

# Smile by Subscription

An Evaluation of Dental Membership Plans  
in the United States of America

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## Executive Summary

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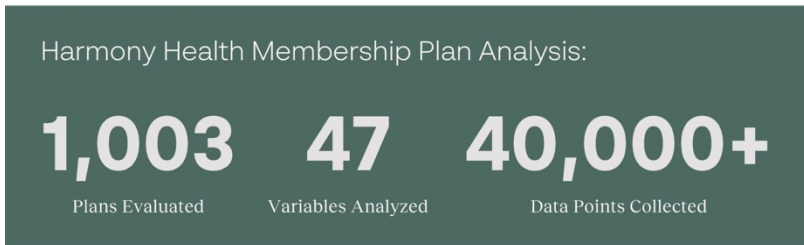
Oral health care in the United States is undergoing a transformation with the rise of in-house dental membership plans. These subscription-based models, adopted by approximately one-quarter of dental practices in the U.S., provide patients with covered preventive care and discounted dental services for a set fee, fostering a more direct relationship between patients and practices. Our comprehensive analysis evaluated 1,003 membership plans offered by dental businesses across United States revealing trends and implications for oral health equity, practice loyalty, and the broader healthcare system.

This publication by Harmony Health explores the concept, operation, and implications of these membership plans, which are designed to provide patients with discounted dental care services for a fixed annual or monthly fee. These plans can simplify access to dental care by eliminating the complexities of claims and deductibles, thereby offering a transparent relationship for patients and dental practices. Unlike traditional dental insurance, there are no third-party intermediaries, claim submissions, or deductibles involved in these membership plans. Patients who enroll typically receive preventive services such as cleanings, exams, and x-rays at no additional cost, along with discounts on other procedures like fillings, crowns, and orthodontics. However, membership plans also come with some of their own fine print and certain exclusions, which we explore in our analysis.

This model aims to simplify the financial aspect of dental care for patients while also encouraging regular visits to the dentist. For

dental practices, membership plans foster patient loyalty, streamline revenue, and reduce reliance on fluctuating policies and insurance company reimbursements. These plans have the potential to address oral health equity by providing an affordable and accessible alternative to traditional dental insurance, thus bridging the gap in oral health care access among underserved populations.

To compile the dataset, we utilized three search engines—Google, Yahoo, and Bing—to identify dental office websites offering membership or subscription plans. Tailored queries specific to each state were employed to capture a broad array of plans, evaluating the first four pages or sections of each search engine’s results. Information on plan types, discounts, and services included was entered into an Excel spreadsheet.



Exclusion criteria were applied to sites lacking clear plan information, with follow-up phone calls to obtain missing

details from 104 sites (10.36%). Dental businesses were categorized as either “private practice” or “corporate practice,” with 658 (65.6%) private practices, 326 (32.5%) corporate, and 19 (1.9%) unidentified businesses evaluated. Additionally, classification by location as rural or non-rural was conducted using USDA criteria, resulting in a dataset skewed towards non-rural sites, comprising 774 plans identified as non-rural (77.20%) and 223 as rural (22.20%), with a small fraction of sites (0.50%) remaining ambiguous.

As the health care landscape continues to evolve, in-house dental membership plans represent a patient-centered model of dental care delivery. This white paper aims to provide an overview of these plans, their benefits, challenges, and their implications for patients, dental practices, and the wider healthcare system.

# Key Findings

## Plan Offerings and Accessibility

- **Diverse Plans:** Plans cater to various demographics, including adults, children, families, and those with periodontal needs. The most common plan combinations include Adult, Pediatric, and Periodontal Plans (34.7%, N=1,003).
- **Comprehensive Coverage:** Dental membership plans frequently include a wide range of preventive and diagnostic services fully covered within the membership plan with substantial discounts on additional procedures.
- **Small Business Plans:** Dental membership plans emerge as a cost-efficient alternative for small businesses, offering essential dental coverage for employees at approximately half the cost of traditional dental insurance.

## Financial Analysis

- **Cost Structures:** The analysis uncovered a range of average monthly costs across membership plan types, showcasing a tailored approach for age groups. Notably, senior memberships (65 years and older) boasted the lowest average at \$21.92, while family plans for a group of four registered the highest at \$80.84. Further examination highlighted individual adult plans at \$32.17 per month, pediatric plans at \$26.01, and periodontal plans at \$57.58,
- **Inclusive Coverage & Discount Structures:** Membership plans consistently prioritize and fully cover preventive care, encompassing essential services such as exams, x-rays, cleanings, and fluoride treatments. Additionally, these plans offer substantial discounts, averaging between 10% and 25%, for a wide array of non-preventive dental procedures, including restorative work, oral surgery, and crown and bridge services. Notably, many plans stand out in the competitive marketplace by including cosmetic procedures, implant placement, and orthodontic services.

*Average Discounts Across Dental Services Offered in Membership Plans*



## Membership Plan Benefits and Limitations

Dental membership plans offer numerous advantages by providing a straightforward and accessible payment structure that benefits both patients and dental practices. They eliminate common barriers such as deductibles, annual maximums, and the need for treatment pre-authorization or waiting periods, which streamline access to care. Patients can benefit from the convenience of receiving preventive services like cleanings, exams, and x-rays at no additional cost, promoting regular dental visits and overall oral health. These plans also stabilize revenue for practices and enhance patient loyalty through simplified financial interactions. However, the plans are not without limitations. They often exclude costly treatments such as orthodontics and surgical periodontal care, which are critical for comprehensive dental health but can be expensive to provide. Furthermore, the membership model typically restricts patients to specific practice locations, potentially limiting access to specialized care, especially in rural areas. This limitation can be significant for patients who need specialized treatments not available from their primary dental provider, underscoring a critical gap in the otherwise beneficial membership plans. Another significant challenge is the slow adoption of data-driven review and evaluation of plan effectiveness within traditional dental practices. Despite the potential of data analytics to enhance plan offerings and patient satisfaction by aligning services with patient needs, many practices have yet to fully embrace these tools, often due to a lack of resources or expertise in data management, which could greatly improve the customization and efficiency of these plans.

## Geographic and Practice Type Variances

When examining the average cost and discounts offered by membership plans, distinct patterns emerge that highlight the economic differences between type of setting. For instance, the average monthly cost of membership plans in non-rural areas stands at \$33.04, compared to \$29.23 in rural settings, reflecting a higher cost of living and possibly greater demand in non-rural regions. The standard error rates, \$0.38 for non-rural and \$0.64 for rural areas, indicate more variability in rural pricing, which could suggest a customized approach to pricing or a smaller sample size affecting the data analysis.

*Monthly Costs (Means) for Dental Services*



Differences are also evident between corporate and private practices. Corporate practices generally offer membership plans at a lower average monthly cost (\$29.82) compared to private practices (\$33.12). The standard errors, \$0.41 for corporate and \$0.49 for private practices, reveal that there is slightly greater variability in how private practices price their plans. As seen below, when analyzing the discounts provided, corporate practices tend to offer an overall higher average discount rate (22.18%) than private practices (17.16%). This strategy might be employed by corporate entities to attract a larger volume of patients, leveraging scale to offset lower per-patient revenue.

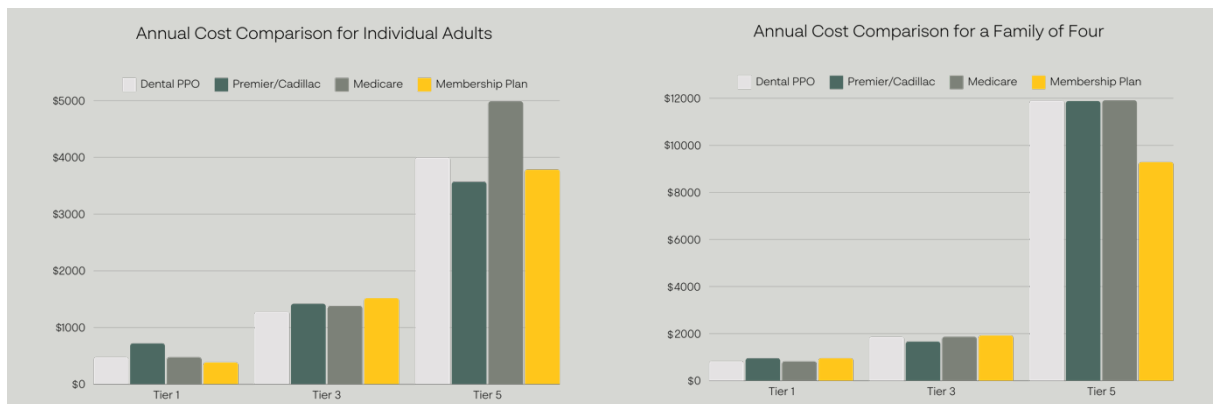
# Comparative Analysis: Membership Plans and Traditional Dental Insurance

Developing the tiers of dental membership plans to compare to insurance plans, involved a process where we analyzed a multitude of factors to categorize offerings into distinct levels. Moreover, our evaluation also considered the accessibility of services and the ease of navigation for patients, ensuring a user-friendly experience. By structuring the plans into five tiers, we aimed to provide clarity and simplicity while accommodating the varying levels of dental care needs. These tiers were crafted based on the breadth of services covered and the extent of discounts provided, ensuring a comprehensive framework that caters to diverse patient needs and preferences. We considered the range of services, from basic preventive care to advanced cosmetic procedures, as well as the financial implications for patients. After thorough evaluation, we structured the plans into five tiers, each tailored to address specific dental care requirements.

Tier	Description
Tier 1	Basic Preventive Care Plan
Tier 2	Enhanced Preventive and Diagnostic Plan
Tier 3	Comprehensive Care Plan
Tier 4	Advanced Dental Care Plan
Tier 5	Comprehensive and Cosmetic Plan

To compare the cost of membership plans to dental insurance, our analysis delved into the yearly costs associated with specific tier types across various insurance plans, encompassing PPO (a health plan where costs are lower within the plan's network), Medicare Advantage (a supplemental insurance option providing additional dental coverage beyond traditional Medicare), and Premiere (a high-coverage plan often with premium benefits and few restrictions).

Our evaluation also considered monthly premiums, deductibles, and co-pays across the various insurance plans along with evaluating publicly available fee schedules to determine coverage and reimbursement averages for dental code payments. By analyzing these factors, we gained valuable insights, providing a holistic view of the financial implications for both dental practices and patients. Overall, this examination offered insights into potential savings and the value of membership plans compared to traditional insurance models. As dental practices and patients navigate this landscape, understanding competitive dynamics and the strategic position of membership plans becomes crucial for understanding how it will affect their bottom line and quality of care.



## Insights for the Dental Industry

- *New Patient Acquisition and Activation:*  
With the increasing acceptance of membership plans among patients and the potential for expanding offerings to those without insurance, dental practices have an opportunity to attract and activate new consumers.
- *Customization as a Competitive Advantage:* The success of dental membership plans hinges on their ability to meet the specific needs of different patient groups. Practices that tailor their offerings effectively can differentiate themselves in a crowded market, enhancing patient loyalty and driving long-term revenue growth.
- *Differentiation Through Value:*  
In a market where dental practices are increasingly vying for patient loyalty; membership plans offer a distinct value proposition. By emphasizing the elimination of deductibles, annual maximums, and waiting periods, these plans present a clear advantage over traditional insurance models.
- *Fostering Patient-Practice Relationships:*  
Membership plans create a direct financial relationship between patients and practices, bypassing third-party payers.
- *Innovative Response to Market Demands:*  
Insurance companies viewing dental membership plans as competition should consider innovative responses that address the changing market dynamics. This might include the development of new insurance products that mirror the simplicity and transparency of membership plans or partnerships with dental practices to offer hybrid models that combine the best features of both systems.
- *Data-Driven Adaptation and Innovation:*  
The adoption of dental membership plans and their success is closely tied to practices' ability to adapt to patient needs and market demands. Leveraging data analytics to refine offerings, adjust pricing, and improve patient communication can drive the continuous evolution and success of these plans.

## Insights for the Dental Consumers

- *Accessibility and Simplification:*  
The removal of traditional insurance barriers such as deductibles, waiting periods, and annual maximums makes dental care more accessible and straightforward for patients.
- *Comprehensive Care Options:*  
The wide variety of plans available, including those tailored for adults, children, families, and periodontal care, means that patients can choose a plan that best fits their specific dental care needs, ensuring they are not paying for unnecessary coverage.
- *Empowerment in Healthcare Decisions:*  
Dental membership plans empower patients by offering them direct control over their dental care choices without the intermediation of insurance providers. This can lead to more engaged and informed decision-making regarding their oral health.
- *Economic Benefits:*  
The structure of dental membership plans, particularly the discounts on additional procedures, can offer significant economic benefits to patients, especially those without traditional dental insurance. This can make both preventive care and more extensive procedures more financially accessible.
- *Personalized Dental Care Experience:*  
The ability for dental practices to customize membership plans allows patients to enjoy a more personalized care experience tailored to their specific needs. This customization can lead to better dental health outcomes and a more satisfying healthcare experience overall.
- *Building a Relationship with Your Dentist:*  
The direct relationship fostered by membership plans between patients and dental practices encourages regular dental visits and ongoing care, which is crucial for maintaining oral health. This relationship can lead to a deeper understanding of each patient's dental history, better continuity of care, and a more trusting patient-provider relationship.

# Oral Health Equity Opportunities

Dental membership plans could play a crucial role in addressing disparities in oral healthcare access among underserved populations. Emerging research highlights their potential to provide an affordable and accessible alternative for individuals lacking traditional insurance coverage, particularly benefiting marginalized communities such as low-income individuals, minorities, and rural populations, who often encounter barriers to dental care access. Moreover, investigating dental membership plans as cost-saving strategies for government programs like Medicaid and Medicare is pertinent. Studies underscore the substantial cost savings associated with preventive care interventions offered by these plans, mitigating the need for more extensive and costly treatments in the future as well as offering a lower administrative burden and cost.

Enhancing access to preventive dental care has yielded improved oral health outcomes and reduced disparities across socioeconomic groups. The cost-effectiveness of preventive dental interventions compared to treatments for advanced dental conditions is well-documented in research. Furthermore, innovative payment models like dental membership plans show promise in improving access to care and reducing financial barriers for underserved populations. Integrating dental membership plans into health savings plans presents an opportunity for individuals to exercise greater flexibility and control over their healthcare spending. By encompassing preventive services and providing discounts on various procedures, these plans align with the objectives of health savings accounts (HSAs) and flexible spending accounts (FSAs), thereby promoting preventive care and reducing out-of-pocket expenses for services.

## In Conclusion...

The rise of dental membership plans heralds a transformative shift in the dental care landscape, offering a compelling alternative to traditional insurance. These plans, characterized by their cost-effectiveness, comprehensive coverage, and emphasis on preventive care, democratize access to dental services, particularly benefiting the uninsured and those seeking predictable healthcare spending. As the healthcare industry evolves, dental membership plans stand out for their potential to positively impact oral health outcomes and patient-practice dynamics. Our comparative analysis underscores the necessity for patients and dental providers to embrace innovative models like dental membership plans as viable options for managing dental care costs while ensuring high-quality care.

Dental membership plans can represent a significant stride toward a more patient-centered approach in dental care delivery. For dental practices, strategic implementation, and continuous refinement of these plans, driven by data analytics and tailored to meet patient needs, can enhance competitive positioning and foster patient loyalty. Insurance companies, confronting the competitive pressure of these emerging models, should consider innovative strategies and collaborative models to remain relevant in the evolving healthcare market. While challenges such as variability in plan offerings and geographic disparities persist, addressing these issues presents opportunities for further development and research. To fully harness the potential of dental membership plans, stakeholders must collaborate to make dental care more inclusive and accessible.

[Click here for the full Harmony Health Membership Plan Report](#)