

Procedures per Treated Patient	
2022 **2.33**	2023 Forecast **2.33**
Compared to 2019 **5.4%**	Compared to 2019 **5.4%**

Adjunctive

2022 Monthly Patients

Average **1.2M – 1.5M** per Month

Compared to 2019:
Average **1.1M – 1.4M** per Month

Similar Patient Volume compared to 2019

Procedures per Treated Patient	
2022 **1.53**	2023 Forecast **1.53**
Compared to 2019 **2.7%**	Compared to 2019 **2.7%**

US Monthly Patients by Procedure Category

Orthodontics

2022 Monthly Patients

Average **1.4M – 1.7M** per Month

Compared to 2019:
Average **1.4M – 1.7M** per Month

Similar Patient Volume compared to 2019

Procedures per Treated Patient	
2022 **1.05**	2023 Forecast **1.04**
Compared to 2019 **<1%**	Compared to 2019 **-1.9%**

All Others

2022 Monthly Patients

Average **670k – 830k** per Month

Compared to 2019:
Average **560k – 660k** per Month

Higher Patient Volume compared to 2019

Procedures per Treated Patient	
2022 **1.48**	2023 Forecast **1.47**
Compared to 2019 **<1%**	Compared to 2019 **-1.3%**

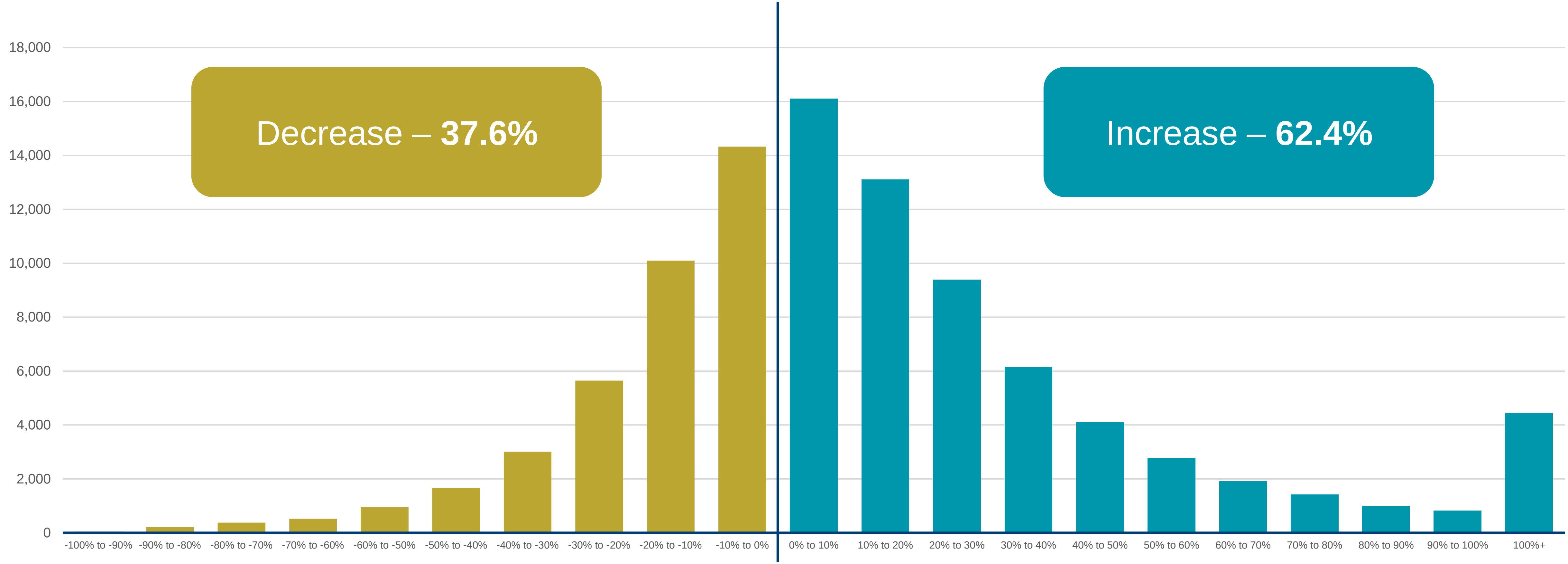
Key Takeaways

Total number of oral health care patients in the system is greater than Pre-Covid

Procedures per patient as well as submitted fees/charges per treatment and per patient are higher than Pre-Covid

Should Providers Drop Out of Networks?

62% of Dental Offices Averaged More Patients Per Week in 2022 vs. 2019



Annual Fee Trend – INN vs. OON

Annual Fee Trend
Average Period Over Period Trend

In Network (Discounted)			
CYR 2020	CYR 2021	CYR 2022	2023 Forecast
3.8%	**0.1%**	**0.0%**	**1.6%**
Increases observed in Q4 2020 and in January 2022 for a subset of the commercial market			

Out of Network (Undiscounted)			
CYR 2020	CYR 2021	CYR 2022	2023 Forecast
5.4%	**3.0%**	**3.3%**	**3.2%**
Increases observed in Q4 2020 and in the traditional January 2021 and 2022 periods			

"Increased practice expenses and labor issues combined with stagnant/decreasing in network fees have many dentists considering terminating insurance contracts"...but at what cost?

In Network/Out of Network Distribution

Nationally – 79% of treatments are performed in network | Based on Treatment Count Distribution

In Network/Out of Network Distribution (Overall)

In/Out Overall Distribution Actual

In Network DentaBase® Average*

2018	2019	2020	2021	2022
77%	78%	79%	79%	79%

Out of Network DentaBase® Average**

2018	2019	2020	2021	2022
23%	22%	21%	21%	21%

* Updated October 2022: P&R Q3 2022 DentalMarketWatch | ** Updated 2.2023: Fluent Q4 2022 DentalMarketWatch

In Network/Out of Network Distribution

Nationally – 76% of treated patients go in network | Based on Patient Count Distribution

In Network/Out of Network Distribution (Overall)

In/Out Overall Distribution Actual

In Network DentaBase® Average*

2018	→	2019	→	2020	→	2021	→	2022
75%		76%		76%		76%		76%

Out of Network DentaBase® Average**

2018	→	2019	→	2020	→	2021	→	2022
25%		24%		24%		24%		24%

* Updated October 2022: P&R Q3 2022 DentalMarketWatch | ** Updated 2.2023: Fluent Q4 2022 DentalMarketWatch

Data and content provided by Fluent

Key Takeaway

Before deciding to drop a network, evaluate carefully as patients will most likely go in-network for care

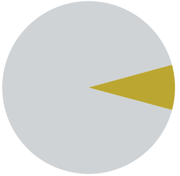
Are DSOs Taking Over the World? – Practice Type Landscape

Active US Locations & Dentists

May 2019

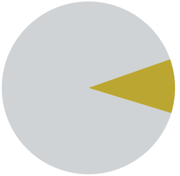
May 2023

4.5%
Are Large Group/Affiliated Practices (50+ Locations)



8.4%
of the dentists

6.4%
Are Large Group/Affiliated Practices (50+ Locations)

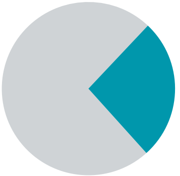


10.1%
of the dentists

25.3%
Are Smaller Multi-Location Groups (2-49 Locations)

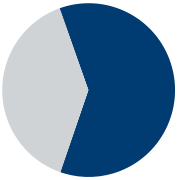
30.9%
of the dentists

25.5%
Are Smaller Multi-Location Groups (2-49 Locations)



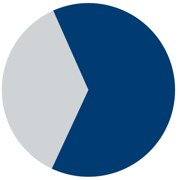
26.3%
of the dentists

70.2%
Are Unaffiliated Single Location Practices



60.7%
of the dentists

68.1%
Are Unaffiliated Single Location Practices



63.6%
of the dentists

Data and content provided by Fluent

Where are the patients going? (US View)

	2019 (Pre-COVID)	2021	2022
	**6.2%** Treated by Large Group/Affiliated Practices (50+ Locations)	**10.4%** Treated by Large Group/Affiliated Practices (50+ Locations)	**10.8%** Treated by Large Group/Affiliated Practices (50+ Locations)
	**26.0%** Treated by Smaller Multi-Location Groups (2-49 Locations)	**24.3%** Treated by Smaller Multi-Location Groups (2-49 Locations)	**25.5%** Treated by Smaller Multi-Location Groups (2-49 Locations)
	**67.8%** Treated by Unaffiliated Single Location Practices	**65.3%** Treated by Unaffiliated Single Location Practices	**63.7%** Treated by Unaffiliated Single Location Practices

Patient Volume by Provider Type Varies by State

Virginia	2022
Large Group/Affiliated Practices	19.7%
Smaller Multi-Location Group Practices	25.2%
Single Location Independent Practices	55.1%

New Jersey	2022
Large Group/Affiliated Practices	4.8%
Smaller Multi-Location Group Practices	28.8%
Single Location Independent Practices	66.4%

California	2022
Large Group/Affiliated Practices	5.5%
Smaller Multi-Location Group Practices	21.6%
Single Location Independent Practices	72.9%

Illinois	2022
Large Group/Affiliated Practices	10.2%
Smaller Multi-Location Group Practices	29.6%
Single Location Independent Practices	60.2%

Key Takeaways

While Group Affiliations (DSOs) are increasing over time, as of today about 2/3 of oral health care is delivered by solo practices

Group Affiliations (DSOs) penetration varies significantly by state

Endodontists: Treatment Share and Patient Share

Who is Taking over the World?

General Practitioners: Increasing US Patient Share

% of Treatments	2019	2020	2021	2022
Exams	86.0%	85.9%	86.1%	88.1%
Imaging	87.2%	87.1%	87.0%	88.7%
Preventive	89.3%	89.1%	88.3%	90.9%
Periodontics	86.7%	87.4%	87.7%	90.8%
Implants	66.0%	67.0%	68.1%	73.4%
Restorative	93.2%	93.1%	93.1%	93.9%
Endodontics	56.1%	55.5%	53.5%	53.2%
Oral Surgery	59.0%	59.6%	60.6%	66.8%
Adjunctive	57.8%	57.4%	58.9%	64.3%
Orthodontics	28.3%	30.2%	31.9%	44.4%

**General Practitioners grew patient share since 2019 in all categories —
especially periodontics, implants, oral surgery and orthodontics, but not endodontics.**

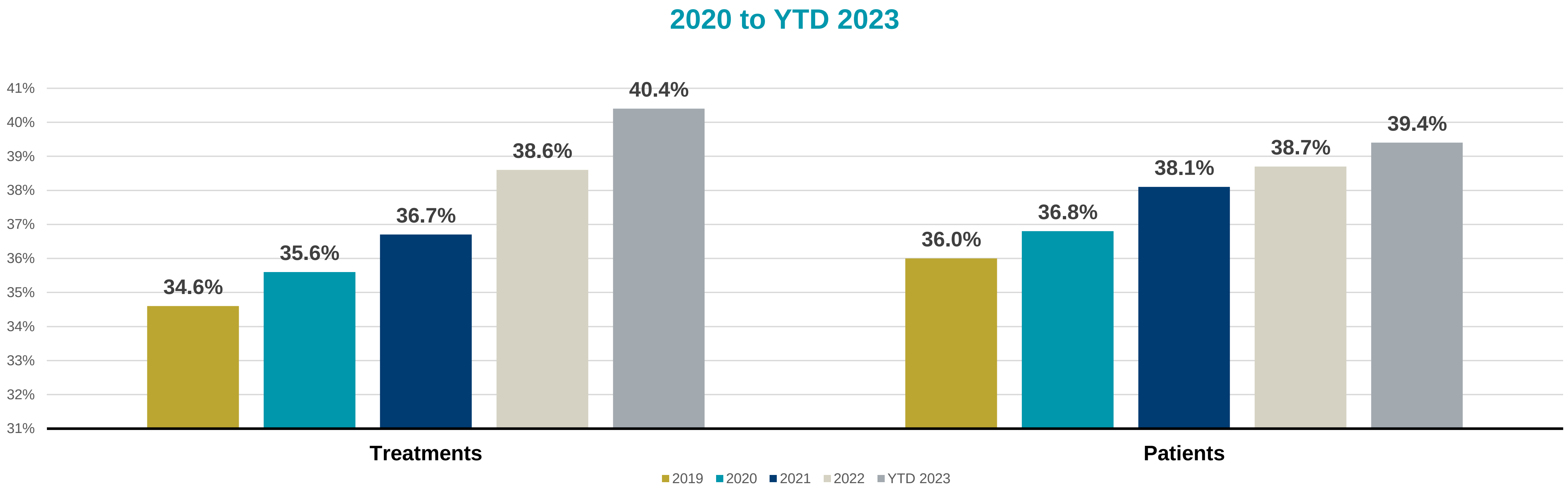
Who is Taking over the World?

General Practitioners: Increasing US Treatment Share

% of Treatments	2019	2020	2021	2022
Exams	87.1%	87.2%	89.3%	89.9%
Imaging	87.9%	88.0%	89.5%	90.2%
Preventive	84.1%	87.0%	86.5%	87.0%
Periodontics	89.7%	90.0%	92.9%	93.7%
Implants	73.0%	74.1%	79.4%	80.2%
Restorative	93.5%	93.5%	94.3%	94.7%
Endodontics	54.2%	52.1%	51.2%	50.1%
Oral Surgery	54.4%	55.8%	64.1%	64.5%
Adjunctive	48.7%	49.2%	57.7%	58.3%
Orthodontics	25.4%	27.0%	42.3%	46.6%

General Practitioners grew treatment share since 2019 in all categories — especially periodontics, implants, oral surgery and orthodontics, but not endodontics.

Endodontists Share of Endodontic Treatments and Patients



Endodontists' share of endodontic treatment and patients have grown over time

Key Takeaways

GPs are taking more treatment share and patient share in all procedure categories except endodontics.

Endodontists have YOY increases of patient share and treatment share for endodontic procedures.

Endodontists: The Medicare Advantage Advantage

Medicare Advantage (Part C): “A Private Medicare Plan”

Commercial payers provide Original Medicare benefits (Parts A and B)

Commercial Payers may offer additional benefits such as, vision, dental, Rx, etc.

According to the Kaiser Family Foundation in 2021, 94% of Medicare Advantage enrollees had access to some dental benefits coverage.

CMS expands Medicare to cover medically necessary conditions requiring dental services

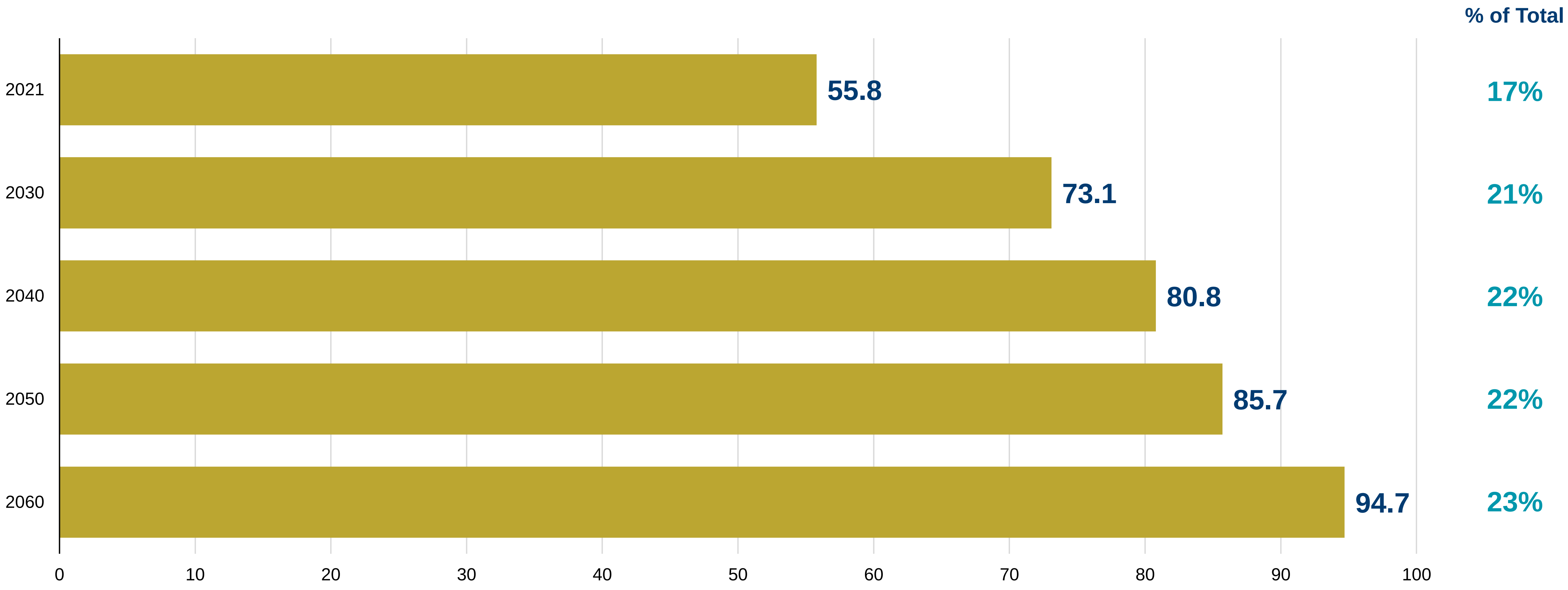
The statutory definition of a physician, now includes dentists

Currently very specific and narrow dental benefits but it is a start

Example: Reconstruction of a ridge when performed as a result of and at the same time as the surgical removal of a tumor.

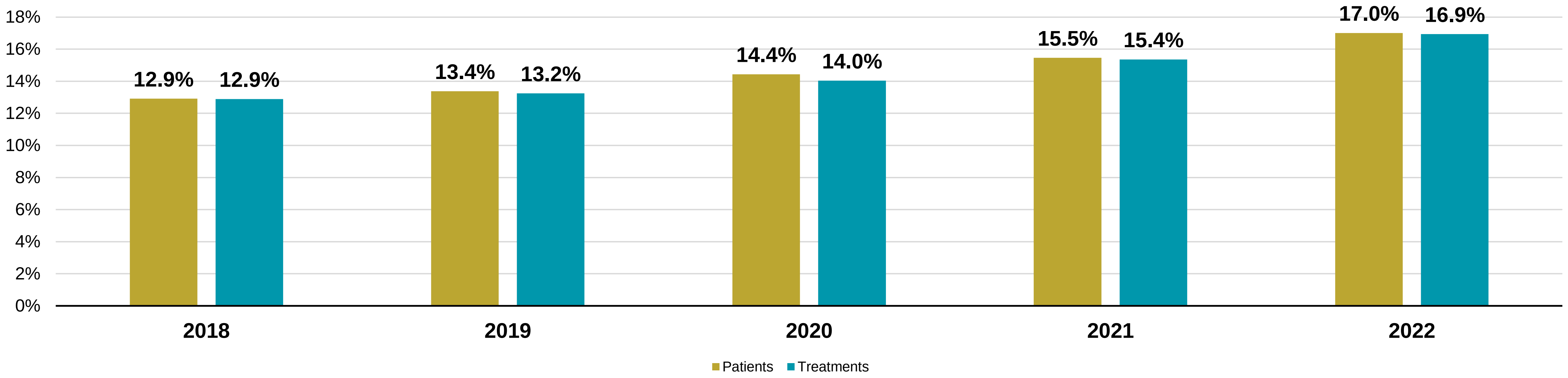
Implementing an annual review process to assess whether to include additional services under the Medicare medically necessary dental benefit

US Age 65+ Population Projections – 2021 to 2060



Source: US Census Bureau

65+ Patient and Treatment Share of Commercially-Insured Market – 2018 to 2022

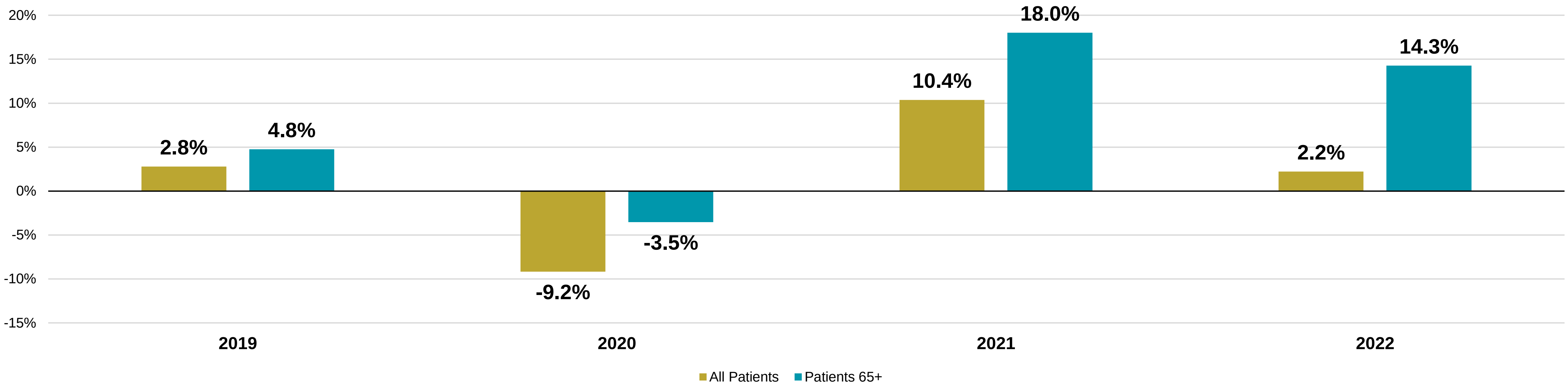


In 2018 patients 65+ accounted for 13% of patients and treatments. By 2022 they accounted for 17%.

In 2030, patients age 65+ are conservatively forecasted to account for 30% of patients and treatments.

Y-O-Y % Change – Treated Patients

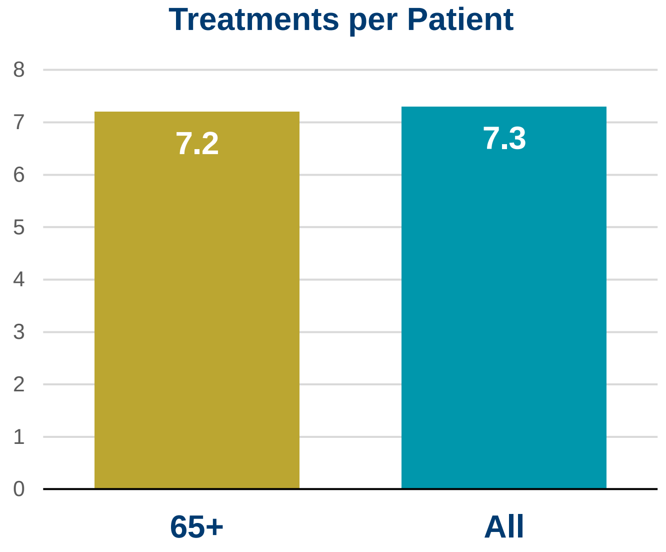
Commercially-Insured Market – All Patients & 65+

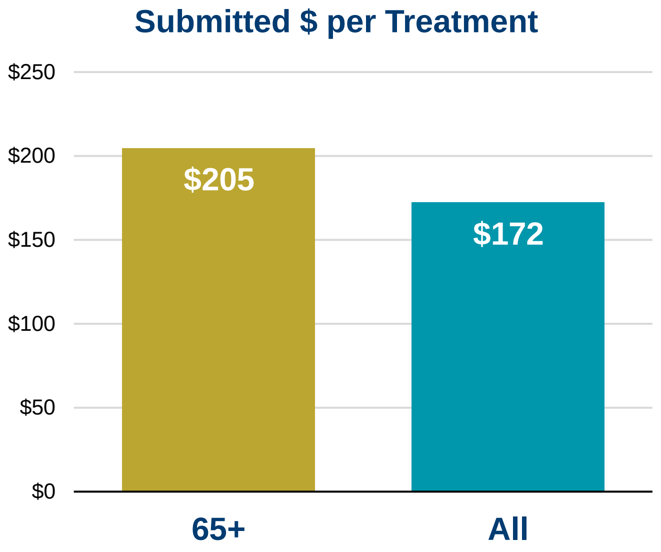


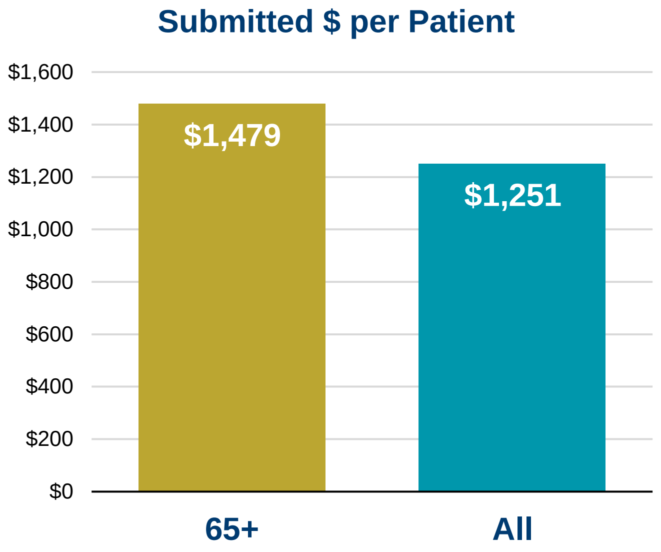
The year-over-year percentage growth of commercially-insured treated patients age 65+ has outpaced growth in the overall population

Treatments per Patient, Submitted $ per Treatment, Submitted $ per Patient – 65+ & All

2022 – Commercially-Insured Claims Only







Patients over 65 have different a treatment mix than the overall population

Top CDT Codes by Submitted Dollars –All Patients and 65+

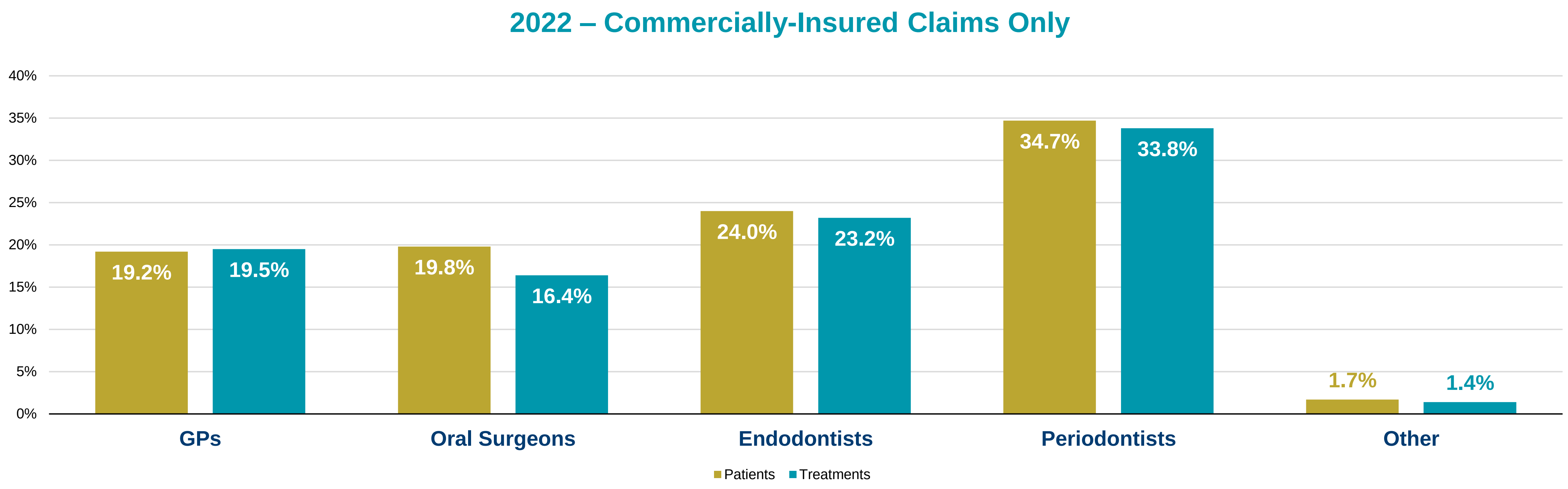
- There is more divergence in the top 10 CDT codes by submitted dollars for All Patients and Patients 65+.
- Erupted Tooth Extractions Requiring Bone Removal/Tooth Sectioning (D7210), Periodontal Maintenance (D4910), Core Buildups (D2950), and Porcelain Fused to High Noble Metal Crowns (D2740) rank higher for submitted dollars for patients 65+.
- Two Surface, Posterior Resin-Based Composite Direct Restorations (D2392) and S&RP – 4+ Teeth per Quadrant rank higher for submitted dollars for the total population.

Note there are substantial submitted dollars for comprehensive orthodontics in the 65+ population

2022 – Commercially-Insured Claims Only

CDT Code	All Patient Rank	65+ Patient Rank
D2740	1	1
D1110	2	2
D0120	3	4
D2392	4	**18**
D8080	5	**90**
D6010	6	3
D0274	7	8
D8090	8	**46**
D4341	9	**11**
D3330	**10**	**10**
D7210	**12**	5
D4910	**16**	6
D2950	**13**	7
D2750	**17**	9

65+ Patient Percentage of Volume by Specialty



In 2022, patients 65+ accounted for one quarter of Endodontists' patients and treatments

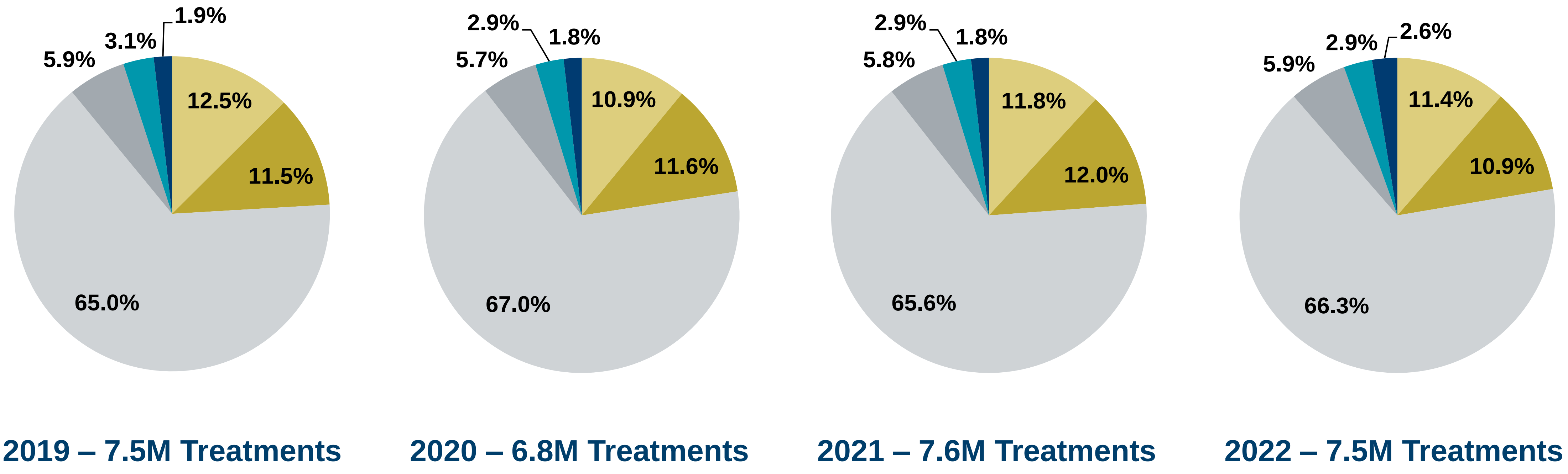
Key Takeaways

More patients 65+ are accessing oral health care services due to Medicare Advantage.

As the 65+ grows there is increased opportunity for endodontic services.

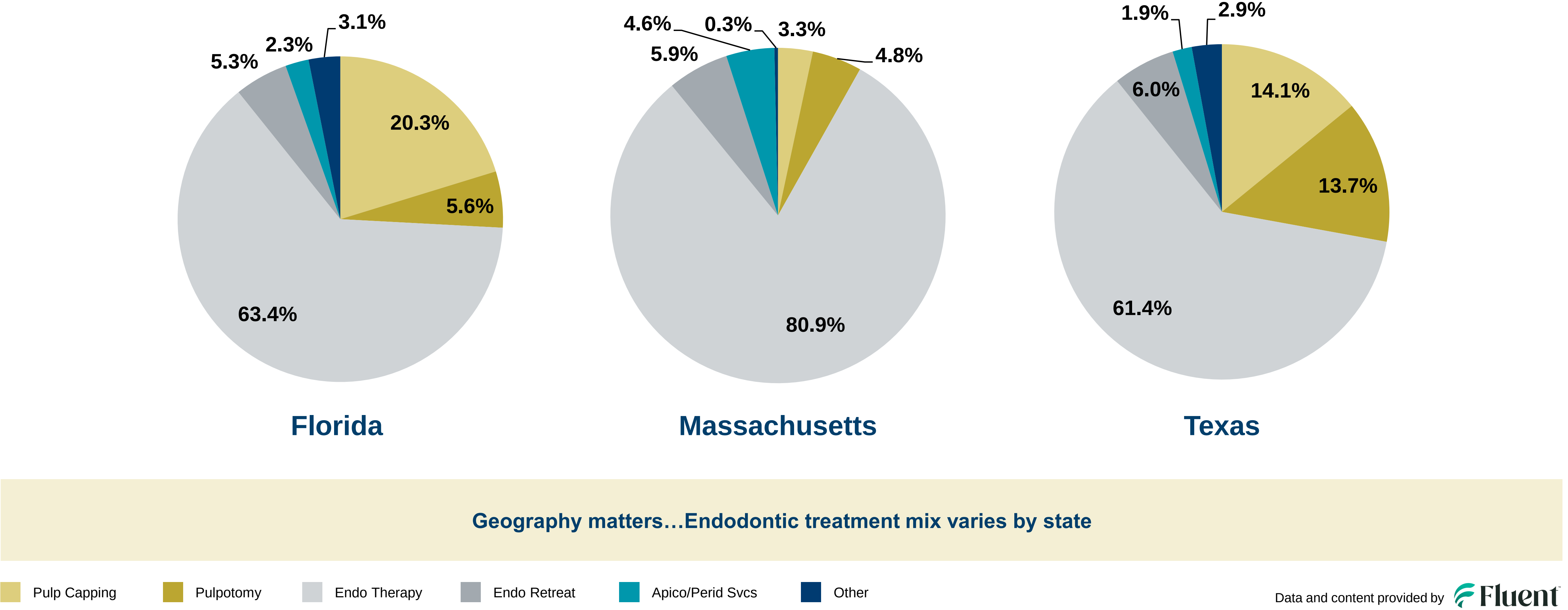
Endodontic Treatments: Subcategories

Annual Commercially-Insured Endodontic Treatments by Subcategory



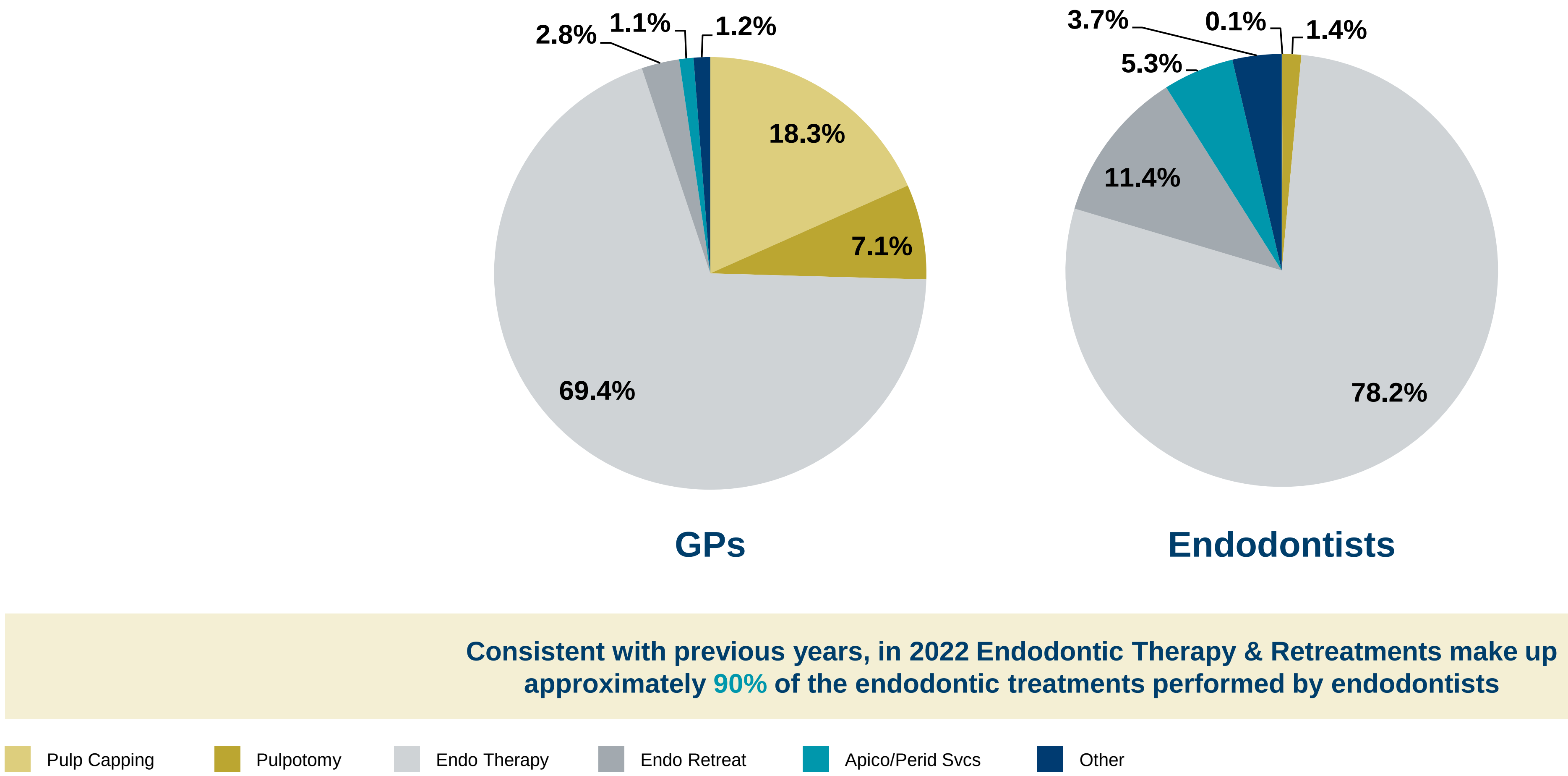
Endodontic treatment volume has remained relatively flat year-over-year.

2022 Endodontic Treatments by Subcategory – Selected States



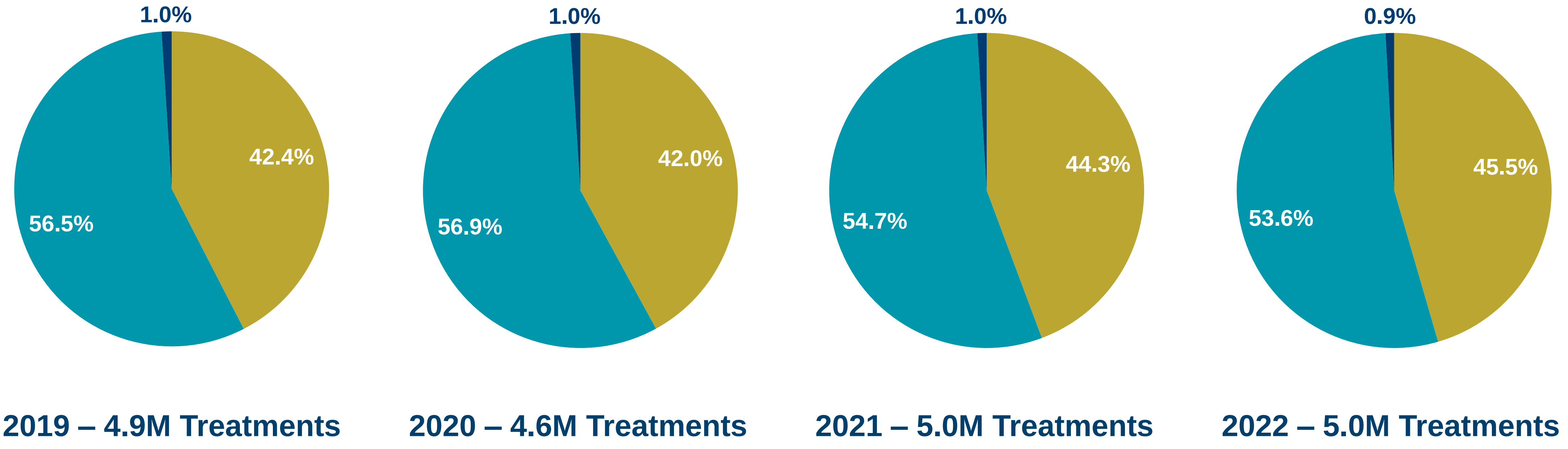
Geography matters…Endodontic treatment mix varies by state

2022 Commercially-Insured Endodontic Treatments by Subcategory



Consistent with previous years, in 2022 Endodontic Therapy & Retreatments make up approximately 90% of the endodontic treatments performed by endodontists

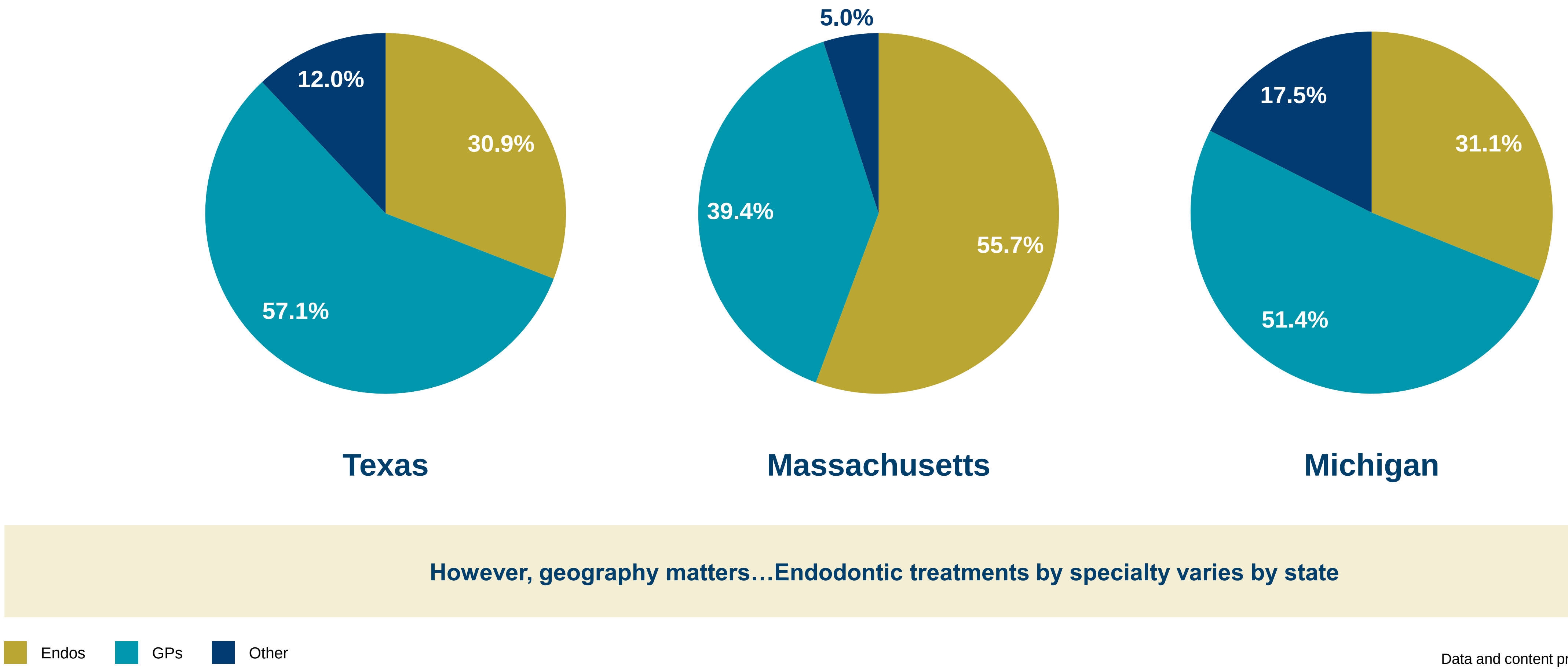
Annual Commercially-Insured Endodontic Therapy by Specialty



Endodontists' share of Endodontic Therapy has increased over time, due to age demographics….

Endos GPs Other

2022 Endodontic Treatments by Specialty – Selected States



However, geography matters…Endodontic treatments by specialty varies by state

Key Takeaways

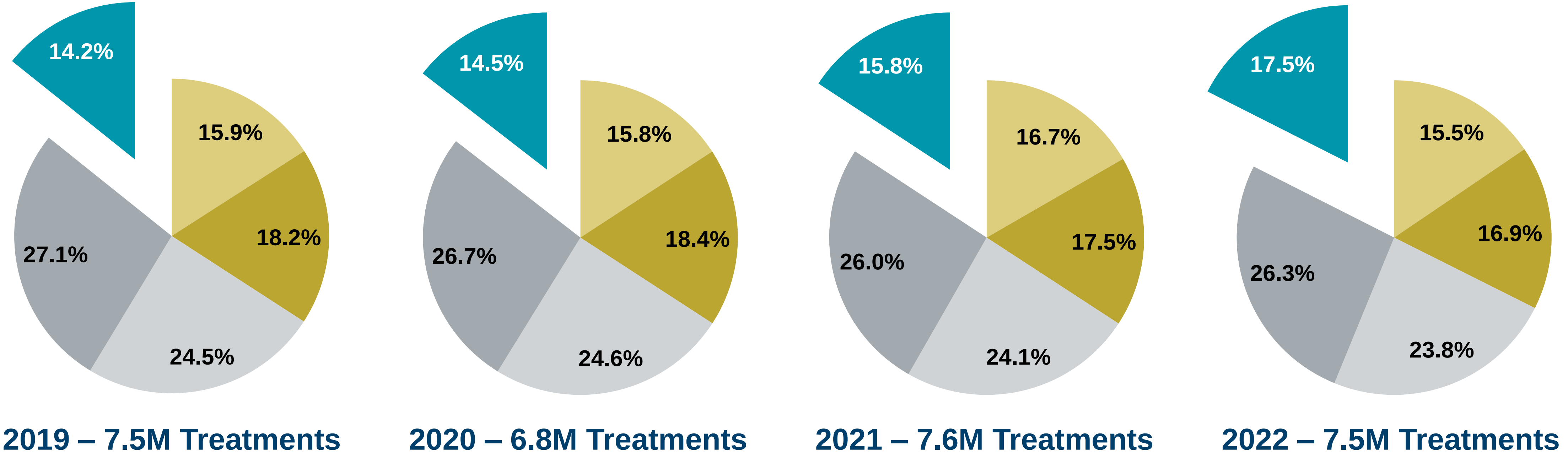
Overall endodontic treatment volume trends have remained flat

The treatment mix of endodontic procedures for GPs and Endodontists is consistent YOY

Endodontists are increasing treatment share of endodontic therapy at the expense of GPs due to…

Endodontic Treatments
Patient Age

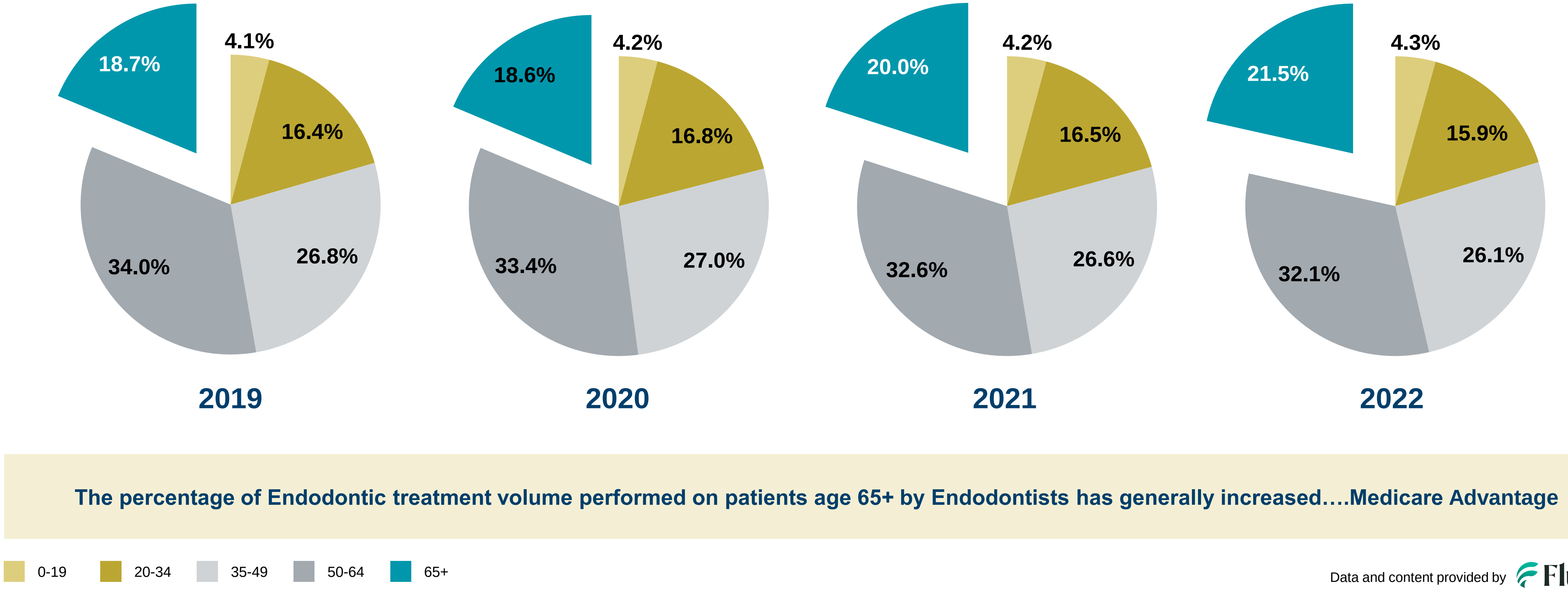
Annual Commercially-Insured Endodontic Treatments by Patient Age



The percentage of Endodontic treatment volume performed on patients age 65+ has steadily increased...Medicare Advantage

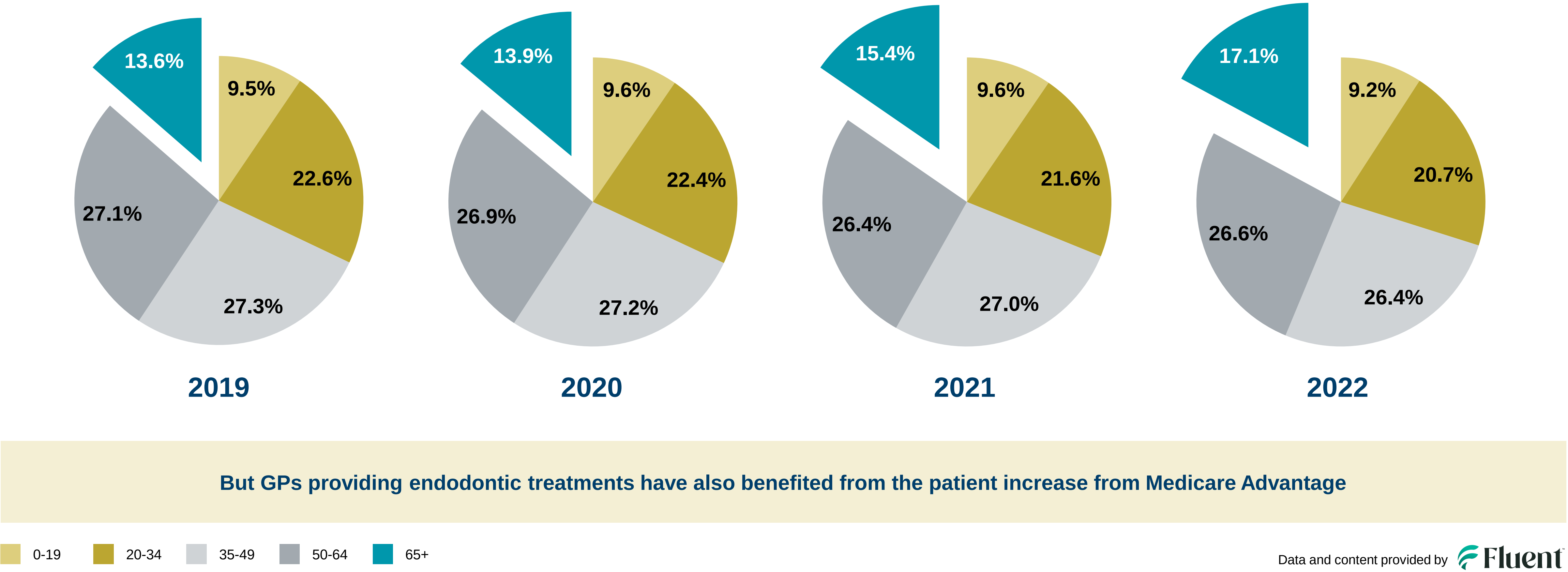
0-19 20-34 35-49 50-64 65+

Annual Commercially-Insured Endodontic Treatments by Patient Age – Endodontists



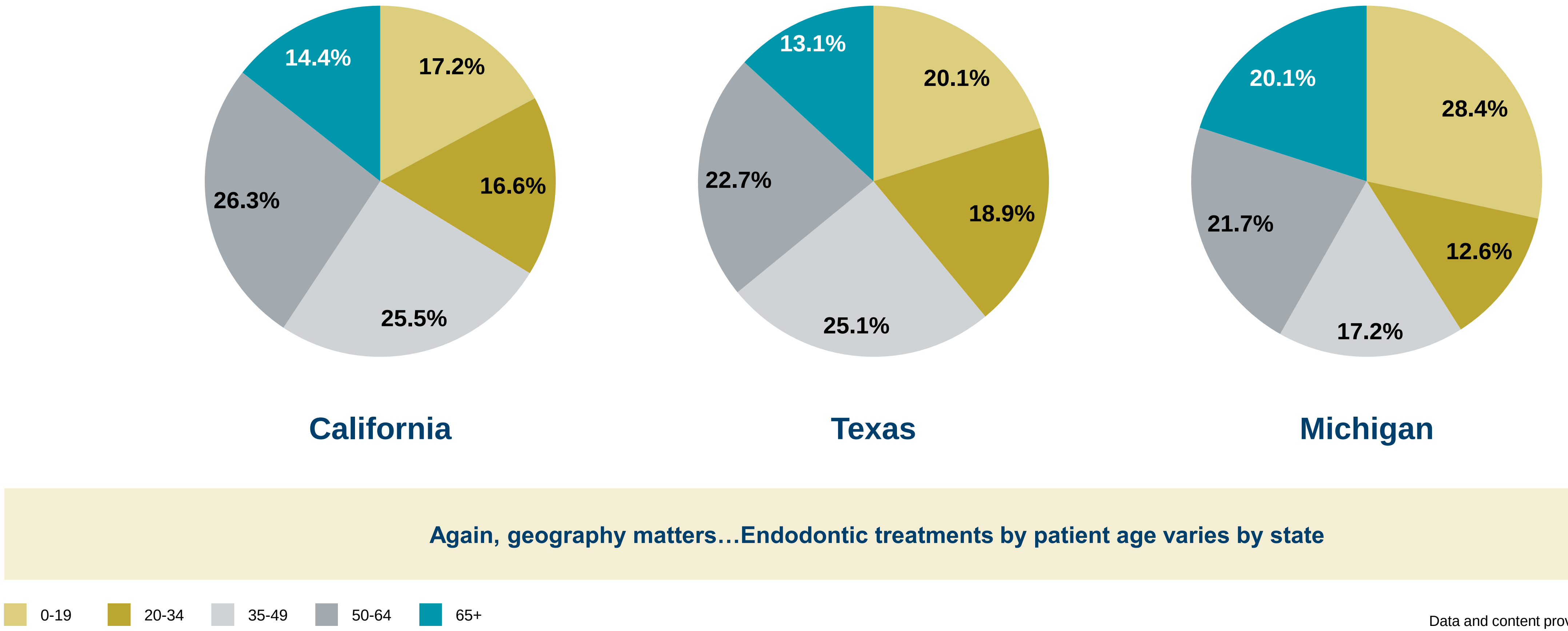
The percentage of Endodontic treatment volume performed on patients age 65+ by Endodontists has generally increased….Medicare Advantage

Annual Commercially-Insured Endodontic Treatments by Patient Age – GPs



But GPs providing endodontic treatments have also benefited from the patient increase from Medicare Advantage

2022 Endodontic Treatments by Patient Age – Selected States



Again, geography matters…Endodontic treatments by patient age varies by state

Key Takeaways

Endodontic treatment volume in patients over 65 is increasing YOY ... Medicare Advantage

Endodontists are treating a larger share of endodontic patients that are 65+ YOY

But GPs are also benefiting from the increase in endodontic patients over 65+

Key Takeaways

Nearly 3/4 of retreatments are performed by a different provider than the one who performed the initial endodontic therapy

Approximately 2/3 of the time the initial endodontic therapy was performed by a GP and the Retreatment by an Endodontist

Summary

Summary Takeaways

Endodontists treatment and patient share is increasing YOY relative to other specialties

Without the influx of the over 65 demographic the endodontic treatment volume trend would be declining YOY

Medicare Advantage presents a new opportunity for endodontists as this population grows and seeks endodontic treatment

Location, location location… opportunity varies by geography

THANK YOU!

Data and content provided by