



## Department of Human Services

### Submission to the Senate Standing Committee on Finance and Public Administration, Legislation Committee, for the Inquiry into the *Health Insurance (Dental Services) Bill 2012 [No. 2]*

#### **Purpose of the Chronic Disease Dental Scheme**

The development of the Chronic Disease Dental Scheme (the Scheme) and related policy is the responsibility of the Department of Health and Ageing (DoHA). We are advised that DoHA will be providing a submission to the inquiry. The Department of Human Services (the department) is responsible for administering the Medicare Benefits Schedule, under which benefits for the Scheme are made available.

The Scheme was introduced in November 2007. Under the Scheme, where a GP forms the opinion that a patient is suffering from a chronic medical condition, has complex care needs and that their oral health is impacting (or likely to impact) their general health, the GP may refer the patient for dental services through a GP Management and Team Care Arrangement, or a Multidisciplinary Care Plan.

The purpose of the Scheme is to ensure patients receive ongoing coordinated care to help manage chronic disease. In order for this to occur, it is a requirement that there is appropriate communication between the referring general practitioner, the patient and the treating dental practitioner about the treatment plan. Without this communication, patient health outcomes may suffer as a result of the lack of coordinated care, which remains a key component of managing chronic disease and the ultimate purpose of the Scheme. In addition, the requirement to provide a written quote to the patient is necessary to ensure that patients fully understand the treatment they are receiving and the cost of that treatment, irrespective of any out of pocket expenses.

Further, failure to provide a written treatment plan and a written quote to the patient, prior to commencing the course of treatment, denies the patient the opportunity to fully understand the treatment that is being proposed and prevents the patient providing informed financial consent in relation to their entitlements under the Scheme.

#### **Legislative Base for the Scheme**

The *Health Insurance (Dental Services) Determination 2007* (the Determination) is made under the *Health Insurance Act 1973* (the Act). Subsection 3C(1) of the Act provides that the Minister may, by writing, determine that a health service not listed in the general medical services shall, in specified circumstances and for specified statutory provisions, be treated as if it were so listed.

The purpose of the Determination is to set out the schedule of Medicare items for dental services for people with chronic conditions and complex care needs. The Determination sets out the eligibility requirements, referral requirements, reporting requirements and the services that may be billed. Relevantly, section 10 of the Determination states the following:

Section 10: Quotation for dental services and reporting

(1) This section applies if:

- (a) an eligible dentist, an eligible dental specialist or an eligible dental prosthetist performs an initial examination and assessment of an eligible patient, including consideration of any diagnostic tests; and
- (b) provides a course of treatment to the patient.

(2) An item in Schedule 1 applies to a dental service included in the course of treatment only if, before beginning the course of treatment, the eligible dentist, eligible dental specialist or eligible dental prosthetist:

- (a) gave to the eligible patient, in writing:
  - (i) a plan of the course of treatment; and
  - (ii) a quotation for each dental service and each other service (if any) in the plan; and
- (b) gave a copy or written summary of the plan to the general practitioner who referred the patient for dental services.

Compliance with section 10 of the Determination is fundamental to the effective operation of the Scheme.

**Key Statistics of the Scheme (from November 2007 to 29 February 2012)**

No of dental practitioners claimed:	11,970
No of services provided:	17,516,308
Total spend:	\$2,333,696,342
Number of complaints:	1025*
Relating to Number of dental practitioners:	745
Audits underway:	535
Audits completed:	94
Number found compliant:	29
Number found non-compliant:	65
Amount identified for recovery:	\$21,618,721
Repayments received:	\$259,427

\* (Note: Complaints relate to a variety of issues including non-provision of services; non-provision of treatment plans and quotes; fees and billing practices; and quality of service)

**Compliance Approach**

The department has an obligation to ensure compliance with the legislative requirements of the Scheme. The department began receiving complaints about dental practitioners within the first 12 months of the Scheme and commenced compliance activities from November 2008.

The department takes a risk based approach to managing compliance. Therefore, audits are not random in nature, and dental practitioners are generally selected for audit either as a result of

complaints/tip-offs received from members of the public, and/or where high claiming patterns raise concerns.

Dental practitioners are advised of the audit and invited to participate by providing evidence of compliance. The department may also gather information from other sources. Dental practitioners are advised of the status of the audit at each step in the process, and may provide additional information at any time, including after they have been advised of the audit outcome. Dental practitioners may also request a review of the audit outcome decision.

The department takes as flexible an approach as possible to assessing a practitioner's claiming practices. For example:

- audit periods are generally for two years; and
- there is a broad definition of what constitutes a quote and a treatment plan, to allow dental practitioners every opportunity to be compliant with the Scheme.

Where non-compliance with the legislative requirements is identified, and the amount of incorrectly claimed benefits is quantified, the department is obliged to seek full recovery of the incorrectly claimed amounts.

### **Information provided to dentists, dental specialists and dental prosthetists:**

The department supports the requirement for education to support practitioners to claim services correctly. Since the introduction of the Scheme, both DoHA and the department have provided information to the dental community to ensure dental practitioners were aware of the requirements of the Scheme and to support appropriate claiming.

On introduction of the Scheme, DoHA wrote to dentists, dental specialists and dental prosthesis's describing the Scheme and its requirements. DoHA also issued a fact sheet on the Chronic Disease Dental Scheme as well as the *Medicare Benefits Schedule Dental Services* book that detailed the requirements and the related eligibility criteria of the Scheme.

The *Medicare Benefits Schedule Dental Services* book clearly outlined the obligations on dental practitioners to return newly established care plans to the referring general practitioners and provide a written quotation of costs to the patient. Also included in this reference material was a referral to a Medicare Help Line and a checklist designed to assist dental practitioners to comply with the requirements of the Scheme.

The Australian Dental Association (ADA) provided information about the Scheme and its requirements on its website, prior to the Scheme's implementation.

On 17 June 2010, Medicare Australia wrote to dental practitioners who had claimed under the Scheme, reminding them of the current concerns of non-compliance with the Scheme.

On 29 April 2011, Medicare Australia sent a further letter to all dental practitioners who have claimed under the Scheme. This letter highlighted the main concerns of audit activity to date, reminding dentists of their obligations under the Scheme and informing them about increased audit activity.

On 19 October 2011, the department tabled in the Senate material that have been provided to dental practitioners to support their understanding of the legislated requirements of the Scheme.