

Explanatory Memorandum to accompany the National Health Service (Dental Charges) (Wales) (Amendment) Regulations 2018

This Explanatory Memorandum has been prepared by the Primary Care Division of the Directorate of Primary Care and Innovation and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the National Health Service (Dental Charges) (Wales) (Amendment) Regulations 2018. I am satisfied that the benefits justify the likely costs.

Vaughan Gething
Cabinet Secretary for Health and Social Services

7 March 2018

1. Description

These regulations amend the National Health Service (Dental Charges) (Wales) Regulations 2006.

2. Matters of special interest to the Constitutional and Legislative Affairs Committee

None.

3. Legislative background

The regulations will be made pursuant to powers under sections 125, 203 (9) and (10) of the National Health Service (Wales) Act 2006.

Sections 125 and 126 of the National Health Service (Wales) Act 2006 provide that the Welsh Ministers may make regulations to provide for the making and recovery of charges for relevant dental services. The National Health Service (Dental Charges) (Wales) Regulations 2006 provide for the making and recovery of charges for dental treatment and the supply of dental services.

This instrument will be subject to the negative resolution procedure.

4. Purpose & intended effect of the legislation

Prior to 2006, dental fees in Wales were increased each year in line with the Doctors' and Dentists' Review Body (DDRB) uplift to fees subject to a maximum patient charge of £354.00. Under the current system patient charges are reviewed annually and set independently of any recommendation made by the DDRB on increasing dentists' contract values.

From April 2006 until 2012 the decision was taken each year not to increase the level of patient charges in Wales which remained unchanged at: Band 1, £12.00; Band 2, £39.00; Band 3, £177.00; and an Urgent course of treatment £12.00. Charges have risen each year since 2012 with the exception of 2016.

The current levels are as follows:

| | |
|--|---------|
| Band 1 – Diagnosis, treatment planning and maintenance | £14.00 |
| Band 2 – Treatment | £44.00 |
| Band 3 – Provision of appliances | £190.00 |
| Urgent treatment | £14.00 |

The purpose of these regulations is to facilitate the increase to the applicable charge payable for a Band 2 and a Band 3 course of treatment for 2018-19. The Band 1 and Urgent course of treatment charges are to be frozen at £14.00; the 2017-18 charge levels. The Statutory Instrument concerns the principle of uprating statutory fees and not the introduction of a new, or change in current policy.

Regulation 2 of the National Health Service (Dental Charges) (Wales) (Amendment) Regulations 2018 increases the current dental charge for Bands 2 and 3 by 2.5%. After rounding to the nearest 50 pence this adds £1.00 to a Band 2 course of treatment (taking the charge from £44.00 to £45.00 – a 2.27% rise) and £5.00 to a Band 3 course of treatment (increasing the charge rate from £190.00 to £195.00 – a 2.63% rise). This produces an overall increase of 2.42% which will help to maintain the contribution dental charges make to the funding of NHS dentistry.

Patient charges in Wales are significantly lower than in England. The UK Department of Health has not indicated whether patient charges will increase in England from April 2018. Charges in England have increased every year since 2006, with the exception of 2010.

| Dental Patient Charges (example of care/treatment) | Wales 2017-18 | England 2017-18 | Difference £ / % higher |
|---|--------------------------|----------------------------|------------------------------------|
| Band 1 (examination, x-rays, scale & polish) | £14.00 | £20.60 | £6.60 / 47% |
| Band 2 (fillings, extractions, root canal treatment) | £44.00 | £56.30 | £12.30 / 28% |
| Band 3 (crowns, dentures & bridges) | £190.00 | £244.30 | £54.30 / 29% |
| Urgent (urgent and out of hours) | £14.00 | £20.60 | £6.60 / 47% |

The Welsh Government has balanced the need to protect NHS funding and the impact of charges on personal incomes and has been able to constrain the increase to 2.42% overall, which is well below the observed levels of inflation - Consumer Price Index and Retail Price Index (December 2017 prices).

5. Consultation

Please see part 2.

PART 2 – REGULATORY IMPACT ASSESSMENT

6. Options

The latest forecast data for 2017-18 suggests health board patient charges revenue to be in the region of £35.3m. However, it is important to highlight it is only possible to provide an indicative guide of the amount to be raised from patient charges. A number of factors we are unable to influence can, and do impact on the total sum generated.

Patient charges can only be increased by way of regulation to uprate statutory fees.

Option 1 – Do Nothing: Freeze patient charges

For: Likely to be welcomed by the general public during the current challenging economic climate where average household incomes are being squeezed.

Against: Limits investment in NHS dental services. Unlikely to be welcomed by health boards who are responsible for the provision of dental services in their area by way of a finite budget at a time when the population of Wales is increasing.

Option 2 - Increase patient charges.

For: Any additional income will be welcomed by health boards to help protect, grow and improve NHS dental services. Resources invested in past years have provided increased access to general dental services, special care and paediatric dentistry, improved oral health of older people in care homes and support for dental contract reform.

Against: Any additional increase in charges will not be welcomed by the general public. However, NHS dental treatment will remain free for the majority i.e. all those under the age of 18, those under the age of 19 and receiving full-time education, pregnant women or those who have had a baby in the previous 12 months, and those on certain out-of-work means-tested benefits or tax credits. Currently 55.1% of patients are automatically exempt from all dental patient charges. If people do not qualify automatically for these exemptions, full or partial help may be available with their dental charges through the NHS Low Income Scheme.

Option 3 - Reduce patient charges

This option has been included for completeness but is not considered feasible as this would result in a reduction in the provision of NHS dental services at a time when demand is rising and there are pockets in Wales where access remains difficult. For this reason, the option is not included in the assessment of costs and benefits.

7. Costs and benefits

Option 1 – Do Nothing

This is the baseline option and as such there are no additional costs or benefits associated with this option

Option 2 – Increase patient charges

Impact on the public

While most NHS treatment is free some charges do apply. Charges for NHS dental treatment were first introduced in 1951 and since then successive governments have considered those who can afford to should make a contribution towards the cost of dental treatment subject to a maximum charge for a course of dental treatment.

Patient charges are paid by adult patients who are eligible for charges. The level of the charge is determined by the treatment band. The majority of patients do not have to pay for their NHS dental treatment. The main groups of non-charge paying patients are children (aged under 18); 18 year olds in full time education; pregnant women and nursing mothers; adults on low income or in receipt of certain benefits and patients treated in hospital.

There are also free NHS dental check-ups in Wales for those aged under 25 and over 60. However, any subsequent treatment as a result of the free examination carries the appropriate charge. This concession is not applicable in England.

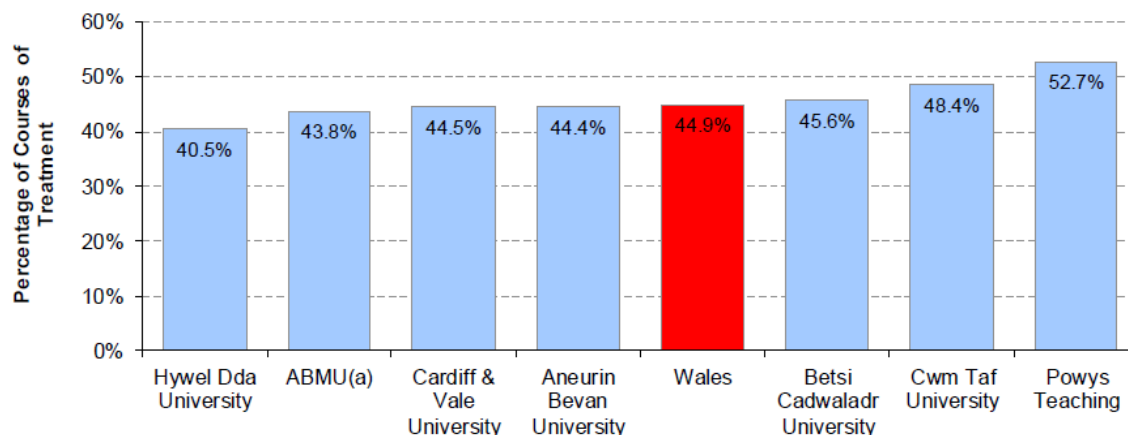
It is worth highlighting that prior to 2006 the patient's contribution to dental treatment represented approximately 80% of the cost to the NHS. Since 2006, with the six year freeze in charges and subsequent moderate increases, a patient's contribution in Wales has fallen to around 62% of the cost.

The Welsh Government dental contract reform is promoting the delivery of risk and need-based preventive dental care and for practices to work with patients to co-produce agreed outcomes with self-care as an important element. The dental check-up is covered by a Band 1 charge and can be seen as the 'gateway' to NHS dentistry. Keeping the Band 1 charge at the current level will encourage patients to attend the dentist for a check-up and help with the aims of the wider contract reform programme to increase access.

Overall in 2016–17 there were 1,071,300 (rounded to the nearest hundred) adult courses of treatments which were chargeable, an increase of 4 per cent compared with 2015-16. The total patient charge for these patients amounted to £34.7million, an increase of 4.5 per cent compared with 2015-16. In 2016-17 there were 718,300 (rounded to nearest hundred) treatments for adults that were exempt from charge and 580,100 (rounded to nearest hundred) treatments for children that were also exempt from any charges. Compared

with 2015-16 this is a decrease of 1.4 per cent for adults and an increase of 1.7 per cent for children.

Percentage of Total Courses of Treatment for chargeable adults, by health board between 1 April 2016 and 31 March 2017

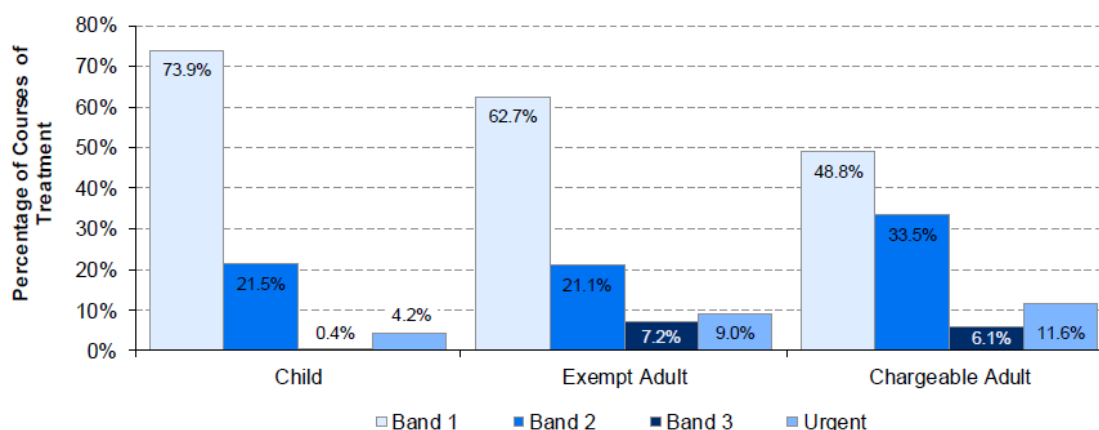


Source: NHS Dental Services

(a) Abertawe Bro Morgannwg University

In 2016-17, 44.9 per cent of all courses of treatment were for paying adults compared to 43.9 per cent in 2015– 16. This proportion varied across health boards according to the profile of the local patient population. The above table shows that the lowest percentage of treatments that were for paying adults was recorded in Hywel Dda at 40.5 per cent and the highest was in Powys, recorded at 52.7 per cent.

Percentage of Courses of treatment by type of patient and treatment band, between 31 April 2016 and 31 March 2017 (a)



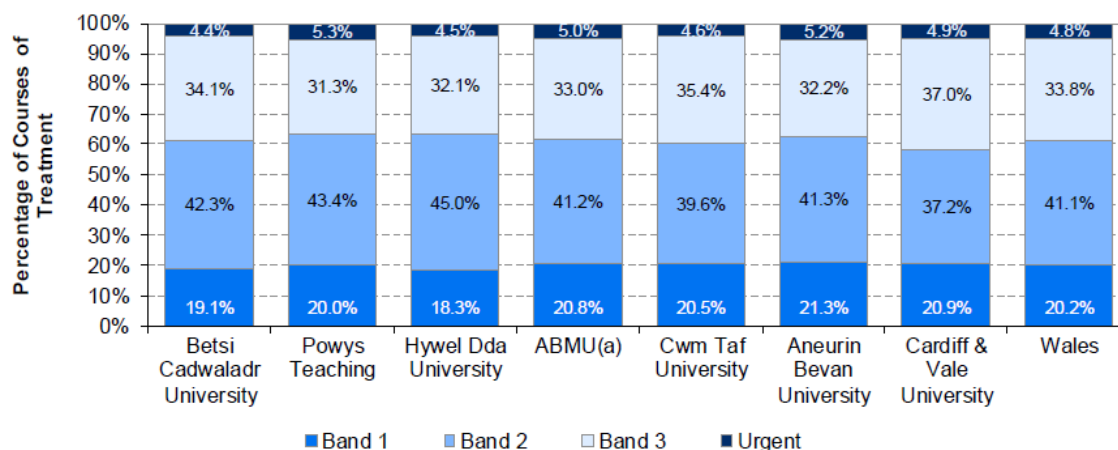
Source: NHS Dental Services

(a) Note that this chart excludes treatments for which there was no charge, treatments in non-chargeable bands and a small number of treatments in non banded categories..

The above table shows the proportion of courses of treatments in each treatment band for each patient type. In 2016–17, Band 1 courses of treatment accounted for 48.8 per cent of treatments for chargeable adults,

62.7 per cent of treatments for exempt adults and 73.9 per cent of treatments for children. Band 2 treatments for each patient type ranged from 21.1 per cent (Exempt Adult) to 33.5 per cent (Chargeable Adult). Chargeable adults had the highest proportion of urgent courses of treatment, at 11.6 per cent.

Proportion of patient charges by Health Board and band, between 1 April 2016 and 31 March 2017



Source: NHS Dental Services

(a) Abertawe Bro Morgannwg University

(b) Note that this chart excludes treatments for which there was no charge, treatments in non-chargeable bands and a small number of treatments in non banded categories.

Although Band 1 treatments made up 48.8 per cent of chargeable treatments, they attracted only 20.2 per cent of the patient charge, as illustrated above. The more complex and expensive Band 3 payments, accounting for only 6.1 per cent of chargeable treatments, attracted 33.8 per cent of the total patient charge. Band 2 patient treatments attracted the most charge overall and accounted for between 37.2 per cent and 45.0 per cent of total patient charges in health boards.

Band 1 charges for Wales in the year 2016-17 amounted to £7,022,100 (to the nearest 100). This was 20.2 per cent of the total charges. Band 2 charges were 41.1 per cent of the Wales total, at £14,248,700. Band 3 charges accounted for 33.8 per cent of the Wales total, with £11,732,500. Urgent accounted for 4.8 per cent of the Wales total with £1,675,700.

Based on 2016-17 data, it is estimated those who are eligible to pay dental patient charges in Wales will pay an additional £683,000 in 2018-19.

The small increase in Band 2 and Band 3 charges is not expected to deter chargeable patients from seeking treatment.

Impact on the private, local government and third sector

No impact on the private, local government or third sector is foreseen.

Impact on dental practitioners

Dental practitioners will need to be aware of the changes to ensure they are charging the applicable fee. The NHS Business Services Authority will also need to amend their IT systems to reflect the increased level of dental charges which are offset against payments due to contractors. The NHS Business Services Authority, as well as remunerating dentists for the NHS treatment they deliver, also monitor and provide a suite of contract management data on behalf of health boards in Wales.

Health boards, the public and dentists will be advised of the new dental charges. The NHS Dental Charges Poster will be updated and distributed to health boards. It is a contractual requirement the poster is displayed in dental practice waiting rooms.

Benefits

The increased patient charges represent an increase in revenue for the NHS. It is important to highlight that all of the additional income raised will be reinvested directly back into NHS dentistry in Wales.

8. Consultation

Health boards are responsible for the provision of dental services to meet local needs and the wider oral health agenda. This gives health boards the ability to develop services to reflect local requirements and priorities. This must be achieved through a finite general dental budget.

A full consultation exercise has not been undertaken. The primary care dental budget allocations to health boards are net of patient charges. When patient charges are increased this will generate more charge income for health boards giving the opportunity to reinvest the additional income in improving dental services. It is not considered practicable to undergo this process each year by way of a wider public consultation.

Dental charges represent an important contribution to the overall cost of dental services. The amount raised will be dependent upon the level and type of primary care dental services provided by health boards, the proportion of fee paying patients who access NHS dental services and the complexity of the treatment they receive.

Patient charges are kept under annual review with consideration given to the provision of services, affordability and a number of factors including the Retail and Consumer Price Index, the Rate of Inflation and the total level of charge income likely to be raised. Account is also taken of the impact on charge payers, the views of health boards and the British Dental Association (BDA) (Wales).

We have notified the proposed increases in charges to the dental profession represented by BDA (Wales) and the Welsh General Dental Practitioner Committee.

The decision to freeze the Band 1 and Urgent charges at the 2017-18 level of £14.00, increase the Band 2 charge from £44.00 to £45.00 and the Band 3 charge from £190.00 to £195.00 from 1 April 2018 was made after considering and balancing the above factors.