CORONAVIRUS IMPACT INSIGHTS

Eye on the Industry™

Commercial Dental Market Recovery Tracking

Update: Data through Week Ending May 17

P&R Dental Strategies® |
DentalMarketIQ®
Market Analysis

May 19, 2020

P&R DENTAL STRATEGIES®
The Authority on Dental Quality®

DentalMarketIQ®
A division of P&R Dental Strategies

Eye on the Industry™ Market Analysis

*Commercial Dental Market Recovery Tracking – **Update: Data Through Week Ending May 17****

Overview

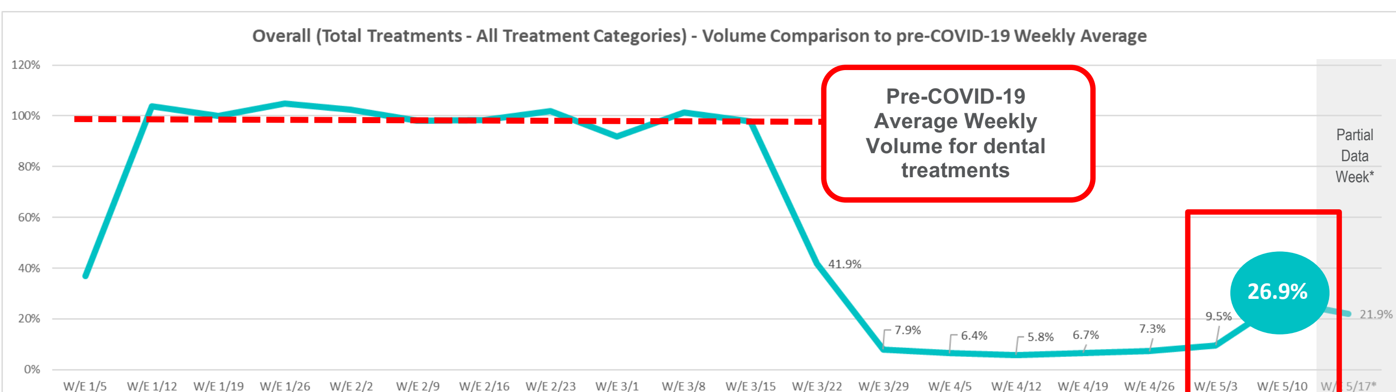
Throughout the COVID-19 Crisis, P&R Dental Strategies®, and our DentalMarketIQ® (DMIQ) division, will be marshaling our entire arsenal of dental data and analytical firepower, and deep dental domain expertise, to help all dental market stakeholders better understand what's happening, what to consider, 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?

At least 42 states have permitted dental practices to reopen for Non-Essential procedures as of 5/19.

During the week ending 5/10, national dental treatment volume increased to 27% of pre-COVID-19 volume.



While the week ending 5/10 showed a material increase in treatment volume, overall national dental treatment volume is still at 27% of the pre-COVID-19 average weekly treatment volume.

** All pre-COVID-19 weekly averages are based on weeks ending 1/5 through 3/15/2020. Data for week ending 5/17 is based on partial week and is included solely for early view.*

OVERVIEW

Treatment volume increased in ALL procedure categories in the week ending 5/10.

Dental treatments continue to be dominated by procedures that are likely *Urgent/Emergency treatments.**

**The classification of treatments as Urgent/Emergency or 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.*

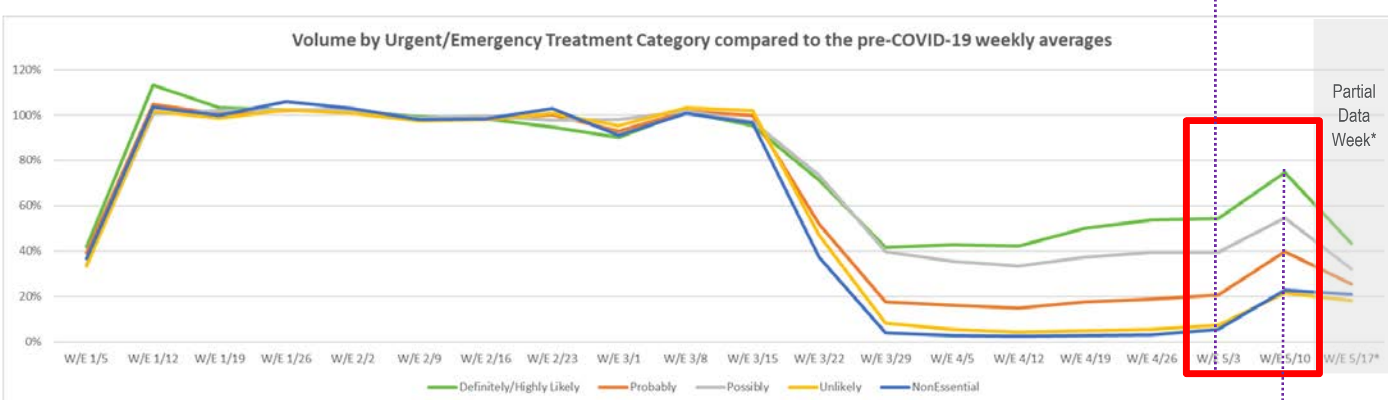
Most Likely Urgent/Emergency Treatments		Possibly Urgent/Emergency Treatments	Not Likely/Not Generally Urgent/Emergency Treatment	
Definitely/Highly Likely Urgent/Emergency	*Probably Urgent/Emergency*	*Possibly Urgent/Emergency*	*Unlikely Urgent/Emergency*	*Non-Essential*

NATIONAL DISTRIBUTION OF DENTAL TREATMENTS BY **URGENT/EMERGENCY** CATEGORY

Notable Volume Increases Since April
In the week ending 5/3, we saw some small increases in treatments.

*Overall treatment volumes in all categories combined was still below **10%** of pre-COVID-19 weekly averages for the week ending 5/3.*

Volume for the week ending 5/3:
- *Non-Essential* and *Unlikely Urgent/Emergency treatments* reached **5%** and **7%** of the pre-COVID-19 treatment volume, respectively.
- *Definitely/ Highly Likely, Probably, and Possibly Urgent/Emergency* treatment categories continued to dominate the overall volume.



Dramatic Increase in Week Ending 5/10
In the week ending 5/10, treatment volumes increased materially compared to the week ending 5/3.
*Overall treatment volumes in all categories combined increased to **27%** of pre-COVID-19 weekly averages for the week ending 5/10.*

Volume for the week ending 5/10:
- *Non-Essential* and *Unlikely Urgent/Emergency* treatments saw the first material volume increases, reaching **more than 20% of pre-COVID-19 levels**.
- *Definitely/Highly Likely, Probably & Possibly Urgent/Emergency* treatments reached volumes ranging from **40%** to almost **80%** of pre-COVID-19 average volumes for those categories.

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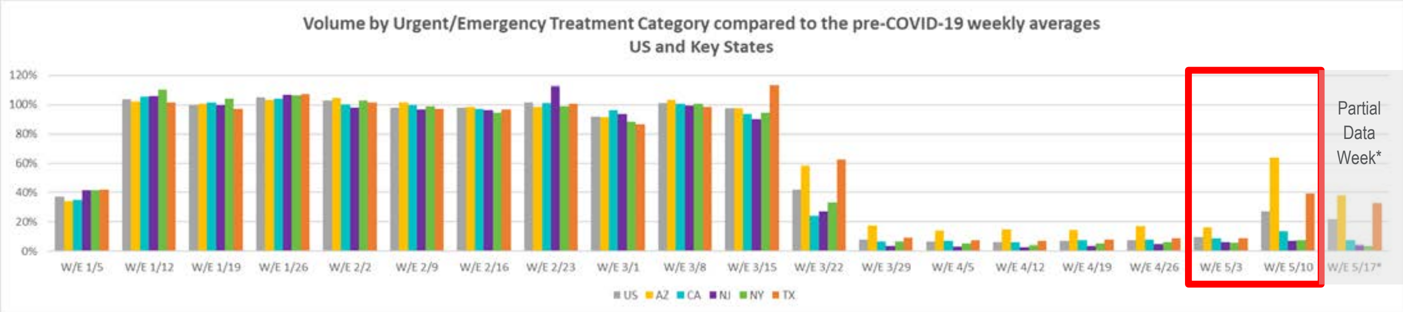
DIFFERENCES BY STATE

The increase in treatment volumes observed in the week ending 5/10 in some states is due to a rebound in Non-Essential treatments, as more dental offices began the transition back to normal operations vs. primarily Urgent/Emergency treatment focus in April.



Arizona

March 31, 2020
Stay-at-Home

A smaller decline in weekly volume compared to other States; and a big increase in the week ending 5/10

THE DETAILS:

Non-Essential Treatments
(% of pre-COVID-19 average weekly volume)

- W/E 3/22: **51%**
- **8%-9%** through April
- W/E 5/3: **10%**
- W/E 5/10: **63%**

Total Treatments
(% of pre-COVID-19 average weekly volume)

- W/E 3/22: **58%**
- **14%-17%** through April
- W/E 5/3: **16%**
- W/E 5/10: **64%**

California

March 19, 2020
Stay-at-Home

A dramatic drop driven by a sharp decline in Non-Essential treatments

THE DETAILS:

Non-Essential Treatments
(% of pre-COVID-19 average weekly volume)

- W/E 3/22: **21%**
- **4%** through April
- W/E 5/3: **5%**
- W/E 5/10: **10%**

Total Treatments
(% of pre-COVID-19 average weekly volume)

- W/E 3/22: **24%**
- **6%-8%** through April
- W/E 5/3: **9%**
- W/E 5/10: **14%**

New Jersey

March 21, 2020
Stay-at-Home

Weekly treatment volume shrank to one of the lowest percentages observed in the U.S.

THE DETAILS:

Non-Essential Treatments
(% of pre-COVID-19 average weekly volume)

- W/E 3/22: **23%**
- **1%-2%** through April
- W/E 5/3: **2%**
- W/E 5/10: **3%**

Total Treatments
(% of pre-COVID-19 average weekly volume)

- W/E 3/22: **27%**
- **3%-5%** through April
- W/E 5/3: **6%**
- W/E 5/10: **7%**

New York

March 22, 2020
Stay-at-Home

A sudden downturn driven by an abrupt decrease in Non-Essential treatments

THE DETAILS:

Non-Essential Treatments
(% of pre-COVID-19 average weekly volume)

- W/E 3/22: **29%**
- **2%-3%** through April
- W/E 5/3: **3%**
- W/E 5/10: **4%**

Total Treatments
(% of pre-COVID-19 average weekly volume)

- W/E 3/22: **33%**
- **4%-6%** through April
- W/E 5/3: **6%**
- W/E 5/10: **8%**

Texas

April 1, 2020
Stay-at-Home

A smaller decline in March, a steep drop in April then a sudden rebound in May

THE DETAILS:

Non-Essential Treatments
(% of pre-COVID-19 average weekly volume)

- W/E 3/22: **58%**
- **3%-4%** through April
- W/E 5/3: **5%**
- W/E 5/10: **36%**

Total Treatments
(% of pre-COVID-19 average weekly volume)

- W/E 3/22: **63%**
- **7%-9%** through April
- W/E 5/3: **9%**
- W/E 5/10: **39%**

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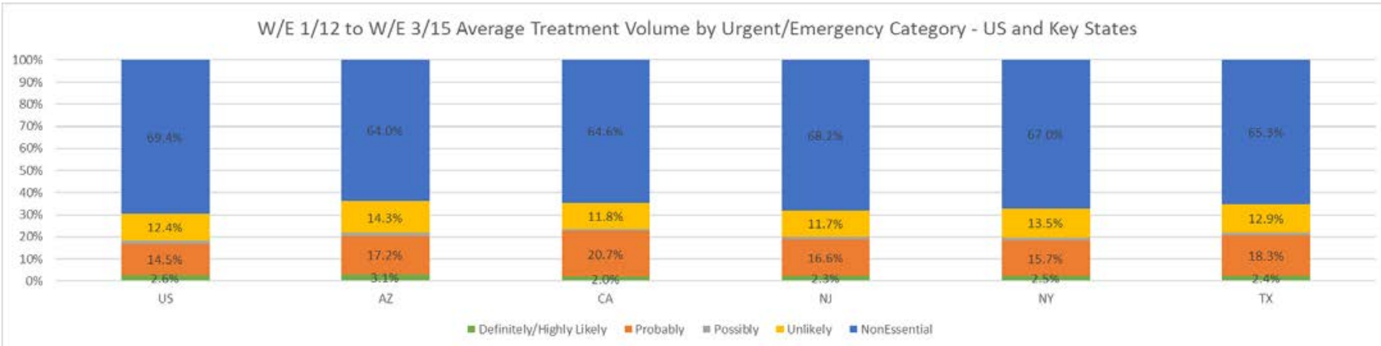
AVERAGE TREATMENT VOLUME BY **URGENT/EMERGENCY** CATEGORY

PRE-COVID-19 WEEKLY AVERAGE TREATMENT VOLUME – BASED ON W/E 1/5 TO W/E 3/15

Pre-COVID-19 Non-Essential treatments were consistent across the country.

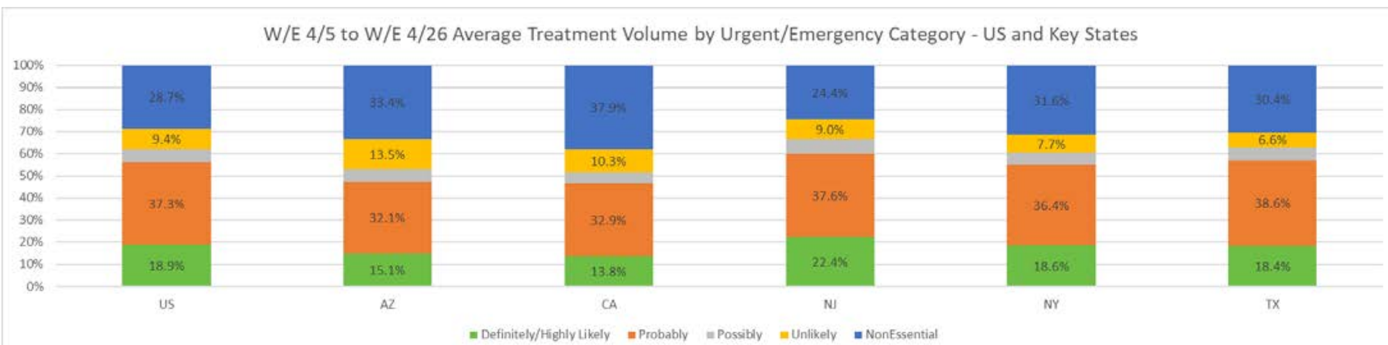
- Treatments classified as Non-Essential represent approximately 2/3 of all treatments.



W/E 4/5 to W/E 4/26 vs. W/E 5/3 to W/E 5/17

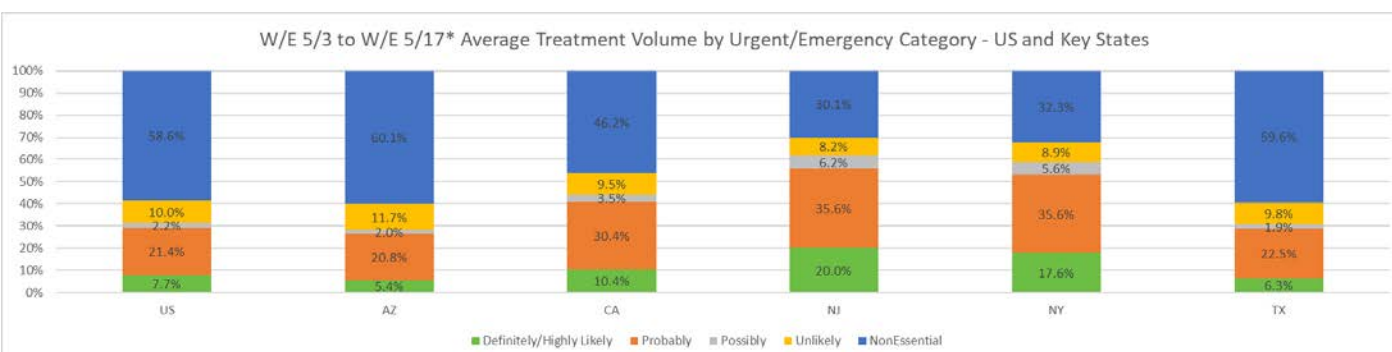
As the Stay-at-Home orders took effect in April, treatment volume distribution changed dramatically.

- Treatments that were *Definitely/Highly Likely* to have been an Urgent/Emergency treatment increased to approximately **20%** (from a pre-COVID-19 average of **3%** or less).
- *Non-Essential* treatments generally dropped to one-third or less of the total treatment volume.



However, in May, *Non-Essential* Treatments rebounded quickly.

- *Non-Essential* treatments have increased to over half of total treatment volume — except in a few key states like New Jersey and New York where *Non-Essential* treatments remain low.
- *Definitely/Highly Likely* and *Probably Urgent/Emergency* treatments continue to be **30%** or more of the treatments observed.



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If you have any questions about this analysis or would like to discuss monitoring solutions, please contact us at insights@pandrdental.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 – *Urgent/Emergency* Treatments by Procedure Category

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.*