

# Managed **DENTAL CARE**

## ¿Dentistry al sur? Chasing ethnic demographics, large dental plans are courting Latinos, engaging in cross-border initiatives

Given the never-ending audits and claims reviews buttressing the insurance industry's culture of caution, anomalies are relatively rare. When they do appear, they tend to command immediate attention.

One such anomaly had been detected by First Dental Health, the San Diego-based dental network management company that operates in California and two other Western states. Data from several of its larger employer groups suggested that some dentists practicing in Mexico were submitting claims from U.S. addresses and getting paid in dollars. The Mexican dentists were accounting for as much as 10% of the groups' claims. Some bent insurance coverage rules by waiving deductibles and copayments.

First Dental decided annexation made more sense than battle. The most highly qualified of the practitioners

eventually became part of a nascent multinational provider network.

In late 2007, First Dental began cobbling together a network of about 20 dentists, mostly in the Tijuana/Tecate area, a sprawling metropolis in Baja California that begins immediately after crossing the border.

"If you're paying someone top dollar to perform these services, you should at least have some oversight," explains **Brian Watts**, First Dental's executive vice president, of the decision to introduce the Mexican dentists into the fold.

**"What we see is lots of American-based companies who employ Spanish-speaking workers who have roots in Mexico and actually prefer to get services there, or have covered family members who are living there."**

—Jeff Album

Although industry observers say cross-border health plans have been active in the dental industry for more than a decade, First Dental is part of a wave of larger payers recognizing a need to cater to the vast and mostly underserved—Latino market. The United States' largest minority is not only utilizing dental services more regularly than in the past, they often access care on both sides of the border.

Another plan that is exploring the Latino market is Delta Dental of California, the nation's largest dental payer. The insurer launched a "Hispanic Initiative" about two years ago to expand its base of Latino enrollees, and recently entered the Puerto Rico market (see the sidebar on p. 3).

Delta Dental of California has created a Spanish-language Web site, television commercials, and other marketing materials. The company is trying to reach not only border regions—one of its affiliates does business in



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**p. 3 Delta Dental of California acquires Puerto Rico plan**

Delta Dental of California has acquired a controlling share in the stand-alone Delta plan in Puerto Rico and will use it as part of its strategy to expand its Hispanic enrollment.

**p. 5 Dental practice data mixed**

Census data suggest that revenue for dental practices is flattening out, but revenue from cosmetics procedures is booming.

**p. 7 Guardian to cover dental whitening**

Guardian Life Insurance Co. will cover cosmetic whitening as part of a plan to guarantee more regular dental care.

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Texas—but those with a heavy concentration of Latinos, such as New York and Florida. For the cross-border market, it has also established about a half-dozen dental offices in Baja California.

“It was almost empirically obvious to us,” says Jeff Album, spokesperson for Delta Dental of California. “Our CEO Gary Radine has said that this was a population that deserved special attention.”

Powerful demographics

Latinos make up the nation’s largest minority. Latinos born outside of the United States tend to eschew regular dental care, says Richard Tovar, CEO of Amexus Mexico, a Southern California firm that specializes in creating cross-border dental networks.

Latinos have a lower rate of accessing preventive dental care, says Tovar. “This is especially true with first-generation Latinos because they’re not acclimated; unlike the second or third generation, where we see a higher utilization of preventive procedures,” he says. “One of the biggest projects or obstacles for all of these plans is changing this mind-set in terms of incorporating preventive measures.”

Data tend to bear this out to some extent. According to the Centers for Disease Control and Prevention, the percentage of Mexican-American adolescents who had never visited the dentist shrunk by one-third between the late 1980s and 2004. Among children aged 2–11,

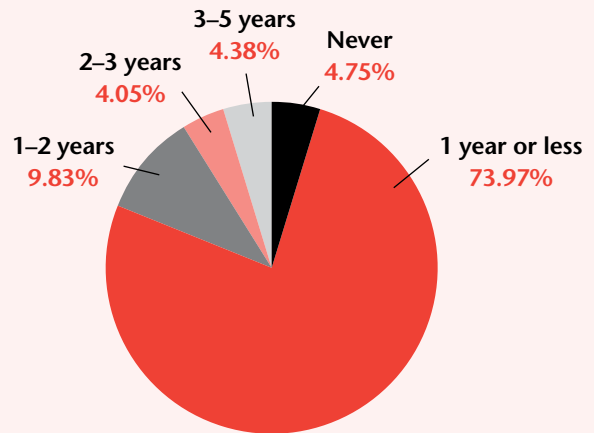
the percentage shrunk by more than one-quarter, suggesting that offspring of later generations are receiving more consistent dental care. However, Mexican-American adults showed a decline in dental visits during the same period.

According to a 2004 article in the Journal of the American Dental Association, “Clearly, the pattern of dental visits among Hispanics will have an increasing impact on the overall level of dental visits in the United States.”

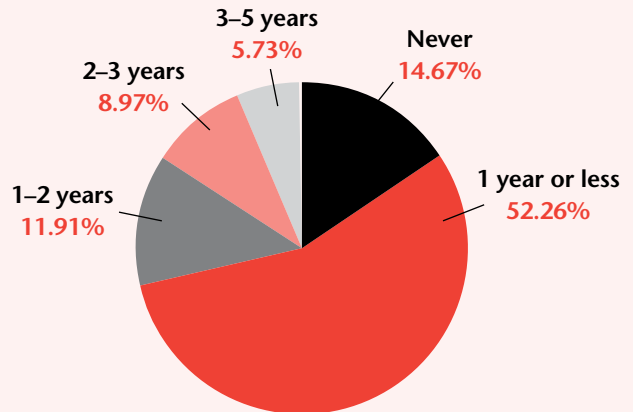
Given the growing population of Latinos—expected to approach 100 million by mid-century—and a sizable

Time since last dental visit, 12–19 years of age, 1988–1994

Overall population



Mexican-American



Source: Centers for Disease Control and Prevention.

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portion of the United States that remains without dental insurance, the courting by major plans seems inevitable. According to the California Program on Access to Care, about 70% of the state's Latino population lacks dental insurance—40% higher than the national rate.

"Primarily, the interest group had been managed care," says Tovar, who founded his firm in 1991. "But from 2000 to the present, the indemnity companies are starting to take notice."

Amexus has been kept busy in recent years. Along with its work with First Dental, its clients include Safeguard, PacifiCare, and United Concordia. Aetna had discussions

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### Delta Dental of California acquires stake in Puerto Rico plan

Delta Dental of California has acquired a controlling share of Delta Dental Plan of Puerto Rico, a deal it expects will help its expansion into the burgeoning Latin-American market.

Delta Puerto Rico will become part of an organization that operates in 15 states and the District of Columbia and has 22 million enrollees.

Delta California acquired 51% of Delta Puerto Rico's corporation stock, which is owned by a group of local dentists and the plan's subscriber groups. As a result, it now holds four of seven seats on the Delta Puerto Rico board. A purchase price for the stock was not disclosed.

Delta California will assume the day-to-day operations of Delta Puerto Rico, although a third-party administrator will continue to handle claims and customer service for now. The plan's approximately 30 employees will keep their jobs.

"We will be able to bring to them the know-how and experience of processing millions of claims a year," says **Elizabeth Risberg**, communications manager at Delta Dental of California. "They're going to benefit from our expertise."

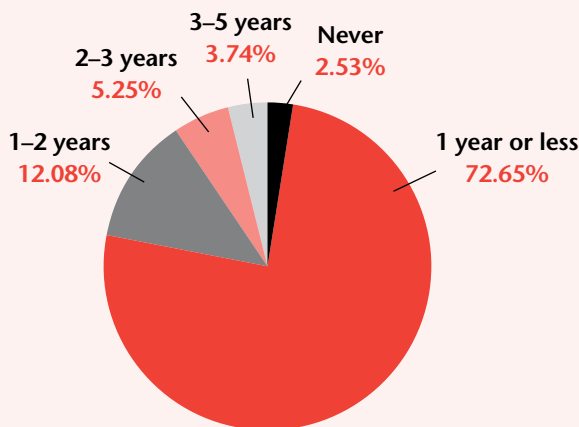
A statement issued by Delta California suggests it will take on a growth strategy on the island, which is a U.S. territory. Although Puerto Rico has a population of 4 million, only 240,000 are enrolled in Delta's plans. This is despite the fact that Delta has contracts with nearly 1,900 dental practices, covering virtually all the practitioners on the island.

"We look to extend dental benefits to many more Puerto Rican residents and businesses, consistent with our effort throughout our enterprise to offer dental benefits tailored specifically for Spanish-speaking enrollees," says Delta Dental of California CEO **Gary D. Radline**. "Our enterprise is actively developing . . . Spanish-language advertising, Web and phone services, and documents in Spanish that clearly communicate how our products work."

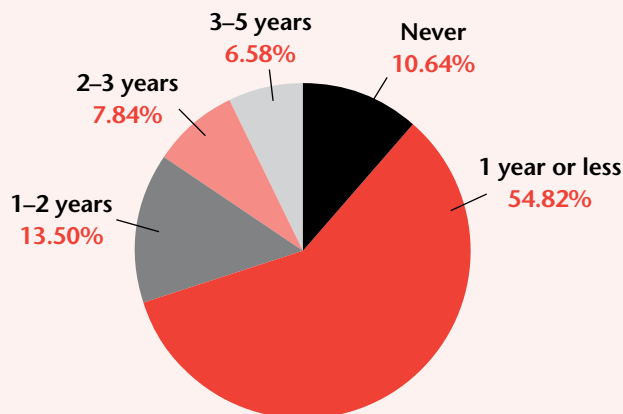
Risberg says the enterprise has been trying to expand its business among Latin-American populations by marketing in border areas in the West and Southwest.

### Time since last dental visit, 12-19 years of age, 1999-2004

#### Overall population



#### Mexican-American



Source: Centers for Disease Control and Prevention.

**¿Dentistry al sur?** < continued from p. 3

with Amexus but instead has contracted directly with Denticenter, which operates four practices in Baja California, according to Aetna spokesperson Roni A. Grossman.

Tovar says that some of the late players are plans whose management is at a relatively far remove from Mexico and were unaware of the market dynamics, or may have been wary of doing business outside of the United States. “But there is more market competition now, and their hand is being forced,” he says.

“The companies are getting more aggressive,” agrees **Evelyn Ireland**, executive director of the National Association of Dental Plans in Dallas, which recently conducted a virtual seminar about the subject for its membership at its annual conference in September 2007—an event Ireland says was heavily attended.

According to Ireland, companies need to cater to a work force far more diverse and mobile than it was a few decades ago. As an example, she cites the Northern California city of San Jose, which offers dental benefits to virtually all of its employees.

“The city of San Jose required [its dental insurer] to establish offices across the border a couple of years ago because so many of [its] landscaping workers have roots elsewhere, and they are more comfortable getting their care in Mexico,” Ireland says.

“What we see is lots of American-based companies who employ Spanish-speaking workers who have roots

in Mexico and actually prefer to get services there, or have covered family members who are living there,” says Album about this trend. “We’re trying to provide them with options.”

This may be exacerbated by a dearth of Latino dentists on the U.S. side of the border. According to a 2004 survey by the Center for the Study of Latino Health and Culture at the University of California, Los Angeles (UCLA), less than 5% of California’s dentists are Latino, even though Latinos comprise nearly one-third of the state’s population.

“Latino dentists are more than 30 times more likely than non-Latino dentists to choose to speak Spanish and practice in a heavily [populated] Latino area,” says **David Hayes-Bautista**, a UCLA professor who conducted the survey. “If we only train a limited number of dentists a year, we have to optimize the number of graduates willing to make those two choices.”

**Bargain hunting**

In addition to creating a greater comfort level for Latino patients, Tovar notes that native-born Americans—about half of whom lack dental insurance—are seeking bargains across the border. Malpractice insurance and labor costs for Mexican dentists are a fraction of what they run in the United States, and Tovar says the discounts are being passed to the patients.

“It’s \$10 for an office visit in Mexico, versus \$45–\$55 in the San Diego area,” he says. “And oftentimes, they can do their procedures for less than the copay on the insurance plans. If there is a \$100 copay on a crown, you can get the same crown in Mexico for \$75 . . . the American community is oututilizing the Latinos.”

Tovar adds that there is a thriving community of dentists in Ensenada who cater to cruise ship passengers. “The passengers go into the offices and get all their dental needs taken care of in eight hours—the length of time their ship is in port. If it wasn’t for those cruise ship passengers, a lot of those dentists would be out of business.”

**U.S. Latino population that has visited a dentist, 1999**

Puerto Rican	60.8%
Mexican-American, not U.S.-born	34.9%
Mexican-American, U.S.-born	54.2%
Cuban	63.6%
Dominican	59.5%
Central-South American	59.2%

Source: Journal of the American Dental Association.

## Quality, outreach issues

Of course, there is latent squeamishness among American insurers about covering procedures performed in a nation that is far poorer than the United States. As a result, all the dentists in Tovar's network provide strict quality control assurances and are audited on nearly a monthly basis.

"The dentists we've contracted with are all licensed and in good standing, and virtually all of them have degrees from stateside schools," Watts says. "Their offices are very modern and nice."

According to Tovar, not only are the dentists fully certified and insured, many follow more stringent guidelines than do American dentists. For example, instrument sterilization occurs more often among these south-of-the-border practitioners. Water purification is

also more stringent. "The entire network in Mexico has to meet or exceed U.S. standards," he says.

Despite all the care taken in courting the Latino market, many challenges remain. For example, many Latinos who are candidates for dental coverage may lack health coverage from their employers—a group that dental carriers have tended to eschew in the past.

"If [the employer group] is not offering health, we haven't written them off," Album says.

Many of the plans being offered have annual maximums on the low end, usually around \$1,000—to keep them affordable, he adds. That creates yet another marketing challenge—encouraging enrollees to partake in buy-ups.

"We're moving very fast and aggressively, but it's a monumental undertaking," Album says. ■

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## Cosmetics pump up flat figures

### *Surge in elective procedures outpaces otherwise sluggish numbers*

U.S. Census Bureau data suggest that dental industry revenue has hit a patch of slow growth, but a survey of cosmetic dentistry suggests that sector is booming.

Dental office revenue increased 4.4% between 2005 and 2006, according to the most recent data from the Census Bureau, up from \$83.7 billion to \$87.4 billion. That compares to a 6.1% increase between 2004 and 2005 and a nonweighted average growth of more than 6.4% since 2000. Altogether, dental office revenue accounts for about 5.5% of what the Census Bureau refers to as the "healthcare and social assistance sector."

Private insurance accounted for \$40.2 billion of total dentist revenue, of which \$39.8 billion came from health insurers and \$400 million from property and casualty carriers. Patients paid just over \$39 billion in out-of-pocket costs. Medicaid and other unspecified payers accounted for the rest.

**Evelyn Ireland**, executive director of the National Association of Dental Plans in Dallas, attributed the relatively flat growth to a reflection of overall economics.

"Premium growth has been slow, so it makes sense that this would be reflected in dentists' revenue," she says.

As for the fact that patients account for nearly as much revenue as insurers, Ireland says it is a trend that will likely take a long time to reverse.

"We'd like to address it by getting more people covered, but since we finally just moved upward one percentage point [in terms of nationwide coverage], it's going to be a very slow process," Ireland says.

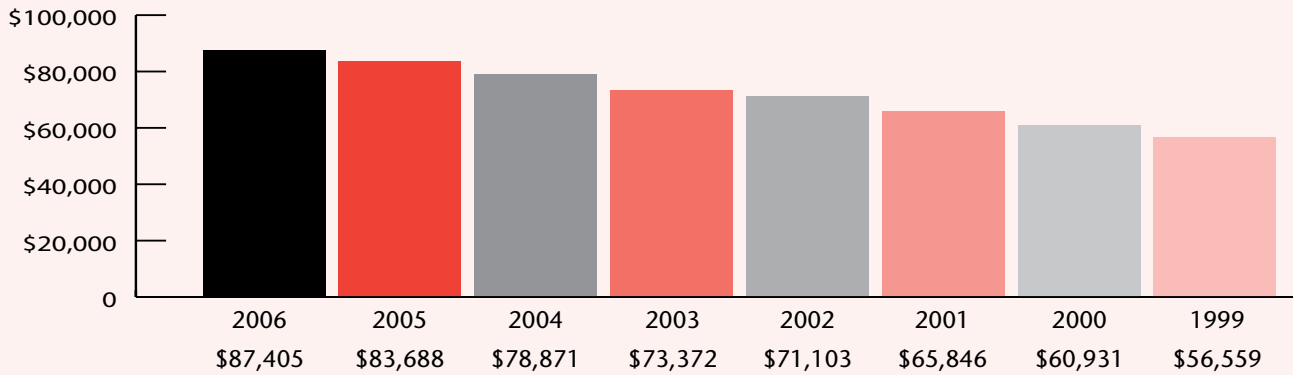
### Cosmetic dentistry driving growth

And although cosmetic dentistry accounts for less than 4% of total practice revenue, the segment is enjoying rapid growth, according to a new survey from the American Academy of Cosmetic Dentistry (AACD) in Madison, WI.

Practice revenue from cosmetic dentistry hit \$2.75 billion in 2006, up 15% from 2005, according to a new survey from the AACD. AACD President **Laura Kelly** attributes much of the increase to baby boomers taking

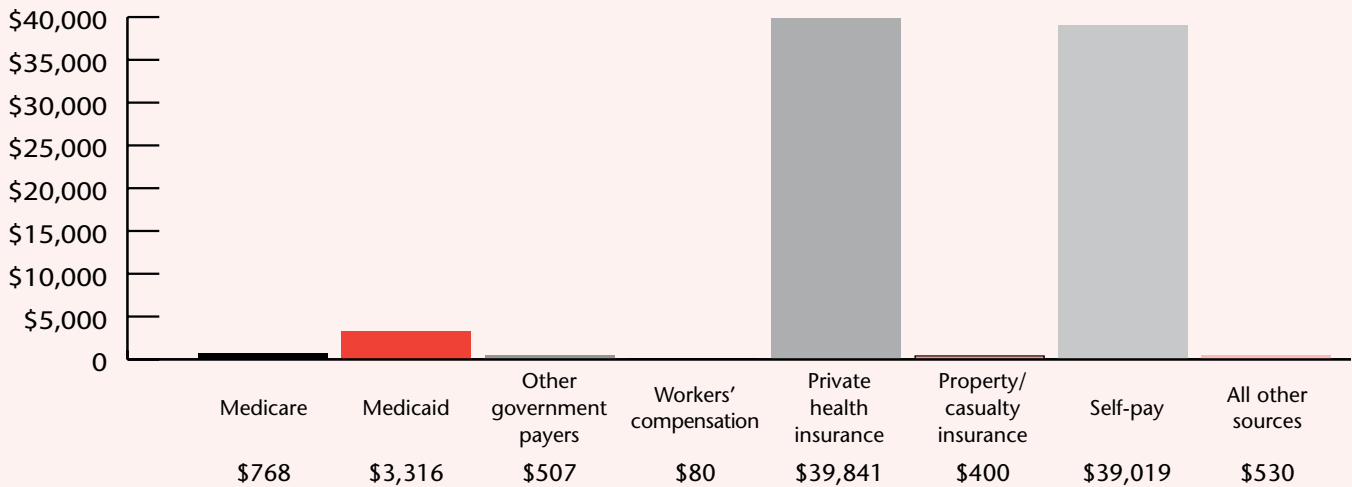
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**Revenue for dental offices, 1999–2006, in millions of dollars**



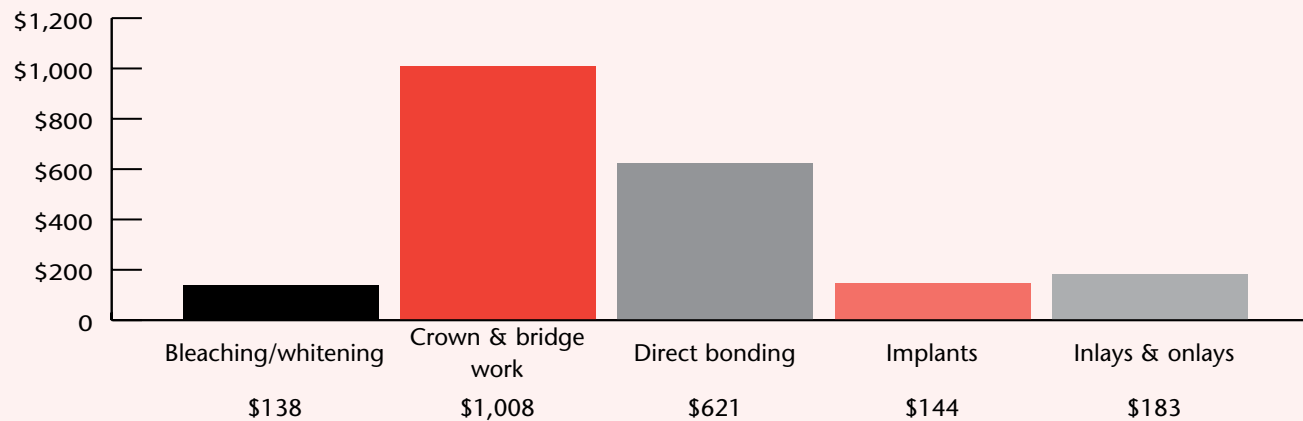
Source: U.S. Census Bureau.

**Estimated 2006 revenue for dental practices by source, in millions of dollars**



Source: U.S. Census Bureau.

**Cosmetic dentistry revenue generated per procedure, 2006, in millions of dollars**



Source: U.S. Census Bureau.

## Cosmetics

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greater care with their physical appearance. More than half of the patients undergoing cosmetic procedures in 2006 were between the age of 41 and 60. "If you look at some of the trends in plastic surgery and dermatology, dentistry has sort of caught up with them," says Kelly, who is also a dental ceramist in Danville, CA, a suburb of San Francisco. "As you age, your teeth get darker, and that segment wants to stay healthy and is willing to pay for it."

According to AACD data—which polled more than 5,500 practices that perform cosmetic procedures—the median amount spent by a cosmetic surgery patient was \$3,860. Ninety-four percent of practices polled said appearance was the biggest concern voiced by their patients; 82% cited cost as their patients' second-biggest concern.

Crown and bridge work was by far the biggest revenue leader, generating nearly \$1.1 billion. Direct bonding generated \$621.7 million, whereas inlays and onlays generated \$183.2 million.

**Marv Zatz, DDS**, a senior consultant in Parsippany, NJ, with Towers Perrin, a national benefits consulting firm, says he believes cosmetic dentistry will play a key role in practice growth for many years to come.

"It's an extremely important component of the dental practice these days. It's not often covered by the plan [see the sidebar below], so the dentist can charge their usual and customary fees," he says. "[Treating] dental decay has sort of flattened out, so the dentists can make

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### Looking up in the mouth

Guardian Life Insurance Co. has decided to cover teeth whitening procedures for its enrollees, a bold move the New York City–based insurer has linked to improved preventive care. "We believe there is a value in offering cosmetic teeth whitening because it will encourage employees to visit their dentists and seek not only . . . treatments that will improve the look of their smile but their oral health and overall health," said Jim Pogue, vice president of Guardian's group dental division, in a prepared statement.

Guardian spokesperson Anayo Afolabi said the whitening annual benefit is capped at \$500 per year. The annual maximum for whitening is separate from the dental plan's overall maximum, she noted.

Adding the dental whitening benefit would add 4%–6% to the annual premium, according to Afolabi.

Guardian said in a statement that teeth whitening was the number-one requested cosmetic dentistry benefit, citing data from the American Academy of Cosmetic Dentistry that show dental patients spent \$138.8 million on teeth whitening in 2006.

Cosmetic procedures such as tooth whitening have typically been out-of-pocket expenses for patients. But **Marv Zatz**,

**DDS**, a senior consultant with the benefits consulting firm Towers Perrin in Parsippany, NJ, says he believes other insurers will follow Guardian's lead.

"They're a very aggressive insurer, and they do well in the small- and medium-size group markets, which has been a tough place to do well. I'm sure the competition is making them think of things they can do to get an edge," says Zatz. "They'll have the edge for a while, but any of the other vendors can quickly change their plans."

Zatz says dental insurers, in theory, could afford to expand some of their benefits to include cosmetic procedures because few enrollees actually meet their annual coverage limitations, which run about \$1,500 per year on average. "Maybe 6%–8% of people hit their annual maximums. With something like teeth whitening offered, it might hit 9% or 10%," he says.

In addition to the whitening benefit, Guardian says it will also boost its covered periodontal cleanings from two or three per year to as many as four per enrollee. The company referred to the additional benefit as an option for its employer groups, suggesting it may come at a higher premium.

## Cosmetics

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up that business in cosmetic work. The key to getting that business is whether the dentist can get these patients in the office, and [convince them to] do cosmetic surgery.”

The AACD survey strongly suggests dentists are doing just that. According to the data, the primary individual who initiated a dialogue about undertaking a cosmetic procedure was the dentist, occurring 68% of the time. Dental hygienists initiated the discussion 9% of the time;

office staff 6% of the time. Patients initiated discussions only 4% of the time.

“Dentists have traditionally focused on the science of what they do more so than on the patient relationship,” Kelly says. “However, there have been more courses available in recent years to teach dentists how to communicate with their patients, and they’re generating more dialogues and getting more comfortable finding out what their patients need.” ■

## First Dental teams up with California regulator

### Will educate on insurance availability, discount plans

Noting that more than 15 million Californians lack dental coverage, San Diego-based network operator First Dental Health has joined forces with the Department of

**“California is now licensing discount . . . dental plans so that parents have affordable, dependable options to get their families the healthcare they need.”**

—Cindy Ehnes

Managed Health Care (DMHC) to emphasize oral health among children and communicate the advantages of properly licensed

discount plans. The DMHC is the state’s watchdog agency for managed care health and dental plans.

First Dental kicked off the initiative in December 2007 by providing free oral health assessments to students at a San Diego-area elementary school. Several more assessments are planned statewide this year. Educational materials will also be distributed via the Juvenile Diabetes Research Foundation, the California School Nurses Organization, and the California State Parent-Teacher Association (PTA).

First Dental CEO **Michael S. Grossman, DDS**, notes that the impetus was a law in California enacted in 2007 that requires children to voluntarily undergo oral health exams prior to their enrollment in elementary school.

This has prompted the DMHC to want to more clearly communicate to Californians their options about obtaining dental coverage, he says.

“What the DMHC is looking for is a way to promote the licensing of discount plans,” Grossman says. He adds that a relationship First Dental has with PTAs across California to help market its discount product had piqued the DMHC’s interest.

According to Grossman, the DMHC has had a number of complaints about fraudulent discount plans. Unlike indemnity or managed care plans, discount plans charge a monthly fee to enrollees in lieu of receiving a discount from providers on cash-pay care.

“California is now licensing discount . . . dental plans so that parents have affordable, dependable options to get their families the healthcare they need,” says DMHC Director **Cindy Ehnes**.

Grossman notes that a discount plan is often a more practical solution for individual enrollees than an indemnity or HMO plan.

First Dental launched a discount plan in California about 14 months ago called New Dental Choice, with approximately 7,500 dentists statewide. Fees are \$8 per month for individuals and \$10 per month for family coverage. ■

## Zila wins Defense Department contract

### Company will distribute oral cancer detection product to military clinics

Phoenix-based periodontal product distributor Zila Inc., has won a contract from the U.S. Department of Veterans Affairs (VA) to distribute its hot-selling oral cancer screening product.

Zila's ViziLite Plus will be distributed to more than 200 VA and U.S. Department of Defense dental clinics. The product uses a combination of chemical luminescence and tissue dyes to detect oral abnormalities that can lead to cancer. A length and value for the contract was not disclosed.

"This contract award will allow us to make our potentially life-saving product available to the 7.9 million veterans enrolled in the VA Health Care System and more than 1.3 million men and women in the active military service—a population that is frequently at increased risk for oral cancer," says **Frank J. Bellizzi, DMD**, president of Zila.

According to a report by the U.S. Army Center for Health Promotion and Preventive Medicine at Aberdeen Proving Ground, MD, military personnel may be at a higher risk for oral cancer due to higher rates of alcohol and tobacco consumption in the armed forces than in the civilian population. About 30% of the active military force smokes, and 20% consumes alcohol regularly,

according to published studies. And according to the American Cancer Society, the risk for developing oral cancer is highest among heavy drinkers and smokers.

About 35,000 Americans are diagnosed with oral cancer each year, and about 7,600 die every year from the disease. More than two-thirds of oral cancers are detected in the advanced stages. The five-year survival rate hovers around 50%.

In related news, Zila reported a loss of \$4.7 million on revenues of \$11.4 million for the first quarter of fiscal year 2008, ending on October 31,

2007. That compares to a loss of \$6.4 million for the first quarter of fiscal year 2007. Quarter-to-quarter sales of the ViziLite product grew 15% to \$3.1 million. ViziLite sales are up eightfold from the first quarter of 2007. ■

**"This contract award will allow us to make our potentially life-saving product available to the 7.9 million veterans enrolled in the VA Health Care System and more than 1.3 million men and women in the active military service—a population that is frequently at increased risk for oral cancer."**

—**Frank J. Bellizzi, DMD**

## Cartoon detective brands anti-plaque wash

### 'Inspector Hector' designed to encourage kids to improve oral care

The creation of cartoon characters for branding purposes is relatively rare in private label products and nearly nonexistent among dental brands. However, St. Louis-based private label health products firm Vi-Jon Laboratories is taking the plunge.

Cartoon detective Inspector Hector has large glasses and blue hair, and wears a yellow deerstalker cap and rain slicker. He holds a toothbrush in his left hand and a tube of toothpaste in his right. The character will be used

to market Inspector Hector Plaque Detector, a prebrush rinse that makes plaque deposits appear dark blue. There is also an Inspector Hector fluoride rinse.

"He's designed to engage kids in a routine of better brushing," says Vi-Jon spokesperson **Kathy Lachky**. "It's fun for them; they can swish the plaque detector in their mouths, and brothers and sisters can compare each other's teeth."

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## Cartoon detective

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According to company officials, the products are being marketed to children aged 6–12. Most children receive their adult teeth during this age, when developing good oral habits is crucial.

In addition to selling the products, Vi-Jon is teaming with the Charlotte, NC–based National Children’s Oral

Health Foundation to conduct 10 oral health screenings around the country in the next year, according to Lachky. The Inspector Hector products are being carried as a private label—a non-national brand marketed on a store-by-store basis. Wal-Mart and national drugstore chains are carrying the product. ■

## Delta inks pact with Montana Blues

Delta Dental Insurance Co. has reached an agreement with Blue Cross and Blue Shield of Montana to provide dental coverage for the latter’s enrollees.

An affiliate of parent Delta Dental California, the Delta Montana operation has a network of 170 dentists and 23,000 enrollees statewide; the Montana Blues have about 240,000 enrollees—nearly one-quarter of the state’s population. “[The deal] will allow us to significantly expand the dental coverage options available to our groups throughout Montana,” said Jared Short, vice president of

sales and marketing for the Montana Blues. Plans for the partnership include the development of new products and support of community oral health clinics. The financial terms of the deal were not disclosed.

“Our partnership with Montana dentists and working knowledge of the unique oral health challenges and needs of individual communities within Montana will provide tangible benefits to [the Blues’] members and their dentists,” says **Marilyn Belek, DMD**, Delta’s chief dental officer. ■

## Dental Hygienists launch anti-smoking campaign

The California Dental Hygienists’ Association (CDHA), which normally focuses on expanding benefits and clout for its membership, has begun the new year by asking the state’s roughly 4 million smokers to try to kick the habit.

The Glendale, CA–based CDHA has urged smokers to call the California Smokers’ Helpline to seek advice for quitting. The helpline, operated by the California Department of Health Services, fields about 30,000 calls per year.

The CDHA has been working with the helpline since 2005 to persuade smokers to call, primarily by handing out cards and informational packets during dental visits.

According to CDHA President **Jean Honny**, a professor of dental hygiene at the Loma Linda (CA) University School of Dentistry, hygienists are among the few professionals who can immediately sort smokers and nonsmokers.

“Even if they say they don’t smoke, we can tell,” says Honny, adding that tissue changes in the palate and gums among smokers are obvious in her profession.

Aside from the increased risk of heart disease and cancer smokers face, Honny notes that smoking and the use of chewing tobacco is directly linked to periodontal disease and gingivitis. ■

**Questions? Comments? Ideas?**

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## BioMimetic sells dental business

### Enters \$44 million pact

Franklin, TN-based orthopedic firm BioMimetic Therapeutics, Inc., has sold its dental therapeutics business to a division of Shirley, NY-based Luitpold Pharmaceuticals for \$44 million.

The sale to Osteohealth Co. includes GEM 21S, BioMimetic's bone-growth promotion product for dental patients who suffer from advanced periodontal disease. GEM 21S was developed jointly by BioMimetic and Luitpold.

The all-cash deal includes \$40 million for the company and \$4 million for inventory. BioMimetic will also continue to receive royalty payments for ongoing sales.

"This transaction represents a significant advancement in the development and growth of Osteohealth into a global regenerative specialty organization," says Luitpold CEO **Mary Jane Helenek**.

"Osteohealth is excited about the opportunity to expand the existing business and to accelerate the

development of rhPDGF-BB-based therapeutics for new dental and oral/craniofacial surgical applications," she says.

GEM 21S received approval from the U.S. Food and Drug Administration (FDA) in late 2005. Luitpold has been responsible for marketing the product. BioMimetic received \$5 million from Luitpold on the second anniversary of FDA approval, and will receive another \$10 million if the product is approved by European regulators.

In a prepared statement, BioMimetic officials suggested that GEM 21S was developed in part to fund the diversification of the company's product line.

"The sale of the dental therapeutics business will allow us to focus all of our expertise on the development of our orthopedic product candidates that are designed to treat injuries to bone, cartilage, ligament, and tendons," says **Samuel L. Lynch**, BioMimetic's CEO. ■

## Delta of Michigan moves forward with green HQ

### Project will also generate new jobs

Delta Dental of Michigan is moving forward with an \$85 million expansion of its corporate headquarters with environmentally sound design and construction.

The project includes a 35,000-square-foot addition to the current headquarters in Okemos, MI, just east of

Lansing, a new 80,000-square-foot office building, and a 20,000-square-foot data center.

The project will include recycled building materials, a maximization of natural lighting, and roofing that will

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### How to contact our sources

Following are the names and phone numbers of the major sources for the articles in this issue.

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## Delta of Michigan < continued from p. 11

minimize and help remove pollution from stormwater runoff.

Delta Dental of Michigan will seek certifications from the U.S. Green Building Council for the construction and the Wildlife Habitat Council for its effort to develop sustainable wildlife habitats on its campus.

“Building green . . . underscores our mission of improving health and reaffirms our core value of being a good corporate citizen,” says **Thomas J. Fleszar, DDS**, Delta Dental of Michigan CEO.

Construction is expected to start this spring.

The headquarters expansion is projected to eventually increase the Okemos work force by about 150 in the next decade, to a total of about 800 employees. The jobs will be concentrated in actuarial, underwriting, and other high-skill areas, according to company spokesperson **Ellen Jones**.

Delta Dental of Michigan has affiliates in Ohio, Indiana, and Tennessee. Systemwide enrollment is 6.2 million. ■

## Delta gives \$250,000 to University of Illinois Grant intended to expand pediatric care

Delta Dental of Illinois has made a \$250,000 grant to the University of Illinois at Chicago College of Dentistry to help modernize its dental facilities, particularly those providing care to needy children. The grant will be distributed over five years. The 2,500-square-foot facility will be fitted with digital radiographs, new cabinetry, sedation areas, and chairs. Televisions will also be installed to help distract the children during procedures.

“This gift will provide faculty, students, and patients with a completely modern facility in which to deliver high-quality dental care and oral health education,”

says **Robert Dennison, DDS**, CEO of Delta Dental of Illinois. “An essential part of Delta Dental of Illinois’ mission is the improvement of the oral health of the communities it serves.”

The revamped facility will be called the Delta Dental of Illinois Pre-Doctoral Pediatric Dentistry Clinic.

The clinic treats 40,000 patients per year and is the largest provider of pediatric care to Medicaid enrollees. Slightly more than one-quarter of the state’s children who are eligible for Medicaid received dental care in 2003, according to Delta officials. ■

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