

Explanatory Memorandum/Regulatory Impact Assessment to the National Health Service (Dental Charges) (Wales) (Amendment) Regulations 2014

This Explanatory Memorandum has been prepared by the Dental Division of the Directorate for Public Health 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 2014. I am satisfied that the benefits outweigh any costs.

Mark Drakeford
Minister for Health and Social Services

1 March 2014

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 section 125, 203 (9) and (10) of the NHS (Wales) Act 2006 Regulations.

Section 125 of the NHS (Wales) Act 2006 provides 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 follow 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 the DDRb uplift to 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. In 2012 and 2013 patient charges in Bands 1 and 2 were increased and their current levels are illustrated below. The Band 3 charge remained frozen.

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| Band 1 – Diagnosis, treatment planning and maintenance | £12.70 |
| Band 2 – Treatment | £41.10 |
| Band 3 – Provision of appliances | £177.00 |
| Urgent treatment | £12.70 |

The purpose of these Regulations is to facilitate the increase to the applicable charge payable for a Band 1, Band 2, Band 3 and Urgent course of treatment for 2014/15. The Statutory Instrument concerns the principle of uprating statutory fees and not the introduction of a new, or change in current, policy.

Regulation 2 increases the current dental charge bands by 2.2% spread across the bands and rounded up to the nearest 10p for ease of administration for patients and practice staff.

This would add 30p to the cost of a Band 1 course of treatment (increasing the charge rate from £12.70 to £13.00), 90p to a Band 2 course of treatment (taking the charge from £41.10 to £42.00), £3.90 to a Band 3 course of treatment (increasing the charge rate from £177.00 to £180.90) and 30p to an Urgent course of treatment (taking the charge from £12.70 to £13.00). This produces an overall increase which will help to maintain the contribution charges make to the funding of NHS dentistry.

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 2.2% overall, which is comparable to the observed levels of inflation - Consumer Price Index and Retail Price Index (October 2013 prices).

5. Consultation

Please see part 2.

PART 2 – REGULATORY IMPACT ASSESSMENT

6. Options

The latest forecast data for 2013/14 suggests Local Health Board (LHB) patient charges revenue to be in the region of £29.2m. 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.

a. Increase patient charges.

For: Any additional income will be welcomed by LHBs and the dental profession to help grow and improve NHS dental services.

The additional revenue will assist LHBs in meeting their Programme for Government commitment to continue to improve access to NHS dentistry where there are localised problems.

Against: Any additional increase in charges will not be welcomed by the general public.

b. Freeze patient charges

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

Against: Unlikely to be welcomed by LHBs 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.

c. 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 services at a time when demand remains constant and there are pockets in Wales where access remains difficult.

7. Costs and benefits

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.

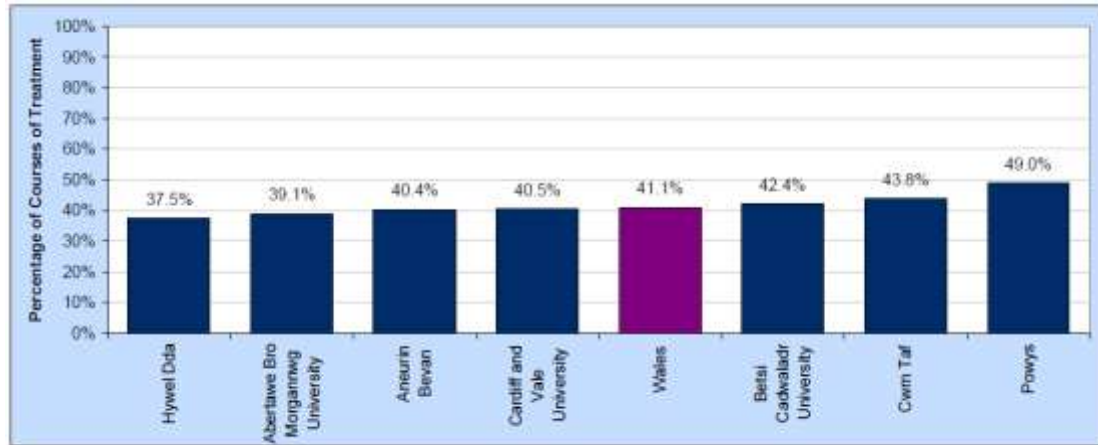
There are also free NHS dental check-ups in Wales for those aged under 25 and over 60. However, any subsequent treatment as a result of the free examination carries the appropriate charge.

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 freeze in charges and subsequent below inflation increases, a patient's contribution has fallen to some 60%.

Overall in 2012/13 there were 965,400 (rounded to the nearest hundred) adult courses of treatments which were chargeable, an increase of just over 0.5 per cent compared with 2011/12. The total patient charge for these patients amounted to £28.6 million, an increase of 1.7 per cent compared with 2011/12. There were 774,200 exempt treatments for adults and 567,000

exempt treatments for children in 2012/13, an increase of 0.5 per cent and a decrease of 0.8 per cent from 2011/12 respectively.

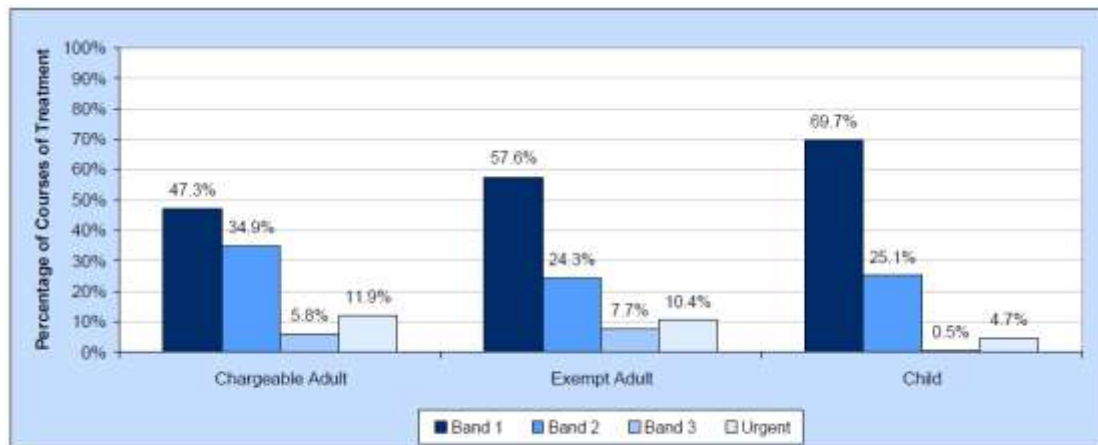
Percentage of total courses of treatments for chargeable adults, by Health Board between 1 April 2012 and 31 March 2013



Source: NHS Dental Services

41.1 per cent of all courses of treatment were for paying adults in 2012/13 compared to 40.6 per cent in 2011/12. This proportion varied across Health Boards according to the profile of the local patient population.

Percentage of Courses of treatment by type of patient and treatment band, between 31 April 2012 and 31 March 2013*



Source: NHS Dental Services

* Note that this table excludes treatments for which there was no charge and treatments in non-chargeable bands.

The above table shows the proportion of courses of treatments in each treatment band for each patient type. In 2012/13, Band 1 courses of treatment accounted for 47.3 per cent of treatments for chargeable adults, 57.6 per cent of treatments for exempt adults and 69.7 per cent of treatments for children.

Band 2 treatments for each patient type ranged from 24.3 per cent (Exempt Adult) to 34.9 per cent (Chargeable Adult). Chargeable adults had the highest proportion of urgent courses of treatment at 11.9 per cent.

The impact on the public is considered small with the proposed increase in charges in line with inflation (at October 2013) and significantly lower than England where charges currently stand at Band 1, £18.00; Band 2, £49.00; Band 3, £214.00; and Urgent course of treatment, £18.00.

Almost 60% of patients in Wales are exempt from paying for their dental 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 off set against payments due to contractors. The NHS Business Services Authority as well as remunerating dentists for the NHS treatment they provide, also monitor and provide a suite of contract management data on behalf of LHBs in Wales.

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

8. Consultation

LHBs are responsible for the provision of dental services to meet local needs and the wider oral health agenda. This gives LHBs 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 dental budget allocations for LHBs are ring-fenced and net of patient charges. So when patient charges are increased this will generate more charge income for LHBs giving them the opportunity to reinvest the additional income in improving dental services.

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 LHBs, the proportion of fee paying patients who access NHS dental services and the complexity of the treatment they receive.

There is a Programme for Government commitment to ensure that dental charges remain affordable and in doing so help to tackle oral health inequalities.

Patient charges are kept under annual review with consideration given to the provision of services, affordability and a number of factors including the 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, and also the views of LHBs and the British Dental Association (BDA) (Wales).

We have consulted with the dental profession represented by BDA (Wales) and the Welsh General Dental Practitioner Committee who are content with the principle of the proposed increases in charges.

The decision to increase the Band 1 dental charge from £12.70 to £13.00, the Band 2 charge from £41.10 to £42.00 and the Band 3 charge from £177.00 to £180.90 from 1 April 2014 was made after considering and balancing the above factors. It is not considered practicable to undergo this process each year by way of a wider public consultation.