

HOW TO BE SUCCESSFUL UNDER MEDICAL DENTAL INTEGRATION

MANUAL

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CHAPTER 1 COORDINATION WITH ORAL HEALTHCARE PROFESSIONALS & MEDICAL HEALTHCARE PROFESSIONALS

In the ever-evolving landscape of healthcare, the integration of medical and dental practices is likely to not only transform patient care but significantly impact the supply and demand dynamics within the industry. This chapter delves into the intricate strategies essential for seamless collaboration among diverse stakeholders, exploring how effective coordination influences the supply chain, patient volume, and referral patterns.



Aligning Communication for Enhanced Supply Chain Dynamics

Key Take-Aways:

- **The dental supply chain will need to become even more dynamic:** Effective communication will be more crucial than ever for successful coordination, optimizing the supply of resources, equipment, and consumables. This prevents bottlenecks, ensuring the dental supply network aligns production and distribution efficiently to meet expected rapidly changing dental patient demand and provider needs.
- **Real-world demand spike example:** Maryland’s Integration Strategy: Initiated in 1998, resulted in a 2.5-fold increase in dentists participating in the state Medicaid program between 2009 and 2018. The surge in dentists translated to increased demand for dental care, showcasing the impact of service modeling changes on the dental supply network.
- **Further downward pricing pressure is likely, but with significant demand upside possible:** Vertical consolidation in the healthcare industry, like Northwell Health, an Integrated Healthcare Network in Long Island, New York, acquiring dental practices, will exert downward pressure on prices of supplies but will boost demand. Streamlined workflows and reduced costs make products and services

more affordable, stimulating demand in the dental supply network.

Effective communication serves as the crux for the successful of oral healthcare practices and the dental supply network in medical-dental integration care models. These changes have deep-seated implications for the supply chain because establishing clear communication channels between dental and medical professionals is not just about information exchange – it's about optimizing the supply of resources, equipment, and consumables. Robust communication ensures that the demand for supplies is accurately anticipated, preventing bottlenecks and disruptions in the supply chain.

With streamlined communication between oral health professionals who are also going through structural changes, the dental supply network can align with new production and distribution requirements. For example, when an oral healthcare practice is acquired by a larger healthcare network, existing supplier contracts undergo reassessment, necessitating the dental supply network to re-compete for contracts they may have held for years and navigate new paperwork requirements. The dental supply network is required to submit revised proposals and complete updated paperwork, aligning with the parent company's procurement policies, negotiating strategies, and regulatory standards. This process will likely pose challenges for dental suppliers accustomed to longstanding relationships. At the same time, it presents an attractive opportunity to potentially leverage higher volumes, optimize costs, ensure formulary compliance, and enhance supply chain efficiency for both the parent company and oral healthcare practices under

its umbrella.

In Maryland, a strategic initiative in 1998 catalyzed significant improvements in dental healthcare accessibility. Anchored by Senate Bill 590, aimed to integrate the Oral Health Program into state law over five years.¹ The subsequent establishment of the State Oral Health Advisory Committee paved the way for crucial reforms, including enhanced dentist participation in Medicaid and mandated oral health assessments for school children. By prioritizing accessibility and participation, these reforms led to a notable increase in dentist participation in the Medicaid program, a vital source of dental care for many residents. From 2009 to 2018, this surge in dentist participation translated into a significant 2.5-fold increase in the number of adults and children receiving dental care through the program.² As more individuals gained access to dental services, the demand for dental supplies skyrocketed.

The increased participation in the Medicaid program created a domino effect in the dental supply network. Dentists required more equipment, materials, and consumables to meet the growing demand for services. From basic supplies like gloves and masks to specialized equipment like dental chairs and instruments, the need for a wide array of dental supplies became evident as more patients sought out oral healthcare. As participation in oral healthcare continues to evolve, proactive strategies on the part of dental supply network members are essential for meeting the growing demand and ensuring the delivery of quality care.

Furthermore, verticals can play a crucial role in shaping market dynamics by exert-

ing downward pressure on prices and simultaneously driving up demand for supplies. This could imply the typical trade-off where opting for a lower unit cost may result in higher volume, potentially leading to increased overall profits. As businesses consolidate their operations vertically, they gain better control over production processes and distribution channels, leading to streamlined workflows and reduced costs. This downward pressure on prices makes products and services more affordable for consumers, stimulating demand. There have already been instances of these verticals beginning to occur, as seen with the acquisition of two dental practices by Northwell Health in New York.³

The trend of leveraging market influence

Collaborative Care Coordination Planning: A Catalyst for Increased Demand

Key Take-Aways:

- **Focus will shift to care coordination and outcomes:** Improved care coordination, resulting in improving patient outcomes, will likely attract those seeking comprehensive oral healthcare as well as those who have medical issues with previously unidentified underlying dental issues. This will likely expand demand for dental services and especially dental products that help deliver the best outcomes.
- **Providers will leverage MDI to increase patient volumes:** Targeted campaigns promoting integrated services will significantly impact the enrollment of members in healthcare plans, leading to an upsurge in patient volume and demand for oral care.

to drive down prices extends beyond healthcare acquisitions, as evident in the consumer goods sector, where corporate giants exert considerable pressure on suppliers to lower prices, thereby stimulating demand and ensuring affordability for consumers. In healthcare settings, innovative dental offices serve as test sites for new care models, offering a wide range of services, spanning from routine dental exams, X-rays, and deep cleanings to advanced procedures like root canals and gum therapy. This new care model approach not only enhances accessibility to oral healthcare but also has the potential to disrupt the traditional dental supply network if expanded further as large corporations look to leverage their own supply network.

Collaborative Care Coordination

Identifying opportunities for collaborative care coordination planning has a direct impact of the demand for integrated services. Collaborative meetings not only enhance patient outcomes but also position integrated practice as a hub for comprehensive healthcare. Studies have shown that increasing integration of medical-dental integration programs into dental care increases the odds ratios of care gap closures to upwards of 2.08.⁴ Care gap closures refer to the process of addressing and eliminating gaps or discrepancies in healthcare delivery. These gaps can exist for various reasons, such as limited access to services, disparities in care quality, or incomplete adherence to treatment guidelines. Closing care gaps involves implementing interventions or strategies to ensure that all individuals

receive timely, appropriate, and equitable healthcare services to improve health outcomes and reduce disparities. This may include initiatives such as increasing access to care facilities, improving patient education and engagement, implementing preventive care measures, and enhancing coordination among oral and medical healthcare providers. This strategic alignment becomes a magnet for patients seeking holistic care, subsequently increasing the demand for services offered by both medical and oral healthcare professionals. Care gap closures, such as those exemplified by Northwell Health's initiatives, illustrate how increased access to the medically focused patient population can lead to significant rises in patient volume when it comes to receiving oral healthcare.

The marketing strategies deployed to promote integrated services further amplify the impact on demand. As patients become aware of the benefits of a seamlessly integrated healthcare experience, the demand for these services rises. This will create new opportunities for oral health professionals and dental network suppliers alike to capitalize on a new population. This emphasizes the need for a data-driven approach to monitor and analyze referral patterns, enabling dental supply network stakeholders to strategically optimize the supply of goods along-

HEDIS Measures: Advocacy for Driving Volume

Key Take-Aways:

- **Data-driven analytics will likely impact product demand and selection:** Healthcare Effectiveness Data and Information Set (HEDIS) measures influence preventative care visits, impacting the supply chain of preventative

side patient flow within the integrated network and capitalize on growing demand.

The Impact of Targeted Campaigns

Focused promotional efforts conducted by oral health professionals are instrumental in amplifying patient influx, thereby amplifying the requirement for dental supplies. When these campaigns are meticulously tailored to specific demographics or oral health needs, they efficiently connect with and entice individuals who could benefit from the services provided. In the domain of Medicare Advantage, such precision-targeted campaigns have yielded a 36% increase in addressing care disparities and an 81% satisfaction rate among patients.⁵ As the roster of enrolled and engaged individuals expands, the demand for healthcare services and associated provisions naturally escalates. This surge in patient turnout precipitates a heightened necessity for oral care, consequently increasing the demand for relevant resources. Hence, targeted campaigns and effective outreach impact the requisites for oral health supplies and services. Furthermore, these campaigns can also reveal opportunities to cultivate fresh demand for oral health resources that were previously inaccessible to these patients.

and screening products and diagnostic tools, similar to the emphasis on breast and cervical cancer screenings and medication-assisted treatments for substance dependence had on increased demand for specific services. The dental industry can expect

increased demand if further HEDIS measures are adopted for adult dental checkups, particularly for the Medicare Population.

- **Regional strategies may be needed to target areas of greatest opportunity:** Regional diversity in adoption of integrated care practices driven by HEDIS measures presents strategic opportunities for the dental supply network. Focusing on states with robust Medicare Advantage plans and high Medicare coverage offers valuable opportunities for comprehensive oral care solutions.

The National Committee for Quality Assurance (NCQA) has recently proposed two new Healthcare Effectiveness Data and Information Set (HEDIS) measures relating to dental care: Oral Evaluation, Dental Services and Topical Fluoride for Children.⁶ These suggestions address the number of members under the age of 21 who are entitled to receive a comprehensive oral evaluation and the number of topical fluoride applications in a given year.⁷ One study examining the relationship between utilization and HEDIS measures in medical care found that those that were compliant scored statistically higher on performance measures, indicating higher utilization of services and increased demand on healthcare professionals and the supply chain.⁸ With the implementation of further dental HEDIS measures, the supply chain should anticipate further spikes in demand.

HEDIS measures exert a tangible influence on the volume of preventative care visits, particularly in the realm of chronic disease screenings. By evaluating and incentivizing the provision of these screenings, HEDIS contributes to an increased

demand for such preventative services, impacting the supply chain of preventive and screening products and diagnostic tools for administering these tests. In the medical sphere, a HEDIS emphasis on breast and cervical cancer screening measures amplifies this effect, signaling a heightened need for screening resources, necessitating adjustments in the supply chain to meeting the rising demand for these specific services.⁹ Moreover, HEDIS' role in assessing medication-assisted treatments for substance dependence reflects an impact on drug maintenance supplies. The demand for these treatments, as driven by HEDIS measures, can impact production and distribution of medications used in these treatments. Overall, HEDIS measures have the potential to induce shifts in the supply chain, responding the changing landscape of oral and healthcare service demands and emphasizing the importance of adaptability by the dental supply chain network.

Staying informed about HEDIS measures is not only a regulatory requirement but also a strategic move to influence demand.¹⁰ Advocating for measures that drive volume and improve patient outcomes positions the integrated practice as a leader in quality healthcare. Participation in industry initiatives becomes a means to actively shape and influence measures that resonate with the integrated model, ultimately impacting patient volume and ensuring a steady stream of demand.

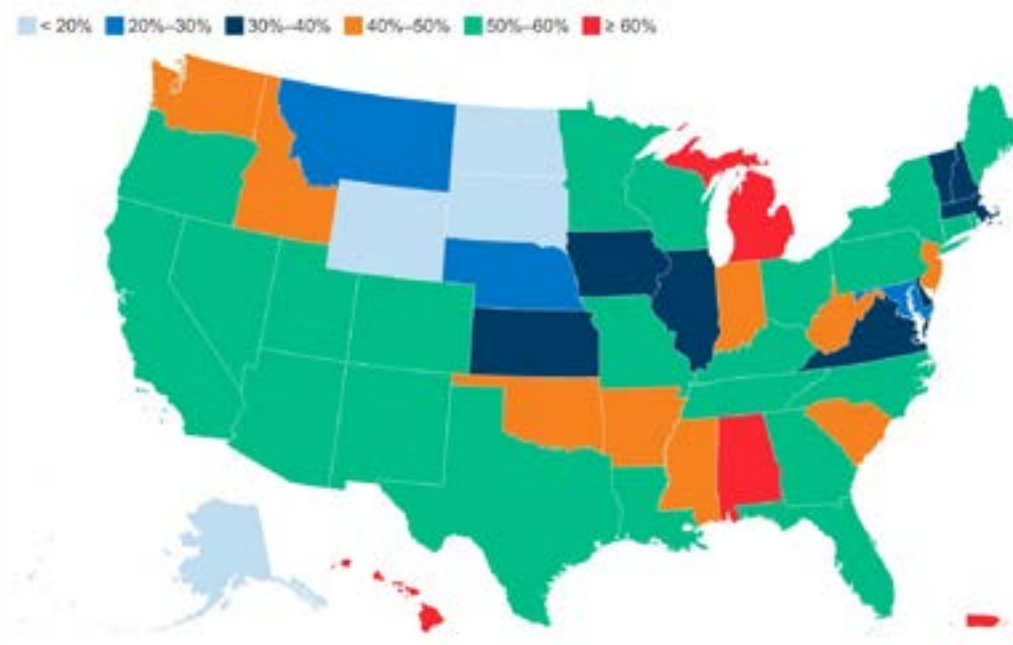
Certain geographical areas, driven by varying oral and healthcare landscapes and local policies, may exhibit a faster adoption of integrated care practices encouraged by HEDIS measures. This regional diversity presents a strategic op-

portunity for the dental supply network to tailor their marketing efforts and services to meet the specific needs and preferences of oral health providers and organizations in those areas, facilitating more targeted and effective engagement with potential clients.

The dental supply network should strategically focus on states with robust Medicare Advantage plans offering generous benefits and high rates of Medicare Advantage penetration. These regions are more likely to be early adopters in the integration of medical and dental care, presenting valuable opportunities for comprehensive oral care solutions.

Top 10 States with Highest Quality Medicare Plans ¹¹	Top 10 States with Highest Medicare Advantage Penetration ¹²
1. Tennessee	1. Alabama (60%)
2. Louisiana	2. Hawaii (60%)
3. Wisconsin	3. Michigan (60%)
4. Pennsylvania	4. Connecticut (59%)
5. Alabama	5. Maine (59%)
6. Michigan	6. Florida (58%)
7. Utah	7. Oregon (57%)
8. Rhode Island	8. Louisiana (56%)
9. Ohio	9. Georgia (56%)
10. South Dakota	10. Rhode Island (56%)

Share of Beneficiaries Enrolled in Medicare Advantage in 2023, by State



NOTE: Includes only Medicare beneficiaries with Part A and B coverage.
SOURCE: KFF analysis of CMS Medicare Advantage Enrollment Files and March Medicare Enrollment Dashboard, 2013 and 2023. KFF

CHAPTER 2 UTILIZATION MANAGEMENT

This section navigates through the nuances of utilization management, exploring how streamlining processes, addressing coordination challenges, and advocating for reforms impact the balance between supply and demand within the integrated health-care model.

 Likelihood	 Implementation Timing	 Industry Impact
High	6-12 Months	Small-Medium

Streamlining Utilization Management Processes: Efficiency in the Supply Chain

Key Take-Aways:

- **Utilization Management will likely affect demand by delaying some procedures and increasing need for others:** Challenges in dental utilization management may introduce pre-appointments or diagnostics, potentially overwhelming the dental supply chain with orders for materials and equipment. Additionally, support for inclusive measures in prior authorization processes from the ADA and American Academy of Pediatric Dentistry may lead to increased demand for dental supplies, testing or imaging and requiring adjustments in the dental supply chain.
- **Prior authorization impact on elective procedures will make demand forecasting more challenging:** Similar to elective medical procedures, prior authorization processes in dentistry could lead to delays in essential den-

tal procedures, reducing demand for dental materials and equipment. Harmonizing utilization and utilization management requires a strategic approach, optimizing the dental supply chain alongside patient-centric care.

- **Robust communication channels for utilization management coordination will be needed to help the supply chain run more smoothly:** Coordination challenges in utilization management impact timely approval of procedures, emphasizing the need for robust communication channels. Efficient communication reduces delays, ensuring a smooth workflow, and optimizes resource allocation in the dental supply chain.

Understanding the current state of utilization management is akin to assessing the efficiency of the supply chain within integrated practices. A thorough evalua-

tion identifies bottlenecks, inefficiencies, and areas for improvement. Streamlining utilization management processes ensures that the supply of approvals for procedures, whether for medical or dental necessities, aligns seamlessly with the demand generated by patient needs.

Utilization management practices may introduce the need for additional pre-appointments or diagnostics, potentially creating a strain on both patients and the dental supply chain. Unnecessary utilization could result in overburdened supply channels with an influx of orders for materials and equipment, echoing concerns seen in the medical field. This, in turn, may lead to delays in procurement, affecting the overall workflow of dental practices and demand for dental products and services. Moreover, patients might defer essential dental care if the paperwork burden of getting care paid for by insurance is too cumbersome or resource-intensive, a trend reflected by the American Medical Association where 80% of physicians reported patients abandoning treatment due to struggles with prior authorizations.¹³

The American Dental Association (ADA) and American Academy of Pediatric Dentistry have responded to a proposed rule from the Centers for Medicare & Medicaid Services (CMS), emphasizing the need to consider the unique needs of dental practices in efforts to improve the prior authorization process and promote interoperability. In their joint comments, they commended CMS for streamlining the prior authorization process but urged inclusivity of dental plans, recognition of dental data challenges, support for Health Level Seven International (HL7) Fast Healthcare Interoperability Resour-

es (FHIR) APIs for dental, endorsement of “gold carding” programs for prior authorization, and thorough testing of recommended implementation guides for dental data standards.¹⁴ HL7 FHIR APIs for dental are a set of standards and protocols developed by HL7 specifically tailored to the dental domain. FHIR is designed to facilitate the exchange of healthcare information electronically, allowing different dental systems and applications to communicate and share data seamlessly. These APIs enable interoperability between dental software, electronic health records (EHRs), dental practice management systems, and other healthcare IT systems, thereby improving coordination of care, data sharing, and workflow efficiency within the dental industry. Gold carding programs for prior authorization may involve streamlining the authorization process for oral healthcare professionals who have consistently demonstrated adherence to established guidelines, quality standards, or outcomes metrics. These programs may offer certain providers expedited or simplified prior authorization procedures for specific services or procedures, reducing administrative burden and accelerating access to care for patients.

Both of these initiatives are aimed at enhancing access to and the delivery of quality oral healthcare by reducing administrative burdens and facilitating expedited approval for necessary services and procedures. For the dental supply chain, the support for inclusive measures may lead to increased demand for dental supplies from stand-alone dental plans and necessitate adjustments in the dental supply chain to align with evolving data exchange and interoperability standards. Additionally, their endorsement of “gold

carding” programs for prior authorization and concerns about recommended standards for Application Program Interfaces may influence the efficiency of dental practices, shaping procurement patterns and impacting regulatory requirements.¹⁵

Furthermore, the impact of prior authorization on elective medical procedures like hip and knee replacements is notable, causing delays in patient care and potentially affecting the supply chain for medical devices and materials associated with these surgeries. The bureaucratic nature of prior authorization processes often leads to postponed surgeries and, subsequently, reduced demand for orthopedic implants and related supplies despite their necessity.¹⁶ Drawing a parallel in the dental domain, when considering endodontic and periodontal treatments, the implementation of similar prior authorization requirements could have a parallel effect on the dental supply chain. Delays in authorizing essential dental procedures may lead to reduced demand for dental materials and equipment.

Coordination challenges often manifest in utilization management, impacting the timely approval of procedures. Effective utilization management goes beyond mere communication; it encompasses a range of strategies to optimize resource allocation and enhance operational efficiency. The dental supply network can employ various approaches such as defining clear performance metrics and contractual agreements with oral health professionals, ensuring efficient inventory management and demand forecasting. Supplier development programs aimed at enhancing the dental supply network’s capabilities and efficiency, along with technology integration to streamline

communication and coordination, can further bolster utilization management.

Continuous performance reviews and risk-sharing agreements can also play a vital role in aligning interests and driving efficiency gains in the dental supply chain. Risk-sharing agreements (RSAs), also known as value-based agreements or managed entry agreements, are contracts between payers (such as insurance companies or government health agencies) and supply network members. These agreements aim to mitigate the risks associated with including high-cost treatments on reimbursement lists and healthcare plans by providing a framework for sharing the financial consequences of uncertainty regarding the real-world effectiveness and value of these treatments. For example, in a RSA between a dental supply network member and an insurer, reimbursement for a new type of dental implant is tied to performance metrics such as survival rate and complication rates over a specified period. If the implants meet predetermined benchmarks, the supplier receives full reimbursement; otherwise, adjustments or penalties apply. Both parties collaborate on data collection and monitoring, with mechanisms for sharing financial risks if outcomes deviate from expectations. This shared responsibility and flexibility in reimbursement terms ensure alignment with value-based care principles while promoting access to innovative treatments for patients.

By leveraging these alternative methods alongside effective communication and risk mitigation, the dental supply network can maximize the utilization of supplies, optimize costs, and improve overall operational performance.

Advocacy for Reforms and Impact on Demand

Key Take-Aways:

- **New legislation will accelerate prior approvals and the need for a responsive supply network:** The 2026 prior authorization rule mandates faster responses, revolutionizing care decision-making that may require the dental supply network to adapt to more rapid and real-time deployment of products. Additionally, greater transparency in prior authorization data reporting could lead to a loosening of prior authorization requirements in the long run, fostering increased demand for services.

Reforming prior authorization processes is a strategic move with implications for both supply and demand. Streamlining these processes expedites the approval for procedures, especially those deemed higher end. Advocating for regulatory reforms in prior authorization becomes a proactive approach to ensure that the demand for such procedures is met promptly, positively impacting the supply chain's ability to meeting patient needs.

Starting in 2026, a groundbreaking prior authorization rule will shift the landscape of healthcare administration, particularly within Medicare Advantage plans, Medicaid, and the Children's Health Insurance Program (CHIP).¹⁷ This transformative regulation mandates that responses to non-urgent requests must be provided no later than seven calendar days. The real-time connection requirement and faster turnaround time imposed on government-sponsored programs will force health plans to either improve their throughput in some cases or eliminate utilization management in other cases. CMS is raising the cost of utilization man-

agement while asking for faster execution and imposing penalties for mistakes, prompting health plans to prioritize quality management for essential services like MRIs while potentially scaling back on less costly procedures such as caries treatments.

On the other hand, in the event of dental and medical integration, the dental supply network will need to brace for more rapid and real-time deployment of their products. Additionally, as more data becomes reportable, an uptick in denials may occur, prompting investigations and reports. Paradoxically, this could eventually lead to a loosening of prior authorization requirements in the long run, fostering increased demand for services. To mitigate this, the dental supply network should prioritize the augmentation of safety stocks for both manufacturers and distributors, which proves instrumental in enhancing responsiveness to demand fluctuations, ensuring seamless availability of essential products, and fostering greater reliability in fulfilling customer needs. While the impact is likely to be small initially, the long-term effects could significantly shape the future of dental care resource development and distribution.

In conclusion, this chapter unveils the critical role of utilization management in maintaining a delicate balance between supply and demand within integrated medical and dental practices. From streamlining processes to addressing coordination challenges and advocating for reforms, each aspect contributes to an efficient healthcare system where the equilibrium between supply and demand is finely tuned to meet patient needs.

CHAPTER 3 FINANCIAL MANAGEMENT

This section explores the dynamics governing financial management and revenue cycle efficiency within the dental supply network. Today, the revenue cycle and risk management processes of medical care provider and the dental supply network are mostly separate. Generally, medical providers are in separate organizations and oral healthcare providers are separate from medical practices, even in multi-specialty group practices. Similarly, insurers are mostly paying through separate organizations. While there is currently little incentive for alignment or merging, as medical dental integration progresses, the revenue cycle and risk management processes of medical care providers and the dental supply network will likely coalesce to some degree. The optimization of revenue cycle management ensures fluidity and precision in financial transactions, thereby minimizing administrative costs, and increasing the fiscal health of the entire network.

		
Likelihood	Implementation Timing	Industry Impact
High	36+ Months	Large

Implementing Cost-Effective Financial Management Practices

Key Take-Aways:

- **MDI impact on the dental supply network from a financial management perspective will likely include:**
 - » Intensified competition in contract negotiations – this may require more creative negotiating strategies or walking away from some contracts if prices are below sustainable rates.
 - » Regulatory scrutiny, compliance burdens, and pricing adjustments that may impact efficiency.
 - » An emphasis on product quality, innovation, and strategic collaborations for market sustainability

that may require additional investments.

- » Investment in current relationships – strong relationships provide greater stability when there are moments of increased competition.
- **Opportunities may emerge for new innovations to facilitate delivery of dental care in non-traditional settings by lower-level operators.**

Whether a care provider or dental supply network member, strategic vendor negotiation strategies play a pivotal role, leveraging market insights and supplier capabilities to secure favorable pricing terms

and reliable contractual arrangements. These not only drive down procurement costs but also guarantee the quality and consistency of essential supplies, vital for maintaining patient care standards and competitive pricing. While some of these strategies are being selectively used already, more wide-spread use of a mix may be needed going forward:

1. **Tiered Pricing Structures:** The dental supply network can offer tiered pricing structures based on the volume of goods or services purchased by a provider organization. This approach incentivizes larger orders by providing discounted pricing for higher quantities, encouraging customers to increase their purchases. In many cases these larger orders can be fulfilled more efficiently than smaller ones with savings being passed on to the purchaser.
2. **Contract Duration:** The dental supply network may propose long-term contracts to secure a steady stream of business over an extended period of time. This provides stability and predictability for raw materials procurement, production, and planning, allowing for more efficient resource allocation and competitive pricing.
3. **Flexible Payment Options:** The dental supply network may negotiate flexible payment terms with customers to accommodate their cash flow needs. This could include offering extended payment periods or providing discounts for early payments, providing customers with financial flexibility while ensuring the supplier receives timely payments.
4. **Quality Assurance Measures:** The dental supply network can highlight their commitment to quality by implementing quality assurance measures

within contractual agreements. This may involve demonstrating adherence to both medical and dental industry standards, providing enhanced warranties or guarantees on products or services, and highlighting quality control processes.

Implementing dynamic inventory management systems enable real-time monitoring of stock levels and demand patterns. In a dynamic pricing scenario, members of the dental supply network may implement a pricing model, as done in the travel industry among others, that adjusts in real-time based on factors such as demand, market conditions, and customer behavior. For example, algorithms may be used to dynamically adjust prices according to changes in demand patterns, competitor pricing, or inventory levels. This approach allows the supplier to optimize pricing to maximize revenue and profitability while remaining responsive to market dynamics. In the pharmaceutical space, Mark Cuban's Cost Plus Drug company (CPD) has reshaped the generic pharmaceutical pricing landscape through dynamic pricing strategies, characterized by transparent pricing models and an extensive medication portfolio that has nearly doubled.¹⁸ CPD's approach ensures patients have direct access to significantly lower prices, particularly for those on high deductible plans.¹⁹ By collaborating with pharmacies and insurers, CPD streamlines access to medications with options for reimbursement and deductible coverage, further enhancing its dynamic pricing model. Furthermore, Cuban has announced plans to establish a manufacturing facility aimed at addressing FDA-listed drug shortages, further exemplifying CPD's approach to dynamic pricing and accessibility.²⁰ In contrast,

traditional pharmacy benefit managers' pricing models may lack direct cost-savings benefits observed with CPD, highlighting the disruptive impact of dynamic pricing in the pharmaceutical market.

In light of administrative pressures exerted by healthcare systems and MDI, the emerging analytical tools designed for examining supply chain costs promise enhanced pricing transparency, thereby prompting consumer demand for marketplaces akin to Amazon Clinic for real-time supply sourcing.^{21,22} Regarding competitive bid pricing, it's important to acknowledge that not all durable medical equipment (DME) or supplies will be encompassed. Moreover, within the dental supply network, dynamic pricing from input suppliers may prevail, necessitating its consideration in competitive bidding pricing strategies.

In a non-dynamic pricing scenario, which is predominant right now, members of the dental supply network maintain fixed prices for their products or services over a specified period. These prices may remain unchanged regardless of fluctuations in demand, market conditions, or competitive pressures. This approach may not reflect the true value of the products or services in a dynamic market environment.

For the dental supply network, relying on non-dynamic pricing may have several costs and drawbacks:

1. **Missed Revenue Opportunities:** Without the ability to adjust prices in response to changes in demand or market conditions, the dental supply network may miss out on revenue opportunities during periods of high demand or when competitors adjust their pricing strategies.

2. **Reduced Competitiveness:** Fixed pricing may make the dental supply network less competitive compared to other suppliers who offer dynamic pricing. Customers may be drawn to competitors who can offer more competitive prices based on their specific needs and purchasing behavior.
3. **Inventory Management Challenges:** Fixed pricing may lead to challenges in inventory management, particularly if demand for certain products fluctuates. The dental supply network may struggle to optimize inventory levels and may experience excess inventory or stockouts, leading to inefficiencies and potential revenue loss.

In the medical technology field, several practices address the landscape of reimbursement and supply chain dynamics. One approach, that could be expanded in the medical dental integration process, has been the implementation of the durable medical equipment, prosthetic devices, prosthetics, orthotics, and supplies (DMEPOS) Competitive Bidding Program (CBP), which was created by CMS and aimed at leveraging market competition to set Medicare and Medicaid payment rates for durable medical equipment and supplies.²³ In this scenario, providers participating in Medicare must follow CMS guidelines and regulations, which includes the use of specific CMS-approved devices or equipment for Medicare patients.²⁴ This initiative drove down costs for beneficiaries by introducing a competitive pricing mechanism. The implementation of the DMPEOS CBP involved several key steps²⁵:

1. **Identification of Competitive Bidding Areas:** CMS identified geographic areas where the competitive bidding program would be implemented.

These areas were selected based on factors such as population density, supplier capacity, and historical payment data.

2. **Supplier Registration and Qualification:** Suppliers interested in participating in the competitive bidding program must register with CMS and meet certain eligibility criteria. This includes obtaining necessary state licenses, accreditation, and meeting quality standards set by CMS.
3. **Bid Submission:** Registered suppliers submit bids for specific DMEPOS items within the designated competitive bidding areas. Bids include proposed prices for the items, which suppliers commit to charge if awarded a contract. Suppliers may also provide information about their capacity to furnish the items and other relevant qualifications.
4. **Bid Evaluation:** CMS evaluates the bids submitted by suppliers based on price and other factors, such as capacity, quality standards, and supplier performance. Bids are compared against established pricing benchmarks to determine whether they offer savings relative to the current fee schedule rates.

In response to the DMEPOS CBP, medical device manufacturers had provided several points of feedback to CMS on various aspects of the program. Some medical device manufacturers have expressed concerns about the impact of competitive bidding on beneficiary access to quality DMEPOS items and services.²⁶ They argue that the program may limit beneficiary choice and access to innovative products. Others have raised concerns about the pricing reimbursement rates set by CMS under the competitive

bidding program.²⁷ Manufacturers have argued that the bidding processes does not adequately reflect the true cost of manufacturing and providing DMEPOS items, leading to reduced reimbursement rates and financial challenges for suppliers. Lastly, manufacturers have provided feedback on the administrative burden associated with participating in the competitive bidding program, including the complexity of the bidding process, compliance requirements, and ongoing reporting and monitoring obligations.²⁸

Despite these concerns, the Office of Inspector General (OIG) has maintained strict regulation for the bidding process. OIG conducted an audit to assess whether or not CMS followed proper procedures in selecting DMEPOS suppliers, calculating payment amounts, and monitoring suppliers to ensure transparency, fairness, and efficiency in the bidding processes, protecting Medicare funds and ensuring quality for beneficiaries.²⁹ The audit found that CMS generally followed procedures for selecting suppliers for Medicare's DMEPOS program, but in some instances, they did not consistently adhere to these procedures, affecting a few suppliers and payments – 6 out of 225 weren't selected according to procedures, resulting in minor overpayments.³⁰ These issues included awarding contracts without proper documentation or licenses, or failed to monitor suppliers who didn't maintain required licenses. OIG recommended actions to ensure compliance, which CMS agreed to implement, including consisting application of procedures and a monitoring system for suppliers' licenses.³¹ Therefore, the dental supply network should familiarize themselves with the DMEPOS program to ensure adherence to CMS guidelines and

regulations for Medicare patients, which may include the use of specific CMS-approved devices, equipment and/or services when considering registering and qualifying as suppliers under CBP.

However, challenges persist with non-CBP DMEPOS products, which continue to account for a substantial portion of Medicare expenditures. To mitigate these challenges, policy makers have proposed strategies such as expanding CBP to include additional products and strengthening participation and billing rules to safeguard beneficiary interests.³² Furthermore, attention has been directed towards addressing the potential risks associated with physician-owned distributors (PODs), which have been identified as potentially distorting the supply chain and increasing costs through physician self-referral practices.³³

Efforts to revise regulations like the Stark Law, a U.S. federal statute that prohibits physicians from referring Medicare or Medicaid patients to receive certain designated health services from entities with which the physician or their immediate family members have a financial relationship³⁴, and enhance transparency through programs like Open Payments (formerly known as the Sunshine Act), a U.S. federal initiative that requires pharmaceutical, medical device, and biological manufacturers to report payments and other transfers of value made to physicians and teaching hospitals, aiming to increase transparency regarding financial relationships between healthcare professionals and industry³⁵, are aimed at promoting accountability and mitigating conflicts of interest in the medical technology sector.

In the realm of medicine, the Stark Law

has significant implications for physicians, hospitals, and other health care entities. For example, it prohibits physicians from referring patients for services like clinical laboratory services, physical therapy, and radiology to entities in which they have financial interest. Violations of the Stark Law can result in severe penalties, including monetary fines and exclusion from federal healthcare programs. While the Stark Law primarily applies to physicians and medical services, its principles could potentially be extended to the oral healthcare field as well, particularly under MDI, though they are not currently explicitly listed. Oral healthcare professionals often engage in similar business arrangements, such as owning or investing in diagnostic imaging centers or dental laboratories, which could raise concerns about self-referral and financial incentives impacting patient care. In the event of MDI, if a dental supplier were to have an investment in a provider and CMS has ruled to follow compliance outlined in the medical space, the supplier could potentially be subject to the penalties stated above. At this point in time, it is unclear where direction regulation would go within MDI and how it would be implemented – CMS has historically been open to various interpretations of regulations. However, in general, one would expect one of two potential pathways:

- Option 1: The Stark Law would apply to dental as dental care is integrated into becoming a part of overall health.
- Option 2: There is regulatory silence where nothing explicitly bans ownership structures, nor does it explicitly permit them.

In MDI, the Stark Law may require increased demand for transparency, documentation, and compliance with regu-

latory standards from the dental supply network. Medical and oral healthcare professionals may adjust their referral patterns or business relationships, altering demand for specific products or services, leading to fluctuations in sales volume or changes in contractual agreements. To avoid the risk of monetary penalties and/or exclusion from federal healthcare programs, the dental supply network should implement transparent pricing structures, providing documentation of fair market value for services rendered and exercise due diligence when forming contractual arrangement.

For Open Payments, pharmaceutical, medical device, and biological manufacturers are required to disclose various types of payments and transfers of value made to physicians and teaching hospitals. These include consulting fees, speaker fees, research funding, travel and accommodation reimbursements, gifts and entertainment, royalties, and licensing fees, as well as ownership or investment interests held by healthcare professionals.³⁶ These disclosures are reported annually to CMS and are intended to increase transparency regarding financial relationships, made publicly available through the Open Payments database. In the medical device industry, a French medical device manufacturer, Medicea International, and its U.S. affiliate, Medicea USA, Inc. were found in violation of the Open Payments program for failing to report giving items such as meals, drinks, entertainment, and travel expenses to doctors in exchange for buying their spinal devices.³⁷ As a result, Medicea had to pay \$1 million to the government for the violation.³⁸

Furthermore, at Memorial Sloan Kettering

Cancer Center, top officials were found to have repeatedly violated conflict-of-interest policies, prioritizing profits over research and patient care.³⁹ An external review revealed inadequate oversight and a lack of established protocols. In response, the cancer center announced extensive policy overhauls, including public disclosure of ties to corporations and limits on outside work. These policies include measures such as public disclosure of financial interests, limits on outside work, creation of a board committee to oversee conflicts, and regular audits for compliance.⁴⁰ Although no financial fines were officially disclosed, the measures implemented were aimed at evading regulatory scrutiny, which has the potential to levy significant penalties. Moreover, the reputation of Memorial Sloan Kettering and academic medicine in general suffered, as individuals trust in the impartiality of science and expect study outcomes to remain uninfluenced by financial interests. In the world of MDI, the dental supply network would need to ensure that all financial transactions and transfers of value to oral healthcare professionals are accurately documented and reported to avoid being byproducts of events like that seen at Memorial Sloan Kettering.

The implementation of more rigorous financial management protocols has profound implications for supply network operating in this sector:

1. Supply network participators in competitive bidding programs like the CBP encounter intensified market competition, necessitating a strategic approach to cost management and operational efficiency. They must bid competitively while upholding quality standards, requiring the careful balancing of costs and revenue to re-

main viable in the market. Moreover, the suppliers of products excluded from such programs face challenges navigating reimbursement structures based on outdated pricing data, potentially impacting their profitability and market positioning.

2. The heightened regulatory scrutiny surrounding supplier-medical professionals, particularly concerning PODs, imposes significant compliance burdens. The supply network must navigate regulations like the Stark Law and adhere to reporting requirements under initiatives like Open Payments. Ensuring compliance entails dedicating additional resources to administrative and operational tasks, potentially impacting overall efficiency and profitability.
3. The evolving landscape of reimbursement and regulation necessitates adjustments to pricing strategies. The supply network must respond to changes in reimbursement policies, competitive dynamics, and market demands by adapting their pricing models and product offerings to maintain competitiveness and sustain market share.
4. The supply network is also incentivized to prioritize product quality and invest in innovation. Ensuring high product quality not only fosters a positive reputation in the market but also attracts healthcare professionals and patients, crucial for sustained success. Innovation allows for the dental supply network to differentiate their offerings, outpace competitors, and seize new market opportunities. These foster increased market share and revenue growth, sustaining a robust and competitive market that drives forward the practice of dentist-

ry and facilitates high quality, cost effective oral healthcare.

5. In an integrated medical-dental world, oral healthcare providers must extend their focus beyond traditional dental innovation and consider the patient holistically during visits, making referrals as medical providers would for their patients' oral care needs. By collaborating with medical professionals and adopting broader healthcare technologies, fostering a more holistic approach to innovation and patient care.
6. The supply network may also explore strategic collaborations and partnerships to navigate regulatory complexities and bolster market access. Collaborative efforts with healthcare professionals and technology companies allows the medical technology supply network to address evolving customer needs, regulatory requirements, and competitive pressures more effectively. In response to escalating complexities and the integration of medical and oral healthcare, the dental supply network can strategically leverage specialized firms for outsourcing regulatory affairs and compliance management. By utilizing firms with expertise in drafting regulatory policies and presenting them to decision-makers, dental supply network members can redirect internal resources towards core activities like research and innovation.

Administrative Costs

The financial management practices implemented within the medical technology industry have a profound impact on the supply network, requiring them to navigate challenges related to competition, regulatory compliance, pricing strategies, quality, innovation, and strategic partnerships to thrive in a dynamic and competitive marketplace. The same can be expected as medicine and dentistry integrate.

Examining strategies to reduce administrative costs can lead to efficiencies in paperwork processes and billing/collections systems, streamlining operations, and enhancing overall profitability. These include but are not limited to implementing automated systems for paperwork processes, billing, and other repetitive tasks to reduce manual effort and errors; centralizing administrative functions to eliminate duplicated efforts and streamline processes; converting paper-based processes to digital formats to save time, reduce storage and transmission costs, and enhance accessibility; and outsourcing non-core administrative functions to specialized third-party providers to reduce overhead costs.

By exploring opportunities for margin maximization through product diversification and targeted market expansion,

Leveraging Best Practices of Risk Management

Key Take-Aways:

- **Strategic Risk Management for Dental Supply Network:** Given inherent business risks of potential MDI, an evaluation of the risk management methodology used can aid financial resilience and operational stability.

dental supply network members can unlock new avenues for growth and revenue generation. In MDI, this may involve developing new products tailored for medical settings, such as specialized equipment and supplies for surgeries or dental procedures performed in conjunction with medical treatments. Once the channel via MDI is developed into the similar, but much larger medical organizations, there may be expanded opportunities for market growth and penetration. Additionally, the dental supply network can expand into related healthcare sectors by targeting hospitals and outpatient surgery centers and forming collaborations with medical device manufacturers. Geographic expansion efforts can focus on regions with high demand for integrated medical and dental services, as outlined in Chapter 1 of this manual.

By embracing innovation and strategic adaptation, dental supply network entities can position themselves to thrive amidst industry shifts. For instance, catering to emerging trends such as the delivery of dental care in non-traditional settings by lower-level operators presents opportunities to tap into new markets and enhance their competitive edge, ultimately ensuring long-term success in an evolving integrated care landscape.⁴¹

A comprehensive risk assessment framework, supported by data analytics, will help identify and prioritize risks to anticipation of potential disruptions and vulnerabilities. Under MDI, oral healthcare providers have the potential to integrate into larger

organizations where dental care is just one facet. Contracting with these entities may lead to extended sales cycles because while smaller organizations offer flexibility, larger ones typically operate with more systematic processes, resulting in increased cash flow opportunities.

- **Adapting Contracts and Diversifying Supply:** Contract adjustments may be needed to accommodate integrated services' unique demands and mitigate risks from fluctuating patient volumes and reimbursement rates. Diversification of offerings to include related medical and dental products and services minimizes risks and expands opportunity.
- **Further consideration for the dental supply network includes:**
 - » Longer-term contracts and risk transfer mechanisms like insurance protection may mitigate risk against unforeseen event liabilities.
 - » Tiered pricing structures and longer-term contracts provide flexibility, stability, and predictability, mitigating risks associated with inflation and logistic costs.
 - » Locking in escalators tied to economic indicators safeguards against margin erosion over time.

The strategic application of risk management methodologies helps create financial resilience and operational stability of the dental supply network, particularly in the context of medical-dental integration. Given the complexities introduced by medical-dental integration, a comprehensive risk assessment framework is essential to identify and prioritize risks specific to the new care model environment. Supported by robust data analytics and scenario modeling techniques, risk

assessment frameworks can enable the dental supply network to anticipate potential disruptions and vulnerabilities.

The dental supply network will benefit from reconsidering contracts as MDI unfolds. Pricing models should shift to accommodate the additional demand for products and services triggered by additional individuals being enrolled in dental insurance. Negotiating longer-term contracts and incorporating mechanisms to address long term inflation and logistic costs become imperative to ensure financial stability. Contractual risk transfer mechanisms, such as insurance, performance guarantees, and indemnification clauses, play a crucial role in redistributing risks inherent in the integrated care model. These mechanisms provide safeguards against liabilities arising from regulatory compliance issues, malpractice, and other unforeseen events, thereby safeguarding the financial interests of the dental supply network.

It will be critical for the dental supply network to continue to diversify sourcing to mitigate dependencies on single sourcing and enhance resilience against disruptions. By expanding offerings to include products and services supporting medical and dental needs that are related to one another, the supply network can better minimize supply risks. In MDI, more oral healthcare professionals are likely to expand their services to include medical aspects such as wellness checks, sleep apnea treatment, screening for certain cancers, and/or management of conditions like diabetes that impact and are impacted by oral health. There will be a higher demand for a wider range of dental supplies and equipment. Furthermore, procedures may become more complex

and require a broader array of specialized tools and materials. For example, an oral healthcare practice offering diabetes monitoring/management may need testing instruments and supplies like blood glucose meters and strips traditionally used in medical settings. Relying on a single source of dental supplies can pose risks in case of disruptions such as supply chain issues – by expanding offerings to include services that cater to both medical and oral needs, the dental supply network can better align with the evolving needs of integrated practices. This not only minimizes supply risks but ensures that practices have access to a comprehensive range of products necessary for providing high-quality care to patients.

Furthermore, business continuity planning is another important facet for the dental supply network as seamless integration of care is essential for patients. Proactive measures, including identifying alternative sourcing options and establishing redundant supply chains, are imperative to ensure uninterrupted supply of essential products and services during emergencies. With trends of vertical integration and increased demand due to influxes of patient volume, the dental supply network must also recalibrate their approaches to pricing and contract terms to mitigate risks associated with inflation and logistic costs. Implementing tiered pricing structures allows for greater flexibility in accommodating fluctuating demand levels while ensuring fair and sustainable pricing models.⁴² Furthermore, transitioning towards longer-term contracts provides stability and predictability, shielding both the supply network and purchasers from sudden market fluctuations. Locking in escalators tied to key economic indicators such as inflation

helps to mitigate the erosion of margins over time, thereby safeguarding against financial uncertainties.

By institutionalizing a culture of risk awareness and proactive risk management, supply network participants can navigate the volatile and unpredictable landscape of modern business with confidence and agility, ensuring sustained value creation and long-term viability. In particular as it comes to MDI and potential vertical integration of customers, the demands of the consumer may require incorporation of more onerous service level agreements (SLAs) into supply contracts or quality assessments to maintain business due to the shifts in the regulatory environment and potential changes in volume. It's important to review current SLAs and understand current compliance metrics and to stress test current and potential new measures to ensure service delivery. Recent examples of security breaches, like Change Healthcare⁴³ and several other healthcare companies, show the fragility of the supply system and how customers will continue to demand higher service levels.

Similarly, as the demands change in contracts with customers, the dental supply network will also need to evaluate its sourcing and procurement contracts to ensure end to end commitments can be met. SLAs serve as specific benchmarks for performance, responses times, and quality standards.⁴⁴ By regularly evaluating the SLAs with their suppliers and customers, the dental supply network can effectively mitigate risks associated with quality fluctuations, delivery delays, or service disruptions. This proactive approach enables members to anticipate potential risks and take preemptive mea-

asures to address them, minimizing the impact on operations and maintaining customer satisfaction. Furthermore, SLAs provide a framework for continuous monitoring and evaluation, allowing supply network participants to identify and rectify potential issues promptly fostering transparency and accountability.

Revenue Cycle Management Efficiency & Performance Management

Key Take-Aways:

- **Under MDI, challenges with revenue cycle management in dental practices may lead to financial instability and sub-optimal patient care.** As a result, the relationship between dental practices and the supply network is impacted by the dental practices' focus on upfront patient eligibility verification, aiming to maximize revenue capture and minimize uncompensated care.
- **As seen in other industries that have gone through reform, potential challenges in the supply network, such as reimbursement changes or supply chain difficulties, can lead to pricing fluctuations, affecting the entire revenue cycle.** To combat this, the dental supply network must rely on clear communication and collaboration between dental practices and the supply network to address challenges, maintain transparency, and ensure a resilient and efficient healthcare ecosystem.

revenue loss due to ineligible patients and minimizing administrative burdens on front-end and clinical staff.⁴⁵ By verifying patient eligibility upfront, practices aim to maximize revenue capture and minimize instances of uncompensated care. Verification is important for the dental supply network because it ensures that procedures performed on patients will be reimbursed. Without proper verification, there's a risk of conducting procedures for patients who are not eligible for coverage, leading to potential loss of payment and the need to pursue payment afterward. By confirming eligibility upfront, the network can secure payment in advance, eliminating the need to chase payments later on.

The dental supply network can draw valuable insights from the measures implemented by Benefis Health System in Great Falls Montana, in the event of medical dental integration. By prioritizing standardization, training, interdisciplinary collaboration, and patient-centered approach, Benefis was able to effectively address challenges within its revenue cycle, resulting in improved efficiency, financial outcomes, and patient experience. Similarly, the dental supply network can adopt strategies to streamline process, enhance staff training and establish robust governance mechanisms. This will allow the supply network to mitigate disruptions, optimize billing/collections practices, and ultimately enhance the sustainability and effectiveness of a

For the dental supply network, maintaining a streamlined revenue cycle is crucial not only for financial stability but also for ensuring optimal patient care. A key aspect of this efficiency lies in the intricate relationship between dental practices and the supply network. Dental practices are increasingly implementing stringent measures to scrutinize patient eligibility and ensure timely payments. This process serves dual purposes: mitigating

medical dental integration care model.

In the expansion of provider networks, healthcare professionals have harmonized revenue cycles of hospital and physician practices. Recognizing the challenges posed by process disparities, variable staff expertise, and inconsistent reporting across clinics, Benefis implemented a comprehensive revenue cycle improvement program. This multifaceted initiative focused on standardization, training, and interdisciplinary collaboration, and patient-centered approaches. Strategies included enhancing staff training, optimizing back-end processes tailored to the physician revenue cycle, and standardizing reporting structures.⁴⁶ Oversight was provided by an executive steering committee, emphasizing communication enhancement and barrier removal.⁴⁷ Practice managers were empowered through increased involvement, access to actionable data, and targeted education. The initiative prioritized denials management, billing enhancements, and charge capture optimization.⁴⁸ Additionally, efforts were directed towards physician onboarding and health plan enrollment to mitigate revenue cycle disruptions. Patient experience was central, with extensive training provided to staff for up-front financial conversations and patient assistance. A hybrid coding model was adopted, and billing practices were aligned for consistent expectations and accountability. Enhanced reporting facilitated performance evaluation and physician engagement. This initiative yielded significant financial improvements and qualitative benefits, enhancing staff knowledge, communication, and patient experience.

The heightened focus on revenue cycle

efficiency within dental practices directly impacts the supply network. As practices' revenue model changes due to MDI, they will be re-evaluating their financial processes. They will rely more heavily on efficient and cost-effective procurement of supplies. However, challenges within the supply network, such as potential low reimbursements or difficulties in managing supply chains, can lead to interim pricing fluctuations for these practices. This has downstream impacts on the viability of the business. The dental supply network may face pressure to adjust pricing models to accommodate the evolving needs and constraints of dental practices. These fluctuations can have ripple effects across the entire revenue cycle, impacting profitability and operational efficiency.

Moreover, challenges in revenue cycle management, such as perceived impacts on revenue from government payers like CMS, may create false positives. Dental providers may erroneously attribute revenue fluctuations to payment policies, placing undue pressure on supplier contracts. In this scenario, oral healthcare providers may be disoriented without a clear guide. This can lead to falsely alerting the supply network that the declining revenue is attributed to governmental factors, when in reality the issue lies in inaccurate billing practices. If individuals are unclear about why they aren't receiving their payments, it could lead to misconceptions about being underpaid, prompting potential cost-cutting measures on the supply side. However, the true issue often lies with providers not filing claims correctly, while the supply side remains stable.




This underscores the importance of clear

communication and collaboration between dental practices and the supply network to address concerns and maintain mutually beneficial relationships. As oral healthcare providers become integral parts of expansive medical entities under MDI, the combination brings forth a multitude of benefits. This integration enables increased investment potential, as larger organizations possess greater financial resources and are better positioned to allocate funds towards oral care infrastructure, technology, and personnel. Moreover, by integrating services, organizations can streamline administrative processes, reducing overhead costs and enhancing operational efficiency. This cooperative approach not only facilitates smoother cash flow, but also promotes economies of scale, enabling organizations to negotiate better contracts with the dental supply network. By fostering transparency, adaptability, and collaboration, both parties can ensure continuity of care while fostering a resilient and efficient healthcare ecosystem.

CHAPTER 4

OPTIMIZING BUNDLED PAYMENTS IN THE DENTAL SUPPLY NETWORK

In the evolving landscape of healthcare reimbursement, Value-Based Payment (VBP) models have emerged as promising alternatives to traditional Fee-for-Service (FFS) arrangements. Among these, bundled payments represent a comprehensive approach to financing dental services, offering fixed payments for a defined episode of care. This chapter delves into the intricacies of CMS-based bundled payments within oral health care, examining their complexity, adoption timeline, and the opportunities they present for dental supply networks.

		
Likelihood	Implementation Timing	Industry Impact
Medium	36+ Months	Medium

Optimizing Bundled Payments

Key Take-Aways:

- **Bundled payments, a reimbursement model encompassing various oral health services, will likely continue to gain momentum.** The dental supply network plays a crucial role in the success of bundled payment initiatives by engaging early with dental practices, providing essential diagnostic tools, preventative treatments, and investing in infrastructure.
- **Bundled payment models offer an opportunity for the dental supply network to expand market access** by offering diverse products and services tailored to the evolving needs of medical-dental integrated practices.

Bundled payments, also known as epi-

sode-based payments, involve reimbursing healthcare providers a single, predetermined payment for all services related to a specific treatment or condition.⁴⁹ In oral health care, bundled payments may range from preventive dental services to complex treatments for dental issues requiring multiple procedures and provider involvement. For instance, a preventive bundle may encompass a suite of services aimed at maintaining oral health, including nutritional counseling, fluoride treatments, and routine dental exams and prophylaxis. Conversely, a more intricate bundle might cover comprehensive treatment for a damaged tooth, involving procedures such as root canals, crown placements, and periodontal treatments, coordinated among multiple dental spe-

cialists.

Historically, the adoption of VBP models, including bundled payments, has been a gradual process. For instance, the Center for Medicare and Medicaid Innovation (CMMI) medical VBP models within CMS had taken approximately 5-8 years to gain traction and widespread adoption.⁵⁰ However, advancements in technology and the industry’s increasing momentum towards innovation may expedite the adoption of bundled payment models in oral care and will depend on CMS leadership’s approach in the dental space.

The dental supply network impacts the success of bundled payment initiatives because oral healthcare professionals are paid a set rate applying more price pressure on supply prices. Early engagement and collaboration with dental practices can yield significant opportunities for the network to contribute to the implementation and effectiveness of bundled payment models. The dental supply network can provide essential diagnostic tools and preventative treatments that support early intervention and preventive care measures. This includes technologies for risk assessment, diagnostic imaging equipment, and preventive oral health products.⁵¹ Risk assessment holds significance as it has the potential to stimulate greater supply. When considering reimbursement, there is a possibility of an increase in demand. The supply network must prepare for this shift, as it represents a marketing opportunity for the dental supply network to engage in consultations with providers, as seen with medical device companies. By offering educational insights on regulatory developments, they can enhance the sale of their products to meeting evolving needs. and can offer

education insights on regulatory developments and in turn, bolster the sale of their products to fulfill needs. In the medical device space, the SUPPORT Act regulates in compliance to the Open Payments Program where payments or other transfers of value between drug and medical device manufacturers and providers and teaching hospitals must be reports, including consulting fees, royalties, and research payments.⁵² For more information on the Open Payments Program, please refer to Chapter 3 of this manual.

Furthermore, the dental supply network has the opportunity to invest in infrastructure that enhances the capabilities of dental practices to manage bundled payment arrangements efficiently. This may involve providing software solutions for data management, care coordination platforms, or equipment necessary for comprehensive treatment delivery. While both medical care and oral care have witnessed the gradual build of such requirements over time, the requirement for tracking and reporting data in specific ways by payers is more common in medical care. However, this trend could potentially transition to oral care.

Despite potential reductions in high-acuity cases on a per-patient basis over time, bundled payment models can expand market access to oral health services. Even with the possibility of seeing fewer high-acuity cases per patient in the long term, bundled payment models have the capacity to enhance access to oral health services within the market. This is achieved by increasing the denominator, meaning the total number of patients served. From a risk perspective, when only individuals in immediate need of care are seeking services, there is a risk of adverse

selection in the market. However, by expanding access and availability, the market can create a larger risk pool. This means that by increasing the number of patients served, the likelihood of encountering high-risk cases decreases proportionally. Broadening access to oral health services dilutes the impact of high-risk cases on the overall system, leading to a more stable and sustainable model. The dental supply network can capitalize on this expanded market by offering a wide range of products and services tailored to the evolving needs of medical-dental integrated practices participating in bundled payment arrangements.

Exploring the Integrated Landscape of Diagnostic, Preventative, Restorative, & Various Dental Services in the Supply Chain

Key Take-Aways:

- **The unique opportunity presented by dental and medical bundled payments allows for enhanced care coordination,** breaking down silos, and addressing patients' comprehensive healthcare needs. Collaborative interdisciplinary teams, as seen in the "health commons" approach in New Mexico, demonstrate the success of integrating dental services into primary care settings, improving access to preventive care, and streamlining the referral process for specialized dental expertise. As a result, the dental supply network can see increased demand through the identification of new opportunities to serve the underserved populations.

A comprehensive understanding of the integrated landscape of diagnostic, preventative, restorative, and various dental services is critical for optimizing bundled payments within the supply network. By mapping out the continuum of care and identifying opportunities for service integration and care coordination, organizations can enhance care delivery efficiency, improve patient outcomes, and drive cost savings across the entire care spectrum. From an MDI perspective, this is an opportunity for the dental supply network to consult and understand the needs of

its customers to potentially increase demand in these integrated bundles. For instance, through a mapping exercise, it may be identified that new interventions such as a mobile clinic could better support the community. In this case, the dental supply network can work with the integrated health system to develop a go to market strategy to launch such a program and help procure supplies to build solution to meet this unmet need in the market.

The integration of dental and medical bundled payments presents a unique opportunity to enhance care coordination and improve patient outcomes: oral healthcare identifies issues they can address within the medical space, while medical providers can more effectively communicate oral issues that have a medical impact on the patient. By aligning financial incentives and care delivery models across both medical and dental at the same time and in the same system, organizations can dismantle silos, enhance care coordination, and cater to patients' comprehensive healthcare needs as a whole. The cross collaboration between primary medical care and oral health professionals will be significant in driving patient volume. By having preventative services performed at a lower level, greater access is created, driving an influx of patients and requirement of

larger volumes of supplies. This synergy is exemplified by the innovative approach taken in New Mexico, where new interdisciplinary teams have been established in accessible, community-based sites.⁵³ Here, midlevel medical and oral health-care providers work alongside primary care physicians, operating under the supervision of the medical director of each primary care facility. This collaborative practice allows for seamless integration of dental services into primary care settings, enhancing access to preventive care. Pregnant women, for instance, can receive preventive dental services during prenatal visits, alongside prenatal

examinations. Furthermore, this model facilitates comprehensive care for various patient populations, including young children receiving dental services during scheduled immunizations, close monitoring of dental health for diabetic and cardiac patients, and provision of dental services for uninsured adults.⁵⁴ This approach not only improves access to care but also streamlines the referral process for cases requiring specialized dental expertise, ultimately advancing population health outcomes while bolstering a need for interconnectedness and efficiency within the dental supply network.

Tackling Obstacles & Potential in Unifying Bundled Payment Systems

Key Take-Aways:

- **The implementation of Value-Based Payment (VBP) programs in oral health care poses challenges for the dental supply network.** The lack of data interoperability initially hinders coordination and tracking outcomes, while the limited evidence base in oral health care complicates standardized approaches for quality improvement within VBP programs.
- **Overcoming these challenges is crucial for the dental supply network to thrive and maximize the potential benefits of a VBP model.**

Implementing VBP programs in oral health care presents several potential challenges for the dental supply network. Firstly, the lack of data interoperability in the beginning may pose a significant obstacle in VBP arrangements – the dental supply network will need to coordinate with external providers, and track outcomes and costs.⁵⁵ While it presents as a challenge, data is data, and with adequate investment, it can generally be made interoper-

able. Secondly, the standardization in oral health care complicates efforts to implement approaches necessary for driving quality improvement within VBP programs.⁵⁶ This dearth of evidence-based resources hampers the ability of dental supply network entities to develop and deploy effective strategies for enhancing patient outcomes and reducing costs. Consequently, the dental supply network may face a risk of stagnation and inefficiency in early stages of implementation, as VBP are intricate care models.




To overcome these challenges, the dental supply network can adopt a consultative approach rather than simply acting as a transactional supplier. This means starting with understanding the needs of dental practices and becoming more of a partner in their success. By providing education on products, such as ensuring dentists understand the significance of tools like gloves in infection control, even if they have a higher price point, they may ultimately impact the VBP model. In this role, the dental supply network enhances

overall care quality and patient satisfaction. By emphasizing the importance of products that contribute to VBP standards, the dental supply network can not only ensure compliance but improve patient outcomes. Additionally, the dental supply network should look to offer products that have a patient-centric angle, such as benefits like reduced recovery time. By educating dental practices about these benefits, the supply network helps them make informed decisions that not only benefit their patients but also align with the goals of value-based care, ultimately leading to better overall care quality and patient satisfaction. In turn, the dental supply network will be able to both thrive and maximize the potential benefits of a VBP model.

CHAPTER 5

TECHNOLOGY AND ADAPTING TO CHANGE

This chapter provides a comprehensive examination of the dynamic intersection between technology innovation and resource optimization within the dental supply network. From embracing advanced technologies like AI and machine learning for enhanced diagnostics and resource allocation to electronic health record (EHR) adoption for enhancing care coordination, the dental supply network stands at the forefront of transformation under MDI with opportunity to capitalize on emerging market opportunities by aligning with value-based care initiatives. Value-based care is the practice of designing care so that it focuses on quality, provider performance, and the patient experience.⁵⁷ This approach not only ensures the dental supply network's readiness for MDI but underscores its pivotal role in shaping the future of oral healthcare delivery.

		
Likelihood	Implementation Timing	Industry Impact
High	6-12 Months	Large

Key Take-Aways:

- **Proactive Integration of EHR Systems:** The dental supply network should invest in tailored software development and advocate for interoperability standards to seamlessly integrate EHR systems into integrated practices, ensuring patient privacy and readiness for future mandates.
- **Embrace Technology Innovation for Resource Optimization:** Embracing AI-driven diagnostic tools and predictive analytics enables the dental supply network to enhance accuracy in oral health detection and optimize resource management for smoother inventory control.
- **Leverage Technology for Value-Based Care Market Opportunities:** By fo-

ocusing on products and services that align with value-based care principles, the dental supply network can reduce costs and improve patient satisfaction, ultimately capturing market opportunities and ensuring steady demand for advanced dental products.

The Impact of Targeted Campaigns

Electronic health records (EHRs) have transformed the landscape of healthcare delivery with their ability to improve care coordination, patient engagement, and population health management. As a key tool for delivering care in the digital age, EHRs can assist providers in accurately and efficiently tracking the complete

medical history of patients, aiding in effective diagnoses, and preventing redundancy in tests.

In the medical field, government efforts have played a crucial role in expanding the implementation of electronic health records across the U.S. The 2009 Health Information Technology for Economic and Clinical Health (HITECH) Act and Meaningful Use Program offered incentive payments to physicians, encouraging the transition from paper to digital health records.⁵⁸ To further compliance among physicians, the EHR Incentive Program and the Office of the National Coordinator for Health Information Technology (ONC)'s 21st-Century Cures Act imposed penalties in the form of reduced Medicare reimbursements to providers who failed to implement EHRs with adequate interoperability and information sharing.⁵⁹ These initiatives, alongside a general societal trend towards digitization, have measurable effects: EHR utilization has increased from 28% to 96% of U.S. hospitals from 2011 to 2021.⁶⁰ The government investment was a catalyst for change and MDI might be an opportunity to request funding for transition to a new EHR.

In the medical field, adopting EHR systems has boosted administrative efficiency, streamlined billing processes, improved patient satisfaction, and bolstered record keeping. Yet while legislation has paved the way for increasing EHR utilization in the medical field, the dental field has been slower to widely adopt these changes. Oral healthcare practices have faced unique challenges in adopting EHRs, including limited budgets, fragmented practice structures, and the perception of EHRs as unnecessary.

Despite the challenges, the lag in EHR adoption presents opportunities for the dental supply network to differentiate themselves in a competitive market. By developing user-friendly, interoperable EHR solutions tailored to the specific needs of dental practices while maintaining interoperability with medically focused systems, suppliers can position themselves as leaders in the digital transformation of the dental industry. Moreover, partnering with dental practitioners to address their pain points and streamline workflows can enhance the value proposition of EHR solutions, although it will likely take a government catalyst to move the market dramatically.

However, as MDI becomes a reality, this gap in EHR usage between medical and oral healthcare providers must be addressed to ensure proper care coordination and communication between medical and dental providers. This presents a unique opportunity for the dental supply network to position themselves as leaders in the shift toward digitizing dental records in a way that is interoperable with a broader health record. Not only will this approach ensure familiarity with EHR systems, but it will also provide the dental supply network with market opportunities to offer services currently commonplace in the medical industry that have not yet become widespread in the dental field. By leveraging EHR systems, the dental supply network can pioneer the adoption of telemedicine and telehealth services tailored for dental and integrated practices, enhancing patient access to care and extending services beyond traditional clinic settings. Simultaneously, developing Clinical Decision Support Systems (CDSS) within EHR

platforms enables the dental supply network to offer evidence-based treatment recommendations and preventive care alerts, improving clinical outcomes and operational efficiency. Moreover, by investing in population health management tools designed for oral health, the dental supply network can empower integrated healthcare providers to analyze patient data comprehensively, identify trends, and implement targeted interventions for improved patient outcomes. These innovations not only meet emerging market demands but also position the dental supply network as leaders in advancing integrated care delivery through technology-driven solutions

Dental supply networks can ensure that they meet foreseeable federal mandates by proactively preparing for EHR integration into the dental field. This includes investing in software development, adopting security measures to ensure patient privacy, and advocating for interoperability standards across the medical-dental landscape. Integrated care coalition Kaiser Permanente has implemented a data exchange system that saved them approximately \$1 billion.⁶¹ By staying abreast of emerging trends and leveraging technology to drive innovation, dental suppliers can navigate the transition toward a more integrated and efficient healthcare ecosystem.

As the lines between medical and dental fields blur through MDI, it has become more necessary than ever to integrate patient records and facilitate communication between dental and medical providers about the comprehensive health and well-being of patients. In addition, if practices integrate, there may be some consolidated ordering for the subset of sup-

plies for which there is an overlap, such as gloves, masks, and other infection control products. Although the dental industry has been slower to embrace EHRs, dental supply networks can prepare themselves for the future of dental health by anticipating the trend toward EHR and taking advantage of opportunities to innovate and differentiate themselves within a competitive market. By understanding the evolving landscape of healthcare delivery and proactively addressing the challenges of EHR adoption, dental suppliers can position themselves for success in an MDI world.

Embracing Technology Innovation for Resource Optimization

Advanced technologies play a crucial role in optimizing the resourcing of oral healthcare supplies and services. Artificial Intelligence (AI) and machine learning are revolutionizing diagnostics in oral healthcare and by embracing this technology, the dental supply network can best position themselves to provide their supplies and services in the market. AI and other advanced algorithms can analyze dental x-rays and other imaging data with unprecedented accuracy, identifying early signs of cavities, gum disease, and other oral health issues.⁶² Implementing AI-driven diagnostic tools can enhance accuracy by reducing human error and increasing the precision of diagnosis. Implementing AI-driven diagnostic tools leads to earlier and more precise detection of oral issues, allowing for less invasive and more predictable treatments. This predictability reduces the need for urgent supply adjustments, thereby minimizing disruptions in the dental supply network.

Predictive analytics harnesses data to forecast which patients are at higher risk for oral healthcare issues and assist by providing support for providers making dental care decisions under uncertainty.⁶³ By integrating this technology, the dental supply network can develop tailored preventative care plans based on individual risk profiles, optimizing resource use and reducing the need for urgent, high-demand treatments. This proactive approach minimizes disruptions to the dental supply network by allowing for better planning and inventory management.

Leveraging Technology for Value-Based Care Market Opportunities

Embracing advanced technologies not only enhances patient care but also presents significant market opportunities for the dental supply network, aligning with value-based care initiatives. These innovations can drive growth and efficiency while improving overall dental health outcomes. Wider availability of smart toothbrushes equipped with sensors and Bluetooth connectivity can revolutionize at-home oral care. These devices monitor brushing habits and provide real-time feedback to users, helping them improve their technique.⁶⁴ The dental supply network can shift focus towards producing and distributing affordable smart toothbrushes, leveraging the data collected by these devices to offer personalized recommendations and follow-up care by their dentist. This data can also be used to educate and engage patients, enhancing their commitment to proper oral hygiene practices through connected mobile apps. By aligning with value-based care initiatives, these smart devices can reduce the incidence of oral issues, creating a more predictable and steady demand for dental supplies and services. In-

surers are increasingly using data models and predictive analytics to better understand their members' needs and to improve services. By leveraging big data, insurers can develop new products, target interventions, and enhance preventive care, ultimately reducing costs and improving health outcomes.⁶⁵ For instance, real-time data models and risk-scoring algorithms help identify high-risk members, suggest preventive measures, and detect fraudulent claims, thus optimizing both cost management and care quality.⁶⁶ The adoption of smart devices enables better risk profiling and the creation of simpler, more affordable insurance products. For example, Beam Benefits, a dental insurance company, utilizes data from smart toothbrushes to determine premiums.⁶⁷

Innovative dental materials and products represent another significant area for technology innovation. Wider use of products such as fluoride varnishes, sealants, and specially formulated toothpastes that release calcium, phosphate, and fluoride can prevent cavities more effectively. Additionally, emerging regenerative materials that promote the regeneration of dental tissues can reduce the need for more extensive treatments like fillings and crowns.⁶⁸ The development and distribution of these advanced products can lead to better preventive care and cost savings, aligning with value-based care principles. This focus on prevention not only improves patient outcomes but also ensures a consistent demand for these innovative products, benefiting the dental supply network.

3D printing technology has made significant inroads in dentistry. Custom dental appliances, such as crowns, bridges, and dentures are created more quickly and

cost-effectively using 3D printing compared to traditional methods.⁶⁹ This technology is also being used to produce surgical guides for dental implants and other procedures, increasing precision, reducing surgery times, and improving patient outcomes.⁷⁰ The reduction in the cost of 3D printing is allowing more practices to incorporate this technology in-house, enhancing their capabilities and efficiency. As prices continue to fall, 3D printers are becoming a standard tool, much like computers and monitors are today. In the future, dental practices will likely have 3D printing technology as a fundamental part of their regular operations, revolutionizing how they approach design, prototyping, and customized solutions. By investing in development and improvement of 3D printing capabilities and materials, the dental supply network enhances its offerings and enable oral care providers to provide higher quality care more promptly and proficiently. This capability not only reduces costs but also supports the value-based care model by improving efficiency and patient satisfaction.

Minimally invasive technologies, such as laser dentistry and air abrasion, offer additional opportunities for improving patient care and reducing costs. Laser dentistry can be used for a variety of procedures, including cavity detection, decay removal, and gum disease treatment, with less pain and faster healing times compared to traditional methods.⁷¹ Air abrasion allows for the removal of tooth decay without the need for drills, reducing discomfort and preserving more of the healthy tooth structure.⁷² By adopting these technologies, integrated practices can offer more comfortable and efficient treatments, leading to better patient satisfaction and outcomes. These advancements not only




enhance the patient experience but also align with value-based care initiatives, providing market opportunities for the dental supply network through the consistent demand for advanced, minimally invasive dental products.

Focusing on these and similar innovative technologies can enhance preventive care, improve patient outcomes, and lead to expanded revenue opportunities for the dental supply network and significant cost savings in the oral care provider network. Embracing AI and machine learning, smart dental devices, innovative materials, 3D printing, and minimally invasive technologies will ensure success for the dental supply network under the medical dental integration model and align with the principles of value-based care.

APPENDIX

REGULATORY AND POLICY CONSIDERATIONS

This chapter emphasizes the importance of compliance with regulatory frameworks, the implications of competitive bidding programs, the impact of legislative changes, and strategies for successful integration under medical dental integration (MDI) for the dental supply network.

		
Likelihood	Implementation Timing	Industry Impact
High	6-12 Months	Large

Key Take-Aways:

- Regulatory frameworks and competitive bidding programs are likely to change how some dental products are priced and sourced: Compliance with CMS guidelines similar to the Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Competitive Bidding Program, will likely have the most significant impact. This program ensures cost reduction through competitive pricing, adherence to quality standards, and securing a position in the supply chain for integrated care practices, As a result, expect downward pressure on pricing within the dental supply network.
- Higher administrative burdens and costs due to legislative changes: Expect increased administrative burdens and costs due to stricter oversight and regulations like the Stark Law and the Open Payments Program. The dental supply network will face greater scrutiny, which can lead to higher operating costs as they ensure compliance to prevent conflicts of interest, maintain fair competition, and uphold transparency in financial relationships.
- Opportunities and financial impacts of EHR system integration: Integration of EHR systems may foster cooperation between dental and medical software developers to streamline supply chain logistics. While there may be initial incentives, the financial impact can include increased costs, posing a financial burden on the dental supply network. Despite these challenges, the long-term goal is to achieve more streamlined and efficient operations.
- Impact of HEDIS measures compliance on product development and promotion: Compliance with HEDIS measures will likely influence product development, management, and promotion. This adherence can drive demand for preventive dental care products and improve patient outcomes,

potentially increasing the overall volume for the dental supply network as integrated practices strive to meet these higher standards.

- Need for vigilance in monitoring reimbursement policies: Close monitoring of evolving reimbursement policies is essential. The dental supply network must stay informed about changes in Medicare policies, continually assess their impact on pricing power, and adapt product offerings and solutions accordingly. This vigilance ensures competitiveness and responsiveness to the evolving healthcare needs in the medical-dental integration landscape.

and meet eligibility criteria, including obtaining necessary state licenses, accreditation, and meeting CMS quality standards.

- III. Bid Submission:** Registered suppliers submit bids for specific DMEPOS items within designated areas, committing to charge proposed prices if awarded a contract.
- IV. Bid Evaluation:** CMS evaluates bids based on price, capacity, quality standards, and supplier performance against established pricing benchmarks.

In the medical device field, manufacturers have expressed concerns about the impact of competitive bidding on beneficiary access to quality items, reimbursement rates, and the administrative burden.⁷⁵ The Office Inspector General (OIG) has audited CMS processes to ensure transparency and compliance, recommending improvements to address inconsistencies.⁷⁶

Understanding the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Competitive Bidding Program

The Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP) represents a significant regulatory framework that will likely impact how the dental supply network operates, particularly in the context of medical dental integration as it unfolds. It was created by the Centers for Medicare & Medicaid Services (CMS) to leverage market competition to set payment rates for durable medical equipment and supplies.⁷³ This initiative aimed to reduce costs for beneficiaries through competitive pricing mechanisms.

By participating in the DMEPOS program, the dental supply network can secure Medicare contracts, ensuring that they remain a crucial part of the service and supply chain for integrated care practices that serve Medicare patients. Compliance with DMEPOS standards not only ensures legal and regulatory adherence but also positions the dental supply network as a reliable partner in the integrated healthcare ecosystem, leading to increased business opportunities and improved patient outcomes.

Key Steps in the DMEPOS CBP⁷⁴:

- I. Identification of Competitive Bidding Areas:** CMS identifies geographic areas based on factors like population density, supplier capacity, and historical payment data.
- II. Supplier Registration and Qualification:** Suppliers must register with CMS

The dental supply network needs to ensure adherence to CMS guidelines and regulations for Medicare patients by familiarizing themselves with the DMEPOS program. This involves understanding the

intricacies of the program to maintain compliance and effectively participate in the competitive bidding process. If members of the dental supply network are interested in participating in the DMEPOS program, they must register and qualify by meeting the eligibility criteria and quality standards set by CMS, which include obtaining necessary state licenses and accreditations. Developing com-

petitive pricing strategies is essential for preparing competitive bids while maintain high-quality service standards. Additionally, regular monitoring of compliance with CMS procedures and OIG recommendations is crucial to ensure ongoing adherence to regulatory requirements. For more information on the DMEPOS program, please reference Chapter 3 of this manual.



Source: SuretyBonds.com

Navigating Legislative Changes and Regulatory Frameworks

I. The Stark Law

The Stark Law, officially known as the Physician Self-Referral Law, is a set of federal regulations that aim to prevent conflicts of interest in the medical field. It prohibits physicians from referring Medicare or Medicaid patients to any entity with which they have a financial relation-

ship, unless an exception applies.⁷⁷ The law is designed to ensure that medical decisions are made based on the best interest of the patient rather than the financial gain of the referring physician. This regulation helps maintain integrity in healthcare practices by⁷⁸:

- **Preventing Overutilization of Services:** by restricting referrals based on financial interests, the Stark Law aims to prevent unnecessary medical tests

and procedures that could arise from profit-drive motives.

- **Reducing Healthcare Costs:** by cutting unnecessary services, for which providers have a large financial incentive to order the tests as they are owners of the diagnostics, the Stark Law contributes to reducing overall healthcare costs.
- **Promoting Fair Competition:** Ensuring that referrals are based on patient needs rather than financial relationships help to create a level playing field for all healthcare providers.

II. The Open Payments Program

The Open Payments program, also known as the Sunshine Act, is a transparency initiative implemented by the CMS. It requires manufacturers of drugs, medical services, biologicals, and medical supplies to report payments and other transfers of value to physicians and teaching hospitals. The program aims to⁷⁹:

- **Increase Transparency:** by making financial relationships between healthcare providers and manufacturers public, the open payments program ensures that these relationships are transparent and can be scrutinized.
- **Discourage conflicts of interest via ownership:** Public disclosure of financial ties discourages inappropriate influence on medical decision-making, promoting patient care based on clinical needs rather than financial incentives, which does apply to dentists, but would be more easily enforced in an integrated market.
- **Inform Patients and the Public:** Providing access to information about financial relationships helps patients make informed decisions about their healthcare providers and promotes public trust in the healthcare system.

The Stark Law and the Open Payments program have significant implications for the dental supply network under medical dental integration. Compliance with the Stark Law necessitates that dental suppliers ensure transparent pricing structures, meticulously document fair market value, and exercise due diligence in all contractual arrangements to avoid prohibited financial relationships that could influence referrals. Engagement with the Open Payments program requires the dental supply network to disclose any financial relationships with integrated, oral, and/or medical professionals, promoting transparency and mitigating potential conflicts of interest. This dual compliance framework fosters ethical practices, supports fair competitive, and enhances the trust and integrity of the dental supply network. By adhering to these regulations, the dental supply network can effectively operate in the integrated care field, ensuring that all transactions and referrals prioritize patient care and adhere to federal standards. For more on the Stark Law and the Open Payments program, please reference Chapter 3 of this manual.

Electronic Health Records and Government Initiatives

The adoption of electronic health record (EHR) systems has been significantly incentivized through the Health Information Technology for Economic and Clinical Health (HITECH) act and the Meaningful Use Program. These initiatives are designed to enhance the quality of healthcare delivery by promoting the use of EHR systems. The HITECH Act, enacted as part of the American Recovery and Reinvestment Act of 2009, provides financial incentives to healthcare providers who demonstrate meaningful use of certified EHR technology.⁸⁰ The Meaning-

ful Use Program outlines specific criteria that providers must meet to qualify for these incentives, focusing on the utilization of EHR systems to improve patient care, enhance patient safety, and ensure the privacy and security of health information.⁸¹ Developers may be incentivized to create and optimize EHR systems to improve the quality of care, reduce costs, and streamline processes, as tailoring to the functionality requirements provides control to the developer for the end solution.⁸²

For the dental supply network, the integration of EHR systems through these initiatives means a more streamlined and efficient administrative process. Regulation requiring interoperability of EHR systems enables seamless communication between oral and medical healthcare providers, which is crucial the event of medical-dental integration. Coordinated care through integrated EHR systems can lead to improved health outcomes. Leveraging incentives from the HITECH Act and adhering to Meaningful Use Program standards, the dental supply network can enhance operational efficiency and contribute to higher patient care standards. For the dental supply network, developing interoperable EHR solutions tailored to integrated practices is essential. Collaboration with oral and medical practitioners can streamline workflows and facilitate EHR adoption, improving efficiency. Staying informed about regulatory changes ensures compliance and the ability to adapt practices. For more on EHR systems, please reference Chapter 5 of this manual.

Impact of Healthcare Effectiveness Data and Information Set Measures on Demand

The National Committee for Quality Assurance (NCQA) has introduced new Healthcare Effectiveness Data and Information Set (HEDIS) measures specifically for dental care, including metrics for oral evaluations and topical fluoride applications for children.⁸³ These measures aim to enhance the quality of dental care by setting standardized benchmarks for preventive and routine dental services. For the dental supply network, compliance with these HEDIS measures can significantly impact service utilization and drive increased demand for products and services. By adhering to these measures, integrated practices can improve patient outcomes, foster a higher standard of care, and align with broader healthcare quality initiatives.

This alignment ensures better health through preventive care and positions the dental supply network to meet the growing needs of practices complying with HEDIS standards. Compliance can create opportunities for the dental supply network to collaborate with healthcare providers and insurance companies, promoting integrated care models and supporting the goal of improved healthcare effectiveness and patient satisfaction. In MDI, HEDIS measures significantly impact the dental supply network. These measures influence the frequency of preventive care visits, affecting the demand for screening products and diagnostic tools. The need for specific oral services dictated by HEDIS measures necessitates adaptability and responsiveness from the dental supply network. Uniformity of data is critical in this context. Consistent and standardized data collection and reporting enable seamless communication between dental and medical healthcare providers, ensuring that patient care is

coordinated and comprehensive.

The dental supply network should develop systems that support this uniformity, facilitating accurate tracking and reporting of HEDIS measures to inform supply chain strategies, advocate for compliance to these measures to enhance patient outcomes and stimulate demand and ensuring the dental supply network's capability to meet the escalating demand for preventive and screening products. These actions are imperative for the dental supply network to effectively navigate the landscape of medical dental integration and align with evolving healthcare standards. For more information on HEDIS measures, please reference Chapter 1 of this manual.

The State of Coverage Today

Medicare's recent adjustments in reimbursement for dental care signal a significant shift in recognizing dental health as integral to overall well-being. Historically, dental coverage in traditional Medicare (Parts A&B) has been limited. In the 2023 Medicare Physician Fee Schedule Final Rule, Medicare introduced adjustments in how they reimburse dental care. Previously, for Medicare Part A, patients must be hospitalized and require dental care for medical reasons to receive reimbursement. Between June 2018 to December 2019, merely 186 patients received dental services covered by Medicare under such circumstances.⁸⁴ Additionally, Medicare Part A extended its coverage to hospital admission arising from severe dental disease, a condition affecting an estimated 13,000 older adults annually.⁸⁵ The rule changes increased Medicare's reimbursement for certain dental procedures by approximately 30%, making it more attractive for dental providers to offer

services to Medicare beneficiaries.⁸⁶ This dramatic change is indicative of the way that a Medicare based medical-dental integration can impact the market. Medicare produces a fee schedule annually and changes to that schedule can have a dramatic impact on the economics of the Medicare market, which are less likely in a purely commercial market.

These adjustments reflect a growing recognition of dental care as a part of whole person health within the healthcare system, citing that dental care is "integral to treating a beneficiary's medical condition" in both inpatient and outpatient settings when it comes to insurance coverage.⁸⁷ It is particularly relevant for seniors relying on Medicare, as these rules can influence both the accessibility and cost of dental services for approximately 60 million Medicare beneficiaries.⁸⁸

The impact of legislative changes, exemplified by the Mental Health Parity and Addiction Equity Act (MHPAEA)⁸⁹, underscores the transformative potential of integrating various aspects of healthcare. Lessons from mental health integration can inform strategies for medical and dental care integration, emphasizing the importance of aligning with Medicare adjustments, learning from MHPAEA's successes, and advocating for policies that prioritize holistic health approaches. Understanding these shifts is critical for informed decision-making and maintaining competitiveness in the evolving healthcare landscape.

The dental supply network should adapt product offerings to align with Medicare's emphasis on cost-effectiveness and patient outcomes, staying abreast of changes in Medicare policies and reimburse-

ment rates to adjust business strategies accordingly, and investing in innovation to address evolving healthcare needs effectively. As healthcare systems increasingly recognize the interconnectedness of medical and dental care, the dental supply network's ability to adapt to these changes will be crucial for ensuring continued success in the era of MDI. For more information on the current state of MDI and dental coverage, please reference the Medical Dental Integration: A Market-Based Assessment & Environmental Scan on the DTA website.

Conclusion

In conclusion, the importance of regulatory and access frameworks, such as those governing the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Competitive Bidding Program (DMEPOS CBP), in balancing cost reduction with quality assurance. Compliance with these frameworks, alongside broader regulations ensuring ethical practices and transparency, particularly in the context of MDI, is crucial. Moreover, the adoption of EHR systems and adherence to quality measures like HEDIS metrics play pivotal roles in improving operational efficiency and enhancing access to preventive dental services. Additionally, the evolving reimbursement policies highlight a growing recognition of dental health's integral role in overall well-being, necessitating adaptability within the dental supply network to remain competitive. By navigating these regulatory and access frameworks, embracing technological advancements, and aligning with evolving healthcare policies, the dental supply network can effectively contribute to delivering integrated care, prioritizing patient outcomes and holistic health approaches.

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