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For Immediate Release

More than Half of All Americans Would Drop Employer-Sponsored Dental Plans If Taxed

July 13, 2009—A July poll conducted by Opinion Research Corporation for the National Association of Dental Plans (NADP) found more than half of all Americans with employer-sponsored dental benefits are “likely or very likely” to drop their coverage under health care reform financing proposals that tax health benefits.

Specifically, 56 percent of Americans would drop “family” dental benefits if annual taxes of \$300 were imposed and 38 percent of Americans would drop their “employee-only” dental benefits if \$100 was added to their annual tax bill. The tax amounts were calculated using the marginal tax rate plus FICA taxes on the average annual premiums for employer-provided dental plans, i.e. \$1,000 for families and \$300 for individuals.

With 97 percent of dental benefits in the United States provided through employers and other groups, the poll results indicate that 81.7 million Americans are likely to join the ranks of the dentally uninsured if these benefits are taxed. Increases in taxpayer supported public dental programs such as Medicaid and the Childrens’ Health Insurance Program (CHIP) would likely follow since 44 percent of Americans with dental benefits are in households with incomes of \$50,000 or less. Many adults in these households would simply remain uninsured as only 9 states now provide adult dental Medicaid benefits.

“These results are alarming,” said Evelyn Ireland, CAE, NADP Executive Director. “Three decades of steady increases in Americans with dental coverage and parallel improvements in oral health would be wiped out by taxation of dental benefits. The impact of taxation falls heaviest on families.”

The Surgeon General reports 120 diseases can be diagnosed through the mouth including nutritional deficiencies, immune system problems, infection and other diseases and conditions. The Surgeon General also reports Americans without dental benefits are 2.5 times less likely to go to the dentist. Scientific literature increasingly makes connections between gum disease and chronic diseases like diabetes, cardiovascular disease as well as pre-term births. Industry data is also beginning to find measureable medical cost savings stemming from treatment of dental diseases.

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Taken together, this means the loss of dental benefits resulting from new taxes on those benefits are likely to have significant negative impacts on Americans' oral and overall health. Without regular dental exams, diseases will go undiagnosed and Americans will experience more extensive and costly dental and medical procedures.

“What this poll, combined with the facts about the efficacy of dental benefits, tells us is the oral and overall health consequences of any form of taxation of benefits will ultimately add to the health care costs of the country and negatively impact the overall health of Americans,” said Ireland. “This poll validates what our industry and others have communicated to Congress about the unintended consequences of taxing health benefits. Ultimately, taxation of health benefits to fund health care reform will diminish Americans' dental health which would be counterproductive to overall health care cost containment.”

About NADP

The National Association of Dental Plans is a non-profit trade association representing the broadest spectrum of the dental benefits industry. NADP's members

- *provide coverage for over 80 percent of the 176 million Americans with dental benefits, and*
- *include national, regional and single-state companies operating on a commercial and non-profit basis.*

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