

A report to congressional requesters

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What GAO Found

The concentration of private, stand-alone dental and vision insurance markets varied among states across both the group and individual insurance markets, according to 2024 enrollment data from the National Association of Insurance Commissioners (NAIC), the most recent available at the time of our analysis. The concentration of a market refers to the degree to which a small number of companies control a large part of the market. Across all states, the combined market share of the three largest insurers in each state ranged from about 38 to about 98 percent of enrollment for the dental group market, and from about 41 percent to about 96 percent for the vision group market (see table).

Why GAO Did This Study

The market for private health insurance in the United States is highly concentrated, which may reduce competition. Concentrated markets may also exist within private dental and vision insurance, which may be sold separately from health insurance. About one in four Americans had such stand-alone dental or vision insurance in 2024, according to data from NAIC and the Census Bureau. In addition, vertical integration may exist within these markets. Studies suggest vertical integration may result in efficiencies and cost savings but may also reduce competition in a market.

GAO was asked to review concentration of and vertical integration in dental and vision insurance markets. This report describes (1) the concentration of and vertical integration in private dental and vision insurance markets; and (2) what is known about the effects of concentration and vertical integration on competition in private dental and vision insurance markets.

GAO analyzed 2024 enrollment data from NAIC on fully insured, stand-alone dental and vision plans to determine insurer market share by state. GAO also conducted a literature review to examine peer-reviewed studies published in the last 10 years. In addition, GAO interviewed a non-generalizable sample of seven stakeholder groups representing dental and vision insurers, dental and vision care providers, and purchasers of dental and vision care plans. GAO also interviewed a dental industry subject matter expert who recently published a peer-reviewed study on market concentration.

For our report findings based on NAIC data, we provided a draft of these findings to NAIC for third-party review. NAIC had no comments.

2024 Group Market Share for the Three Largest and Single Largest Stand-Alone Dental and Vision Insurers

	Range of market share of three largest insurers (percentage)	Median market share of three largest insurers (percentage)	Range of market share of single largest insurer (percentage)	Median market share of single largest insurer (percentage)	Median number of insurers per state
Dental group market	37.9 – 97.5	66.8	13.6 – 95.1	38.0	39
Vision group market	41.2 – 95.5	77.4	15.8 – 81.9	40.9	28

Source: GAO analysis of data from the National Association of Insurance Commissioners (NAIC). | GAO-26-107787

Note: Market share for each state is based on the total number of individuals insured as of December 31, 2024, as reported by insurers to NAIC. Data from Massachusetts are excluded from the dental insurance market analysis.

Vertical integration exists when a company buys into new lines of business in its supply chain that would otherwise be owned by other companies. GAO did not find aggregate data on the extent of vertical integration in the dental or vision insurance markets. Interviewees from the dental industry that GAO spoke with said vertical integration in the dental insurance market is limited, with one interviewee noting that vertical integration in the dental industry is only a recent development. Some interviewees from the vision industry commented that vertical integration exists in the vision insurance market, including insurer ownership of provider offices, lens and frame manufacturers, and eyewear retail brands.

Limited information was available to assess the effects of concentration and vertical integration in private dental and vision insurance markets. GAO found two peer-reviewed studies that discussed the effects of concentration of dental insurance markets, including reduced reimbursements for dental services paid by insurers to providers in more concentrated markets. Some of the interviewees from the dental and vision industries that GAO spoke with shared nongeneralizable observations about the effects of concentration and vertical integration based on their experiences, including limiting providers' ability to negotiate contracts and reimbursement with insurers in concentrated markets. Some dental industry interviewees noted a lack of opportunity to evaluate the effects of vertical integration due to limited instances of vertical integration among dental insurers.