Irish Dental Association

Pre-Budget Submission

November 2009.

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1. INTRODUCTION

The Irish Dental Association represents the vast majority of dentists in Ireland including General Dental Practitioners, Dentists in Specialist and Limited Practice as well as Public Dental Surgeons employed by the Health Service Executive.

It is four Associations in one:

A Professional Association - promoting policies which benefit dental practice and dental care

A Professional Representative Body - representing every dentist throughout the country

A Scientific Society - promoting higher standards and improvements in oral health

A Service Organisation - providing a wide range of individual services for members

The Irish Dental Association and the dental profession are acutely aware of the challenges facing the government in December's Budget. Dentistry as a profession and healthcare service has been affected by government measures implemented in the last Budget(s). These budgetary measures together with increased practice costs threaten the viability of dental practices. While recognising the scale of the crisis in the public finances, we would strongly urge caution and ask that particular attention is paid to ensuring that decisions made by the Government need to take full account of the significant pressures already being placed on dental services, which currently receive no state support in contrast to the significant sums made available to dentists in Northern Ireland and to medical GPs in this state. While we draw attention to the impacts of decisions as they affect dentists we would also warn that account needs to be taken of their implications for patients and the dental health of the country which could be profoundly damaging.

As the numbers on the Live Register increase there is a greater service demand on the Medical Card Scheme. Dentists are working hard to ensure this demand can be met in spite of the impact of general Budgetary taxation measures and the 8% reduction in fees imposed for both the Medical Card Scheme and the PRSI Scheme. The McCarthy report has recommended the discontinuation of the PRSI Scheme. We believe this would be a seriously retrograde step in view of the socially progressive nature of this scheme and the huge benefit it offers patients who would likely neglect their oral in the absence of this scheme. The Association remains willing to discuss efficiencies within the scheme.

The economic crisis has also led to an increased service demand on the Public Dental Service. This coupled with the effects of the moratorium on recruitment in the HSE have led to a situation where only emergency care is provided in most parts of the country and dental clinics have been closed.

The Association wishes to submit the following suggestions to the Government for consideration ahead of December's budget. We are fully cognisant of the unprecedented difficulties in the public finances and are mindful of the need to maximise employment while striving to develop and improve the dental health of the population. We believe our suggestions merit serious consideration and meet these broad objectives. Ultimately, they will produce a significant benefit yield wherever there may be costs apparent for the state.

2. SUMMARY OF RECOMMENDATIONS

The following represents a summary of the suggestions made by the Association in the succeeding pages of this submission. We would ask that you would read the rationale and full details of our recommendations in the body of our submission but we have reproduced for convenience a summary of the recommendations hereunder.

GENERAL RECOMMENDATIONS

Taxation

- Med 2 tax relief should be restored to enable relief at the higher rate for taxpayers.
- Tax reliefs for dental treatment should be extended to bring these more into line with reliefs available for medical treatment.
- VAT should be removed from essential dental health products.
- A review of the impact of the VAT difference between the Republic and Northern Ireland should be undertaken.
- A reversion of the Government's decision to reduce the income ceiling for pension tax relief from €275,239 to €150,000 in April's Budget.
- The Association opposes the recommendation of the Commission on Taxation to further curtail the tax relief incentive for private pension contributors and its proposal to cap the tax free lump-sum on retirement from €1,354,521 to €200,000 with the excess over €200,000 to be taxed at the standard rate.
- We call for the following Recommendations of the Commission on Taxation to be implemented:
  - (i) **Recommendation 5.35**
    The interest rate applicable to overdue tax payments should be reviewed each year having regard to the prevailing market rates and the rate should be sufficiently high to discourage taxpayers from deferring payments.
  - (ii) **Recommendation 7.7**
    An optional arrangement should be made available to new non-corporate business to allow them spread their tax payments over the first three years.
  - (iii) **Recommendation 8.69**
    Capital gains tax relief for the disposal of a business on retirement should continue.

Government Schemes

- We support the introduction of Government Back Loan/Equity Guarantee Schemes.
- We call for the extension of the Government's assurance to pay its bills within 15 days to the HSE.

Business/Regulatory Costs

- We seek a reduction in the most utilised business costs and regulatory costs to assist the viability and competitiveness of dental practices.

State Support for Dentists

- We believe that dentists should receive a similar level of funding as is provided to medical general practitioners.

MEDICAL CARD SCHEME

- Special ring-fenced funding needs to be set aside for the DTSS to cope with the increase in demand.
- A direction should be issued to the HSE to restore the Examining Dentists scheme.

SOCIAL INSURANCE SCHEME

- The IDA calls on the Government to retain the Pay Related Social Insurance Scheme to ensure the continuance of the improvements gained in oral health in Ireland in the past number of decades.
- The retention of the scheme will assist the financial viability of dental practices and employment in dentistry.

SERVICES FOR CHILDREN AND SPECIAL NEEDS PATIENTS DELIVERED BY HSE DENTISTS

HSE Staffing

- The HSE moratorium on recruitment should not apply to the Public Dental Service because the work of the service deals mainly with the priority groups of children and people with special needs.
- An explicit commitment is sought to prioritising the employment of front-line clinical staff such as dentists and for the filling of all vacancies to agreed staffing complements as an interim measure. The recruitment and retention of the best staff available remains essential.
- We seek the immediate appointment of a senior dentists within the Directorate of Clinical Care and Quality in order that dental services can be managed strategically and planned in a patient-focussed manner supporting the principles of clinical governance.

Orthodontics / Funding for Services

- Ring-fenced funding (within the budget for orthodontic services or by way of additional compensatory funding being made available to local dental services under the Principal Dental Surgeon) is sought to engage general dental surgeons in extraction and restorative treatments associated with orthodontic care for children.
- National Treatment Purchase Fund funding should be made available to expedite treatment by public dental surgeons for all special needs patients on waiting lists after three months.

Special Needs Dentistry

- Other key issues that need to be addressed in the area of special-needs dentistry are:
    - Training in the area of special needs dentistry
    - Access to a wide range of care under dental general anaesthesia
    - Manpower to deliver services
    - Central planning
    - Under-developed services for older adults who are nursed at home and / or in long-stay institutions
    - Need for development of domiciliary services
    - Focusing services on the needs and preferences of patients
    - The expansion and development of primary care services for children and adults with special needs.
    - Acceptance of the specialty of Special Care Dentistry.

Patient Impact Assessment

- We call for the publication of a full patient impact assessment of any changes proposed in the delivery of dental services by the HSE.

Investment in IT

- The enhancement of services through investment in the existing underperforming electronic patient records systems is advocated.
- We call for the completion and roll-out of the planned National Dental Office to manage the day to day running of the electronic patient records system.

Children's Services

- We emphasise the involvement of primary healthcare workers prior to dental intervention in children.
- The development of referral pathways from primary and secondary care institutions for high risk children is advocated.
- We seek a commitment to implementation of the recommendations of the evidence-based guideline "*Strategies to prevent dental caries in children and adolescents*" (2009) which was developed specifically for the public dental services, and recommends early identification of high caries risk children and development of referral pathways for these children from primary and secondary services into dental services.
- The development of referral pathways from primary and secondary care institutions for high risk children, as recommended in the evidence-based guideline *"Strategies to prevent dental caries in children and adolescents"*

Senior Appointments

- We call for the immediate appointment of a s**enior dentist within the Directorate of Clinical Care and Quality** announced by the HSE in July 2008.
- We call for the immediate appointment of the **Chief Dental Officer within the Department of Health.**
- We advocate the immediate appointment of a **Senior Clinician in the HSE.**

PRIMARY CARE REFORM PROGRAMME

- The Capital Allowances as proposed by the Department of Health and Children in its submission to the Commission on Taxation should be available to:
  - (i) Professionals committed to the delivery of primary care services who can claim these allowances as owner/occupiers
  - (ii) Investors who incur expenditure on qualifying Primary Care Centres and who lease the qualifying building(s) or part thereof to occupiers whose deliver primary care services.
- Qualifying developments should include all Primary Care Centre developments approved by the HSE since December 2007.

Competition Law Restrictions

- The Association should have its role recognised when amendments to the Competition Act are considered.

Incorporation

- Absolute clarity on the interpretation of the law relating to the incorporation of dental practices should be provided.

PATIENT SAFETY ISSUES

- We believe that specific allowances or accelerated reliefs to assist in the creation of separate decontamination rooms and segregated areas in dental practices.
- Grants or accelerated tax allowances would assist in the cost of the installation or upgrading of amalgam separators.
- We seek a once-off grant or accelerated tax allowances to assist with the installation of digital radiography equipment and retrospective application of any such grant aid or allowances.
- We are calling for the extension of existing tax reliefs of €300 available to dentists employed by the HSE towards meeting necessary and essential expenditure to all dentists.
- We seek tax reliefs for staff who attend accredited patient safety training courses, manual handling, CPR, ACLS and other relevant courses such as infection control courses.

DEVELOPING BETTER PRACTICE FACILITIES FOR THE BENEFIT OF ALL PATIENTS PRACTICE REFURBISHMENT

- The gradual introduction of accelerated capital development allowances should be considered with retrospective application of any such grant aid or allowances.
- We seek funding for premises access for the elderly, special needs, mobility restricted cases.
- Supports towards the purchase of expensive dental equipment such as chairs, radiology equipment and other essential matters should be considered.
- We seek the introduction of accelerated capital allowances over 5 years or on the basis of 50% of the relief applying upfront and the balance over a longer (5 to 7 year) period.

PROMOTING EMPLOYMENT

- The reliefs granted in the Finance Act (No.2) 2008 in relation to start up companies should be extended to health care professionals. Start up companies also get relief in relation to the payment of preliminary tax in their first year but this is not available to self employed persons such as dentists and we call for such relief to be granted to dentists.
- We seek the introduction of initiatives to meet the initial cost of employing nursing and administrative staff in dental practices. The extension of the Back to Work type incentives for the employment of such staff.
- Some form of allowance or contribution towards such the increasing costs of professional indemnity insurance for dentists should be considered.
- We seek the introduction of IT grants / allowances.
- We call for targeted assistance for practitioners choosing to establish in remote rural settings and inner city locations.
- Funding relief is sought for appropriate records storage, archiving, retrieval of records.
- Assistance towards the costs of participation in clinical audit is sought...
- We are asking that the Department of the Environment, Heritage and Local Government gives urgent attention to our request for a significant reduction in the RPII license fee, either in the form of a reduction in the net amount by approximately 30% or by agreement to have the €300 fee apply for a four year period as obtained heretofore.
- We are seeking the extension by the HSE of the clinical waste collection scheme to dental practices.

3. Impact of Budgetary Measures 2008/2009

Firstly, we wish to comment on the effect of budgetary measures introduced in the 2008 Budget and supplementary budget in Spring 2009.

Decrease in Professional Fees

The fees paid to dentists participating in the two state dental schemes, the Dental Treatment Services Scheme (the Medical Card Scheme) and the Dental Treatment Benefit Scheme (the PRSI Scheme) were reduced by 8% in 2009 arising from a Ministerial regulation published pursuant to the Financial (Emergency Measures in the Public Interest) Act, 2009. This has had a direct and immediate effect on the income of all dental practice staff.

Taxation

Income levy and health levy

The decision in the supplementary Budget (April 2009) to double the income levy first introduced in October 2008 and the accompanying reduction in the income thresholds as well as the doubling of the health levy and the lowering of the entry point to the higher rate levy has had a direct effect on the net income for dentists and practice staff as well as on the disposable income available to patients, many of whom have decided to cancel or postpone dental treatment. The aggregate effect of the levies and taxes introduced in both the October 2008 Budget and the April 2009 Supplementary Budget has been profound in significantly reducing income for dental practice staff, compounded by sharp falls in dental attendances.

As dentists receive payment on a fee per item basis rather than on a capitation basis, we contend that the impact on dental practices has been far more profound than if a capitation payment system were in place as pertains for general medical practitioners.

For dentists in the public service, they have had an average pay cut of 7.5% imposed through the so-called pensions levy, but they have also seen virtually complete non-filling of vacant posts so that there are now barely 200 whole-time equivalents employed for a service which was deemed to be in need of 350 full-time dentists ten years ago. Furthermore, dentists in the public service have witnessed massive cutbacks in resources and funding for their clinics, many of which are now providing only emergency-cover treatment.

Med 2 Tax Relief

Since January 2009 taxpayers have been limited to claiming relief on dental expenses on the lower rate of tax only (i.e. 20%) regardless of the rate of income tax paid by the taxpayer. This deters patients who require other than routine dental work and effectively cut in half the only support offered by the state to many patients who receive no other support or funding. This makes it no longer feasible for some patients to have treatment that they require.

The reduction in Med 2 tax relief constitutes a massive reduction of €28.5m per annum in the subsidy /support to dental patients and practices. Clearly a large measure of state support for patients has already been removed. In addition, practices are suffering significantly in terms of projected attendance and income as a result of this decision.

IDA Suggestion

- ✓ We believe that the Med 2 tax relief should be restored to enable relief at the higher rate for taxpayers in order to better promote oral health and allow them to maintain their dentitions while alleviating the costs incurred by patients.

- ✓ We call for extension of tax reliefs for dental treatment to bring these more into line with medical treatment commencing with preventative items including examinations, fissure sealants, mouth guards and hygienist treatments and laying out a timetable for further extensions to this relief to other routine treatment items.

- ✓ We believe that value added tax (VAT) should be removed from essential oral health products such as toothbrushes, inter-dental brushes, oral mouthwashes and flosses.

Increased Practice Costs

The Association has commissioned independent research to show the significant practice costs incurred by dentists and the difficulties caused by a rising cost base. This is particularly significant with the hopelessly inadequate levels of fees paid to DTSS-participating dentists.

The accountancy practice, MedAccount, which specialises in preparing accounts for medical and dental practices and numbers 150 dentists (located throughout out the Republic, in urban and rural settings and representing practices of all sizes) amongst its client base, was commissioned to survey income trends and treatment costs amongst dentists. **Comparing the first two months of 2009 and 2008, they found that overall income for dentists declined by 11% on average**. In addition, they found significant and large variations across the country - for example, income in one practice in the Midlands was down by 42% while another in Kerry saw income fall by 30%. These preceded the introduction of 8% fees reductions for both the medical card and PRSI schemes.

IDA Suggestions

Introduce Government Back Loan/Equity Guarantee Schemes

- ✓ The total volume of lending to SMEs has remained static. This submission calls for directed government intervention whereby a scheme is formulated which allows the government and the Banks to share the risk of loans between them thus allowing the Banks to extend loans to SMEs such as dental practices.

Government Agencies to pay their bills within 15 days

- ✓ The Association welcomes the Government's announcement that Government Department will pay their bills to small business within 15 days. We call for this assurance to be extended to the HSE.

Relief for start-up practices

- ✓ The reliefs granted in the Finance Act (No.2) 2008 in relation to start up companies should be extended to health care professionals. Start up companies also get relief in relation to the payment of preliminary tax in their first year but this is not available to self employed persons such as dentists and we call for such relief to be granted to dentists.

Competitiveness

Excessive public sector and local authority charges are placing pressure on every business in Ireland. The reduction of these charges is the only way to ensure the survival of small businesses. The Small Firms Association's survey on business costs found that the top 6 issues were heavily government-controlled:

1. Electricity Costs
2. Local Authority Charges
3. Other Energy Costs (e.g. Gas)
4. Transport Costs
5. Compliance/Regulatory Costs
6. Waste Collection/Treatment Costs

In addition, for dentists postal charges represent a very significant overhead and we would ask that Government consider special measures to support small businesses, such as dental practices, with extensive postal charges.

IDA Suggestion

✓ The Association calls on the Government to assist the survival of small businesses by effecting a reduction in the most utilised business costs.

Increased Regulatory Costs

Similarly, regulatory costs are increasing for dental practices, as we detail below.

Health Information and Quality Authority

The Health Information and Quality Authority of the HSE announced new guidelines in May 2009. Private practices are expected to be fully compliant by May 2010. While the IDA has adopted a proactive role in contacting HIQA with a view to taking a cooperative approach to the introduction of these guidelines, there is no doubt but that the level of spending required in order to become fully compliant may be impossible for many practices.

Radiological Protection Institute of Ireland

Every operator of an x-ray machine requires a license issued by the RPII. The Associated welcomed the introduction of this regulation. The Radiological Protection Institute of Ireland has, at the direction of the Department of the Environment, Heritage and Local Government, increased the fee schedule for dental licenses to €300 per annum, an increase of over 1,000% on the fee charged heretofore (i.e. €124 per four year period).

In addition, dentists are now also obliged to arrange to have biennial inspections by Radiological Protection Advisors, which can entail charges of over €1,000 per inspection, and are also obliged to engage in regular clinical audit of their facilities and equipment.

However, in view of the independently projected fall in turnover and income for dentists of between 20% and 40% in the coming twelve months and the very high costs associated with meeting the statutory requirements in this area, we are asking that the Department of the Environment, Heritage and Local Government gives urgent attention to our request for a significant reduction in the RPII license fee, either in the form of a reduction in the net amount by approximately 30% or by agreement to have the €300 fee apply for a four year period as obtained heretofore.

IDA Suggestion

- ✓ These regulatory costs are also within government control. While the Association welcomes the increased protection of patient safety and welfare, the costs of these measures are in most cases prohibitive. This Association asks that the Government review these costs and reduces them in line with the reductions in professional fees and supports made available to dentists and their patients.
- ✓ We are asking that the Department of the Environment, Heritage and Local Government gives urgent attention to our request for a significant reduction in the RPII license fee, either in the form of a reduction in the net amount by approximately 30% or by agreement to have the €300 fee apply for a four year period as obtained heretofore.
- ✓ We are seeking the extension by the HSE of the clinical waste collection scheme to dental practices.

IMPACT OF ECONOMIC CRISIS

Decreased attendance patterns

The tax increases imposed in last two Budgets caused significant damage to business and consumer confidence and in particular the income tax levies have damaged purchasing power and cost-competitiveness. This has resulted in decreased attendance patterns. It is expected that the current economic malaise could take up to four or five years to correct itself. All the indications are that with rising unemployment, falling consumer expenditure and crashing consumer confidence that attendance by patients will deteriorate significantly and income for dentists will suffer.

The consequence will not only be a fall in income for dentists but the increasing possibility of redundancies of dental staff, receptionists and nurses, hygienists and others as well as a knock on effect in terms of service providers such as laboratories, equipment and other service providers. We note the stated commitment in the Programme for Government to protecting existing employment and caution that a proper impact assessment on employment needs to be undertaken ahead of any further burdens being placed on dentists and their patients.

We calculate that, by conservative estimates, there may be as many as 8,000 persons employed or whose employment is directly associated with the practice of dentistry in Ireland. We believe it is critical that the difficulties which are already apparent are not exacerbated by a decision to reduce fee income, the only source of income and support from the state for the dental profession.

The Pensions Crisis

It is important to recognise also that dentists have been suffering significant extra cost pressures in recent times. The imposition of income levy in the October 2008 Budget has had a significant effect and the further tax increases in the April 2009 Budget. While these costs are applied on an 'across the board' basis and dentists believe they have a part to play in contributing along with others to reversing the current economic decline, they have also been placed at a considerable disadvantage because of the effect of the pensions crisis. The majority of dental practitioners operate as self-employed workers and receive no state support towards their pensions. In the last Budget the government reduced the income ceiling for pension tax relief from €275,239 to €150,000.

Dentists in general practice are obliged to finance their own pension (again, in contrast to doctors in general practice who receive state contributions towards their scheme – worth €23m in 2007).

According to **Rubicon Investment Consulting**, the value of managed pension funds in Ireland declined by 34.5% in 2008 (Sunday Business Post, March 8, 2009).

Those dentists who have chosen to prepare for retirement by investing in property have also seen significant reductions in the value of their portfolios in recent times.

IDA Suggestion

- ✓ The IDA is opposed to the Commission on Taxation's recommendation to further curtail the tax relief incentive for private pension contributors and its proposal to cap the tax free lump-sum on retirement from €1,354,521 to €200,000 with the excess over €200,000 to be taxed at the standard rate.

- ✓ We ask that the government reverse its decision to reduce the income ceiling for pension tax relief from €275,239 to €150,000 in April's Budget.

Funding for dental care

Investment in dental practice facilities derives solely from funds generated by dentists and with no state funding being made available. Dentists are unique in this regard, i.e., no other profession is expected to develop and enhance practice facilities without any state funding or assistance.

It is instructive to set funding for medical card patients treated by dentists alongside the funding available for these same patients seen by their medical general practitioner colleagues.

The average payment to each participating doctor in the GMS stands at over €207,000 Euro compared to an average payment of €55,000 to each dentist.

Whereas the state offers allowances and grants of just under €60,000 to each doctor in general practice, it offers zero to dentists in general practice – in fact, the sum total of just over €55 million paid to dentists is equivalent to the amount paid for the employment of secretarial and nursing staff by general practitioners.

IDA Suggestion

- ✓ We believe this funding for medical general practitioners is entirely appropriate; what we seek are steps to gradually bring funding for dentist to at least a similar level to enhance services for patients in better facilities and offering a wider range of treatments.

4. Commentary on McCarthy Review Group and Commission on Taxation proposals

The McCarthy Report (An Bord Snip Nua) recommended the discontinuation of the Dental Treatment Benefits Scheme, or the PRSI scheme as it is commonly known. The Scheme is, in effect, an insurance scheme and operates on the basis of contributions made by working people in the expectation of receiving benefits in return.

About two million working people, their spouses and dependants, are entitled to dental benefits arising from their PRSI contributions. Under the Dental Treatment Benefit Scheme (the Scheme), all patients are entitled to have an examination and two courses of scale and polish every year without any charge. For additional items, discounts of up to 15% are available to patients in addition to State assistance to patients to cover their costs of up to €240 per item of treatment (in the case of fitting dentures).

Last year, some 400,000 persons visited their dentist for an annual examination under the Scheme and in total 1.5 million treatment items (such as fillings, extractions, etc.) were availed of by patients under it. Annual examinations offered under the Scheme by the 1,200 dentists who operate it can also identify early indicators of systemic diseases such as oral cancer, diabetes, heart diseases, gum disease and evidence of low birth weight/premature births. There is increasing evidence of the linkage between periodontal / gum health and the risk of cardiovascular disease. Oral cancer causes more deaths nationwide than melanoma, leukaemia or cervical cancer, and on average three new cases are identified by dentists every week. Nearly half of all patients diagnosed with oral cancer survive more than five years following diagnoses and when detected early, the disease is often curable.

There is no doubt but that the dental health of the population has improved immeasurably in the last number of decades. The Scheme, as the single biggest scheme available for up to two million people, has been arguably the single greatest contributor to this improvement.

An ESRI study in 2004 found that there was a markedly lower likelihood of attendance at dental clinics by lower income groups; therefore the abolition of the DTBS would inevitably widen the divide in terms of dental health between the less well-off and those who can afford to be treated privately.

The Irish Dental Association commissioned Dr Brenda Gannon, a health economist at NUI Galway, to conduct a cost-benefit analysis of the scheme. Her study shows that the return on investment is extremely positive, and the benefits outweigh the costs of the scheme by a multiple of around 2.85; total societal benefits of the scheme stand at €180 million while the total cost stands at €68m.

Undoubtedly, withdrawal of the Scheme would see a significant deterioration in the dental health of the population and would, in all likelihood, see waiting lists established in many areas of the country. Currently, no waiting list exists. Patients would be faced with paying the full costs of dental treatments and this would be bound to cause a significant deterioration in dental health. Ultimately, the cost of remedying the harm done will be far greater than the cost of a preventive approach.

There would be significant redundancies in dental practices across the country (over 1,000 redundancies would be likely at a conservative estimate). The State would incur significant extra welfare costs, lose income tax revenue through increased unemployment and lose tax revenue from dentists whose income would undoubtedly suffer significantly.

The Irish Dental Association has indicated its willingness to discuss with the Department of Social and Family Affairs ways to enhance the effectiveness of the Scheme with a view to optimising value for money.

Recommendations of the Commission on Taxation

The Association has the following comments to make in regard to a small number of specific recommendations made by the Commission on Taxation as they relate directly to dentists in private or independent practice.

Recommendation 5.35

- ✓ The interest rate applicable to overdue tax payments should be reviewed each year having regard to the prevailing market rates and the rate should be sufficiently high to discourage taxpayers from deferring payments.

Recommendation 7.7

- ✓ An optional arrangement should be made available to new non-corporate business to allow them spread their tax payments over the first three years.

Recommendation 8.69

- ✓ Capital gains tax relief for the disposal of a business on retirement should continue.

5. 1 Medical Card Scheme

DTSS (Medical Card Scheme)
The fees paid for work done under the Medical Card Scheme were also reduced by 8% in 2009. This a demand-led scheme therefore as the numbers on the Live Register increase, so too does the number of eligible persons who can claim for treatment under the DTSS.

The Association has been asking for a review of the DTSS for a number of years. As recently as the 17th September 2009 the Association met with the HSE to discuss the ongoing operational problems experienced by practitioners operating under this scheme.

The Medical Card scheme has been on the verge of collapse in many areas. The HSE Performance Report August 2009 shows substantial growth in the first eight months of the year in treatments provided to eligible patients. At the end of August 2009, there were 207,356 treatments or 30% more than targeted year to date. As the report notes, this reflects a surge in the volume of patients newly issued with medical cards (a rise of 11% between June 2007 and June 2009), an increase in the uptake of benefits and easier access to dental care with an increase in the number of participating dentists.

As a demand-led scheme and in recognition of the increase in unemployment and the increasing number of persons to hold medical cards, we believe that special ring-fenced funding needs to be set aside for the DTSS to cope with the anticipated surge in demand.

IDA Suggestions

- ✓ Special ring-fenced funding needs to be set aside for the DTSS to cope with the anticipated surge in demand.
- ✓ The Association calls for a direction to be issued to the HSE to restore the Examining Dentists scheme – the agreed probity scheme which had been in place with the support, participation and promotion by dentists and which was withdrawn unilaterally by the HSE in 2007.

5.2 Social Insurance Scheme

DTBS (PRSI Scheme)
In 2008 there were 2 million people entitled to dental benefit under the Treatment Benefit Scheme. The McCarthy report has recommended the discontinuation of the DTBS. The Association asks that the Government does not adopt this recommendation. This scheme has operated in Ireland since 1952 and is the one arm of the Treatment Benefit Scheme (the other two being the Optical and Aural Treatment) which the most workers will avail of.

1,200 dentists provide treatment under this scheme. Dentists participating in this scheme have already suffered a loss of income as a result of the decrease in the fees of 8%.

A cost-benefit analysis of the scheme shows an average net benefit of €126.8 million and the ratio of benefits to costs is approximately 2.85. This means the return on investment is about 2.85 times the cost to public finances. The abolition of the scheme would therefore result in increased costs for the government.

We address this issue further in section 4 of our submission.

IDA Suggestion

- ✓ The IDA calls on the Government to retain the Social Insurance Scheme to ensure the continuance of the improvements gained in oral health in Ireland in the past number of decades. The retention of the scheme will assist the financial viability of dental practices and employment in dentistry.

5.3 Services for Children and Special Needs Patients delivered by HSE Dentists

The HSE Public Dental Service is the main provider of dental services for children and for adults and children with special needs. The ethos of the public dental service is the prevention of oral disease and the promotion of good oral health.

Current situation

Good oral health in childhood is the foundation for continuing good oral health throughout life. Currently, adults who are eligible for state-funded services currently have greater access to dental services than children. Eligible adults are entitled to an annual dental check up. Most school-aged children have intervals of 2 years or more between dental visits.

Further restrictions on dental services to children as an expedient measure to cut costs are unacceptable, and are simply pushing the problem into the future, when it will be more costly and complex to treat. If anything, in our strained financial circumstances, we should be investing more in preventing decay from an early age, which will cuts costs all round. The public dental service works in primary care - a priority area for the HSE - and also deals with priority patient groups - children and persons with special needs. We need to see clear commitment from the HSE for the prioritisation of public dental services

IDA Recommendation

- ✓ The IDA submits that the HSE moratorium on recruitment should not apply to the Public Dental Service because the work of the service deals mainly with the priority groups of children and people with special needs. The filling of vacancies for dentist should be exempt from the Health Service Executive moratorium.

HSE Public Dental services for children

Pre School Children

The oral health of preschool children was not addressed in the Dental Health Action Plan in 1994, and integration with primary care services such as the child health service and disability services offers an opportunity to redress this deficiency. The failure to reach the oral health goals for 5 year olds (85% free of decay in fluoridated areas and 60% free of decay in non-fluoridated areas) highlight the need for early prevention.

A new evidence-based guideline: *Strategies to Prevent Dental Caries In Children And Adolescents (2009),* which was developed for the public dental service in Ireland, has recommended that primary care health professionals should be involved in identifying high caries risk children and that referral pathways should be developed from primary and secondary care services into dental services, to ensure that children who need services can receive them.

School-aged children

Over two thirds of primary school children use the HSE public dental service, and we expect this figure to increase due to the current economic climate and as a result of the increase in births over the recent years. A great strength of the dental service for school children is that it is a population strategy, available to all children. The service is well accepted by schools and parents, as evidenced by the high uptake of the service, where it is available. However, due to historical manpower issues, the service has been prevented from developing its full potential. Repeated restrictions in recruitment in the HSE, culminating in the 2009 moratorium on recruitment, have undermined existing routine dental services and have resulted in clinic closures and suspension of screening services for school-aged children. The focus has shifted from prevention to pain management.

HSE Staffing

There are currently 200 (WTE) general dental surgeons employed by the HSE, 150 less than the 350 (WTE) number recommended in 1999. At present there are huge waiting lists and significant barriers to access to oral surgery services and restorative care under general anaesthetic for children and adults with special needs. The provision of dental services by the 200 dentists employed by the HSE has been significantly and adversely affected by the restrictions on the employment of dental staff on a temporary basis as well as the filling of vacancies on a permanent basis.

IDA Suggestions for dental services for children

- ✓ The Irish Dental Associations asks that an explicit commitment be given to prioritising the employment of front-line clinical staff such as dentists and for the filling of all vacancies to agreed staffing complements as an interim measure. We ask that dental services be exempted from the HSE moratorium on recruitment.
- ✓ The Association also calls for the immediate appointment of a Senior Dentist within the Directorate of Clinical Care and Quality announced by the HSE in July 2008 in order that dental services can be strategically managed and planned in a patient-focussed and systematic manner supporting the principles of clinical governance.
- ✓ The Association calls for publication of a full patient impact assessment of any changes proposed in the delivery of dental services by the HSE.
- ✓ The recruitment and retention of the best staff available.
- ✓ Improved access and fair and equitable delivery of the service for all patients.
- ✓ "Commitment to implementation of the recommendations of the evidence-based guideline "*Strategies to prevent dental caries in children and adolescents*" (2009) which was developed specifically for the public dental services, and recommends early identification of high caries risk children and development of referral pathways for these children from primary and secondary services into dental services.
- ✓ The development of referral pathways from primary and secondary care institutions for high risk children, as recommended in the evidence-based guideline *"Strategies to prevent dental caries in children and adolescents"*
- ✓ The expansion and development of primary care services for children and adults with special needs.
- ✓ Completion of the roll out and the establishment of the planned National Dental Office to managed the day to day running of the electronic patient records system.

Dental Services for children and adults with Special Needs[1]

Oral health should be part of every care plan for children and adults with special needs. Primary care services need to be expanded and secondary care services for these patients need to be coherently developed across the country, to ensure equitable access to high-quality services.

Many patients with special needs already face lengthy waiting lists for dental treatment and, if they are suffering, they may be unable to express their pain. The recent cuts in the number of dentists working in this area have been devastating. We are all aware of the harsh economic times we are in but the non-replacement of front line clinical dental staff in the HSE is already leading to pain, distress, medical complications and the unnecessary loss of teeth for many of our children and vulnerable adult patients.

The key issues that need to be addressed in this area are highlighted below.

IDA Suggestions

National Treatment Purchase Fund

- ✓ The Association is calling for NTPF funding to be made available to expedite treatment by public dental surgeons of all special needs patients (children and adults) on waiting lists after three months in view of the current delays whereby adult special needs patients requiring care under general anaesthetic in acute hospitals are currently on **waiting lists of three years** in certain services.

Other key issues that need to be addressed in the area of special-needs dentistry are:

- ✓ Training in the area of special needs dentistry
- ✓ Access to a wide range of care under dental general anaesthesia and sedation anaesthesia
- ✓ Manpower to deliver routine services to children and vulnerable adults
- ✓ Central planning, which is clinician lead and clinician managed
- ✓ Under-developed services for older adults who are nursed at home and / or in long
- ✓ stay care of the elderly institutions
- ✓ Need for development of domiciliary services
- ✓ Focusing services on the needs of patients
- ✓ Acceptance of the specialty of Special Care Dentistry and Public Dental Health within the Public Sector

[1] Including geriatric adults in nursing homes and long stay residential units

Orthodontic Services

The HSE public dental service plays a key role in the assessment and referral of children for orthodontic treatment as identified under agreed eligibility criteria. Care for schoolchildren is stretched further by the reliance on this overstretched and understaffed service to assist in pre, during and post-orthodontic treatment. The Association makes a specific recommendation in regard to this matter below.

IDA Suggestion

- ✓ The Association is calling for ring-fenced funding (within the budget for orthodontic services or by way of additional compensatory funding being made available to local dental services under the Principal Dental Surgeon) to engage general dental surgeons in routine extraction and routine restorative treatments associated with orthodontic care for children, thereby alleviating the pressures placed on primary care public dental services

State Dental Appointments

The (unpublished) Review of Public Dental Services by Dr Paul Batchelor, carried out on behalf of the Department of Health and Children, recommends that key leadership positions need to be filled within both the Department of Health and Children and the HSE to remedy the lack of planning, co-ordination and direction of services and to address the clear lack of priority afforded by the current administration to dental services.

IDA Suggestions

- ✓ The IDA fully endorses the recommendations of Dr Batchelor in this regard and calls for the immediate appointment of the following Senior Clinical Dental positions.

Chief Dental Officer

- ✓ This post has been vacant for 6 years despite Ministerial assurances that the role would be filled urgently. The appointment of the Officer within the Department of Health embodies the Government's commitment to dentistry as an independent but integral component in public health policy. The effective allocation of resources to and within dentistry requires a clinician with detailed knowledge of dentistry who can advise Government, plan national policies and debate with relevant national and international parties in respect of resources.

HSE – Senior Dental Clinician

- ✓ The appointment of a Senior Dental Clinician in the HSE is another area of support for the development of oral health service. The HSE has already acknowledged that national co-ordination of issues relating to dental and oral health requires a level of clinical and non-clinical co-ordination. The need to evaluate the performance of each sector in implementing national oral health policies would be best met by one clinical person with a strategic, executive leadership role and an overview of the health and social services.

5.4 Primary Care Reform Programme

Primary Care Centres
The Association continues to call for the extension of tax reliefs to support the development of primary care centres which can include participation be dentists as well as other healthcare professionals.

IDA Suggestions
The Capital Allowances **as proposed by the Department of Health and Children** in its submission to the Commission on Taxation should be available to:

Professionals committed to the delivery of primary care services (doctors, dentists, physiotherapists, occupational therapists, etc) who can claim these allowances as owner/occupiers carrying on their profession from qualifying Primary Care Centres.
Investors who incur expenditure on qualifying Primary Care Centres and who lease the qualifying building(s) or part thereof to occupiers whose deliver primary care services.

Qualifying developments should include all Primary Care Centre developments approved by the HSE since December 2007.

In the case of 1 above, the capital allowances should be ring fenced for use only against taxable professional or trading income of the owner occupiers.

In the case of 2 above, the capital allowances should be ring fenced for use only against rental income derived from lettings of qualifying Primary Care Centres.

In this way the capital allowances will serve as a specific targeted economic tool to encourage the development of Primary Care Centres as identified as a high level objective in the Department of Health & Children's Statement of Strategy 2008-2010 but will not be available for use as a general tax avoidance measure.

Enabling a level playing pitch for dentists
The Minister will be aware that significant predatory advertising by dental practices outside the state has been a feature of public comment in recent times. The Association has significant concerns for patients who chose to travel abroad but nonetheless there is evidence that not insignificant numbers of patients are choosing to do so. Our contention is not that fees are unreasonable in the Republic of Ireland but that they reflect the costs of dentists in general practice.

Furthermore, the Dental Council of Ireland has confirmed to the Association that over the past five years, a total of 28 dentists with previous addresses in Northern Ireland have registered to practice in Northern Ireland, 11 of whom are newly graduated from Queen's University Belfast. Given that a number are bound to be studying in the Republic but originating from Northern Ireland, it is clear that there are negligible numbers of dentists from Northern Ireland choosing to practice in the Republic.

We suggest this gives the lie to any notion that dentistry in the Republic is particularly profitable or lucrative as some have suggested and in fact the British Dental Association in Northern Ireland recognises that cost in the Republic are "much higher – staff costs, building costs, tax and VAT – the whole infrastructure of the dental practice is costly and therefore the treatment and the lab bills are more costly."

A further recent development has been the decision to amend the legislation regulating the dental profession in Northern Ireland which now allows incorporation of dental practices with significant tax and pensions benefits which offer dentists in Northern Ireland a significant cost advantage over their southern counterparts who are advised that they are not authorised to introduce such business arrangements according to the provisions of the Dentists Act, 1985 (Section 52 provides that "it shall not be lawful for any body corporate to engage in the practice of dentistry").

Considerable uncertainty exists around the whole area of incorporation of dental practices and the IDA has made a separate submission to the Company Law Review Group on the matter. The view of the Irish Dental Association is that there needs to be absolute clarity on interpretation of the law on this matter and equally that there is a level playing field for all dentists in practice.

Over-riding all other factors, we believe that the integrity of the dentist-patient relationship and the duty of care to the patient owed by a dentist is not compromised in any way by any changes in company law.

Meanwhile with the amendment of the Dentists Act of 1984 in the UK with effect from July 31st 2006, dentists in Northern Ireland and the rest of the UK have enjoyed considerable cost advantages over and above their counterparts in the Republic of Ireland and this has prompted an aggressive advertising campaign by certain practices in Northern Ireland with obvious consequences for dentists in the Republic of Ireland, particularly those in Border areas, and we would ask that full and proper account be taken of this development.

The Association has obtained figures from the Department of Health, Social Services and Public Safety in Northern Ireland. In the Financial Year 2008-2009 dentists operating under the NHS contract received on *average £35,000* in various supports and payments. Dentists participating in the NHS contract receive the following allowances and grants: Sick Pay, Maternity/Paternity/Adoptive Leave, Reimbursement of Local Authority Rates, Practice Grants, Trainees Salary & Grants, Employers National Insurance Contributions, Seniority Payments etc. Private dental practitioners in Ireland do not receive any payments other than payments for work done.

The impact of predatory advertising by dental practices outside the jurisdiction and the particular difficulties faced by dentists in the Republic of Ireland arising from the introduction of legislative changes in 2006 which allows the incorporation of dental practices in Northern Ireland with significant economic advantage for dentists in Northern Ireland who treat patients from the Republic of Ireland.

IDA Suggestion

- ✓ Considerable uncertainty exists around the whole area of incorporation of dental practices and the IDA has made a separate submission to the Company Law Review Group on the matter. The view of the Irish Dental Association is that there needs to be absolute clarity on interpretation of the law on this matter and equally that there is a level playing field for all dentists in practice.

- ✓ The Association asks that the government reduce practice costs which in turn would assist with the competitiveness of dental practices.

- ✓ The Association asks that the government review the impact of the VAT difference between both jurisdictions.

Competition Law Restrictions / Public Health Reforms

The Government has cited competition law restrictions as the basis for not consulting with the IDA in previous reviews of the public contracts. As the Minister will be aware, in October 2008 the Government recently decided to *"pursue appropriate amendments to Section 4 of the Competition Act 2002 to enable the representative body of GPs, the IMO, to represent its members in negotiations with the HSE and the Department of Health and Children in respect of the services provided to the public health service"* (Government statement of October 21st 2008).

The Government also stated that it was *"satisfied that the scope of the engagement by General Practitioners in the delivery of primary healthcare, and the significance of primary healthcare for the overall efficacy of the public health system, makes a more direct form of engagement with the representatives of General Practitioners both necessary and desirable."*

IDA Suggestions

- ✓ The Irish Dental Association believes that the same principle of partnership ought to apply to enable direct engagement with the Association, as the representative of general practitioners in dentistry, a principle which the Government sees as "both necessary and desirable" in improving primary care "for the overall efficacy of the public health system." We believe that the Association should have its role recognised in the same way as the IMO when amendments to the Competition Act are considered.

5.5 Patient Safety Issues

In support of the high priority being afforded by the Department of Health and Children to implementing the recommendations of the Commission on Patient Safety (Madden Report), the Association proposes the following.

- ✓ The need to promote infection control practices is strongly endorsed by the Association. In support of dentists who wish to introduce **separate decontamination rooms and segregated areas**, we suggest that specific allowances or accelerated reliefs be introduced.

- ✓ The need to separately safely store dispose of waste materials from dental practices is recognised[2] as essential to promoting more environmentally sensitive practices. **Amalgam separators** are devices designed to remove amalgam waste particles from dental office wastewater. The placement and removal of dental amalgam restorations generates amalgam waste particles that can be suctioned into the dental unit vacuum line and discharged into the public sewer system. Some units can be retrofitted with amalgam separators and this cost ought to be covered by this proposal also.The introduction of amalgam separation units, which can currently cost at least €4,000, is recognised as a positive step in enhancing patient safety also. We suggest that the introduction of a grant or accelerated tax allowances related to the installation or upgrading of such equipment would be worthy of consideration.

- ✓ The installation of **digital radiography** equipment also warrants assistance through provision of a once-off grant or accelerated tax allowances. As with point three above, we suggest that dentists who have incurred expenditure in introducing such equipment at their expense in recent years should have some retrospective application of any such grant aid or allowances.

- ✓ Existing tax reliefs of €300 available to dentists employed by the HSE towards meeting necessary **and essential expenditure** should be extended to all dentists.

- ✓ Consideration might also be given to the introduction of tax reliefs for staff who attend accredited **patient safety training courses, manual handling, CPR, ACLS and other relevant courses such as infection control courses**.

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[2] Article 1(a) of Directive 75/442/EEC dealing with waste and Article 1(4) of Directive 91/689/EEC dealing with hazardous waste refer.

5.6 Developing Better Practice Facilities for the Benefit of All Patients

The Association makes a number of recommendations on how general dental practitioners' surgeries and practice equipment / facilities can be enhanced for the benefit of all patients. It is worth stating that the level of investment in dental practice facilities by the state can best be described as chronically under-funded, in absolute terms, relative to public investment levels internationally and relative to grants and allowances available to medical GPs in the Republic of Ireland and to dentists in Northern Ireland.

It will be recalled that investment in dental practice facilities derives solely from funds generated by dentists and with no state funding being made available. We understand that dentists are unique in this regard i.e. no other profession is expected to develop and enhance practice facilities without any state funding or assistance.

Practice Refurbishment

The Association wishes to emphasise that no targeted allowances or grants are available currently for the enhancement of dental surgeries, in stark contrast to recent initiatives introduced for the development of private hospital facilities.

We also draw your attention to the long established system of grants and allowances negotiated most appropriately for the benefit of medical general practitioners and their patients. Similar assistance is made available to dentists in Northern Ireland.

- ✓ The Association would contend that the gradual introduction of accelerated capital development allowances should be considered. Specifically, recognition should be made of its appropriateness for **refurbishment (modification and extensions)** work in dental practices noting the positive benefits accruing for patients and the lack of any targeted state funding in this area currently.

- ✓ There would clearly also be benefit accruing to construction workers engaged in such work and ultimately to the Exchequer. We suggest that dentists who have incurred expenditure in refurbishing their premises at their expense in recent years should have some retrospective application of any such grant aid or allowances.

- ✓ Funding for **premises access for the elderly, special needs, mobility restricted** cases would also be desirable. We would also draw attention to the costs associated with installation of wheelchair ramps, wide car-parking bays, disabled toilets, patient hoists etc.

- ✓ Supports towards the purchase of expensive **dental equipment** such as chairs, radiology equipment and other essential matters would also bring benefits for service users and the Exchequer.

- ✓ We suggest that consideration be given towards the introduction of accelerated capital allowances over 5 years or on the basis of 50% of the relief applying upfront and the balance over a longer (5 to 7 year) period.

5.7 Promoting Employment

Mindful of the difficulties faced by dentists in maintaining employment in their practices and the need to encourage all small businesses and employers such as dentists to recruit staff, the Association makes the following suggestions for consideration.

IDA Suggestions

- ✓ The Association would ask that consideration be given to introducing initiatives to meet the **initial cost of employing nursing and administrative staff** in dental practices and we suggest that the extension of the Back to Work type incentives for the employment of such staff initially is worthy of consideration.

- ✓ The increasing costs of **professional indemnity insurance** for dentists (some of whom face annual indemnity bills of over €3,000 in the case of general practitioners to between €6,000 and €15,000 for practitioners engaged in maxillofacial dentistry) suggests that some form of allowance or contribution towards such costs be considered. It will be noted that no such relief currently extends to dental practitioners in contrast to those available to medical practitioners.

- ✓ The Department of Health and Children has stated it wishes to see greater computerisation of dental practices and greater online communication between dental practices and state agencies such as the PCRS and also with acute hospitals, teaching hospitals and emerging primary care teams, networks. Accordingly, we suggest that consideration be given to the introduction of **IT grants / allowances** (e.g. purchase of LANs, servers, PCs, scanners etc as well as grants to enable broadband roll-out) in order to promote greater connectivity between dental practices and state agencies.

- ✓ Recognition of particular difficulties in attracting dentists to practice in **remote rural settings and inner city locations** warrants consideration of the introduction of targeted assistance for practitioners choosing to establish in such areas.

- ✓ Funding relief is sought for appropriate **records storage**, archiving, retrieval of records).

- ✓ Participation in **clinical audit** and the costs associated with participation in what will soon become mandatory requirements also carries costs for dentists which ought to be recognised and addressed.