

POLICY BITE – Denticare Australia

The proposed ‘Denticare Australia’ social insurance scheme for dental services provides a long-term direction for addressing inequalities in Australian’s access to dental services.

It addresses the affordability of dental services which is the major (but not only) barrier to good dental services for the majority of Australians and does this in a fair way, with transparency in the costs individually and collectively, with choice of scheme, dental insurance plan and provider. It covers a generous set of routine dental services (88% of services in private general practice) that will move dental services towards comprehensive, preventively oriented dental care. It builds upon the existing quality, safety and efficiency of private practice dentistry as its platform.

Denticare extends the predominant fee-for-service private general practice in Australia, expanding the coverage of already 51% of Australians with a dental insurance plan and increasing the financial contribution of that insurance to the individual costs of dental services. It would allow for a continuation of ‘private’ dental insurance for dental services beyond the scope of Denticare Australia (crowns, bridges and implants, as well as orthodontic services).

A fundamental rationale for Denticare Australia is to attract and retain people in regular use of dental services and for those services to be more comprehensive and preventively oriented. Inescapably this involves an increase in ‘demand’ from a dental labour force which is struggling to meet existing demand. Therefore, improved dental services can only be accommodated from within growth in the labour force. Labour force growth is in the pipeline, but there is an imperative for the benefits of Denticare Australia to be made available in parallel that growth. Therefore Denticare Australia needs a phased implementation over many years.

Opportunities exist for a phase implementation around targeting by age or income. Targeting to all Australians less than 35 years old has numerous advantages:

1. these Australians enjoy better oral health than generations before and the challenge is to protect the oral health gains made and carry them further into adulthood
2. children and teens are already the focus of policy and therefore this is a significant strengthening of existing activity
3. a focus on less than 35 year olds is closely aligned with the three other recommendations by the National Health and Hospitals Reform Commission of a dental residency program, a national extension of pre-school and school dental programs and support for oral health promotion
4. an initial targeting of less than 35 year olds is consistent with moving as many of these Australians as possible to an incremental or maintenance care program and extending the age ceiling higher over time.

If such a targeting was adopted a lower % levy on taxable income could be introduced. A levy of around 0.3% taxable income would generate sufficient funds for all under 35 years old to either enrol in a pre-school or school dental program, a public dental service or a Denticare Australia private dental insurance plan.

Denticare Australia would fund:

- risk adjusted premium payments to insurers of choice for membership of a Denticare Australian dental plan for those under 35 years old who choose this option.

- direct outlays to state/territory dental services for provision of equivalent Denticare Australia dental services through school dental programs and adult dental services.
- special purpose payments to the states/territories to expand their pre-school and school dental programs, especially for Australians in under-serviced areas or population sub-groups (~\$100m).
- special purpose payments to the states/territories to expand population oral health promotion activities, with a special focus on those less than 35 years old (\$20m).
- an significant engagement of dental residents (dentists, dental therapists and dental hygienists) in pre-school, school and younger adult dental programs as part of the dental residency program.

In addition to the targeting of Australians less than 35 years old in the above activities, the 0.3% levy on taxable income would be justified for all taxpayers above 35 years old by their benefiting from:

- their children and young adult family members dental care being supported, thus reducing the such costs on families
- adults above 35 years old would continue to receive the 30% private health insurance rebate.
- adults above 35 years old would continue to be eligible for a modified (only Denticare scope of dental services) Chronic Disease Dental Services.
- means-tested eligible adults above 35 years old would continue to be eligible for public dental services. However, such public dental services would be improving in their scope and quality through a modest reduction in numbers of eligible adults by the drawing out of young adults into private dental insurance plans (estimated at 820,000 young adults 18–34 years old formerly eligible for public dental care) and the increase in resources associated with the dental residency program and further support for public dental services through a re-introduced Commonwealth Dental Health Program (but with modified priority areas).

A phased implementation would also allow for the development of complimentary policy around barriers to dental care other than cost. The most important of these would be availability of dental services in rural and remote areas. Improvements in availability will be dependent on policy within Denticare Australia (like a rural loading on a scheduled fee) and outside Denticare Australia (like recruitment, attraction and retention of dental practitioners in rural areas).

Several issues need to be clarified so as to address concerns of stakeholders in Denticare Australia. Private health insurers need certainty about the payment of risk adjusted premiums for people who take up their insurance choice under Denticare Australia. As people will be free to move across dental insurance plans, some form of posthoc adjustment will be required on an annual basis. Insurers also need the certainty of a 'scheduled fee' and business rules for controlling the 'moral hazard' of consumer demand. Such rules might include frequencies with which certain dental services will be rebated and caps for expenditure.

It is suggested that for pre-school and school children up to 18 years old that children who choose their dental services through Denticare Australia would attract a capitation payment to private dentists rather than fee-for-service. The capitation payment should be risk adjusted (on the basis on caries risk) and recall interval should be tailored to that risk.

The dental profession needs certainty about its options for fees for dental services. Dentists, like medical practitioners, will want to be able to choose to accept 85% of the scheduled fee as full payment (re bulk billing), charge the scheduled fee (where people will face 15% of the fee as a co-payment from the patient to the dentist) or charge above the scheduled fee (where patients will face a higher co-payment).

The dental profession also has concerns about dental services that are regarded as in-scope for Denticare Australia. Denticare Australia includes an extensive range of dental services. However, some mechanism is desirable for approval to supply services that are out-of-scope in exceptional circumstances (this is covered under the Policy Bite – A Residency Program for all Dental Graduates).

Among younger people this might include crowns and bridges required as a result of dental trauma rather than oral disease. The availability of such exceptional circumstance approvals would eliminate a potential area of disquiet among the dental profession without undue costs being incurred. Linking the provision of such services to the dental residency program ensures the development of residents' skills in these areas.

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