

**Explanatory Memorandum (including Regulatory Impact Assessment) to accompany the National Health Service (Dental Charges) (Wales) (Amendment) Regulations 2017**

This Explanatory Memorandum has been prepared by the Primary Care Division of the Directorate of Health Policy 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 2017. I am satisfied that the benefits outweigh any costs.

Vaughan Gething  
Cabinet Secretary for Health, Well-being and Sport

March 2017

## **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 NHS (Wales) Act 2006.

Sections 125 and 126 of the NHS (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 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. 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	£13.50
Band 2 – Treatment	£43.00
Band 3 – Provision of appliances	£185.00
Urgent treatment	£13.50

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 2017-18. 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 2.5% spread across the bands and rounded up to the nearest 50p for ease of administration for patients and practice staff.

This would add 50p to the cost of a Band 1 course of treatment (increasing the charge rate from £13.50 to £14.00), £1.00 to a Band 2 course of treatment (taking the charge from £43.00 to £44.00), £5.00 to a Band 3 course of treatment (increasing the charge rate from £185.00 to £190.00) and 50p to an Urgent course of treatment (taking the charge from £13.50 to £14.00). This produces an overall increase 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 have already announced they will increase charges by 5% from April 2017 following an increase of 5% in 2016.

<b>Dental Patient Charges (example of care/treatment)</b>	<b>Wales 2016-17</b>	<b>England 2016-17 (2017-18)</b>	<b>Difference £ / % higher</b>
Band 1 (examination, x-rays, scale & polish)	£13.50	£19.70 (£20.60)	£6.20/46%
Band 2 (fillings, extractions, root canal treatment)	£43.00	£53.90 (£56.30)	£10.90/25%
Band 3 (crowns, dentures & bridges)	£185.00	£233.70 (£244.30)	£48.70/26%
Urgent (urgent and out of hours)	£13.50	£19.70 (£20.60)	£6.20/46%

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 2.5% overall, which is comparable to the observed levels of inflation - Consumer Price Index and Retail Price Index (January 2017 prices).

## **5. Consultation**

Please see part 2.

## PART 2 – REGULATORY IMPACT ASSESSMENT

### 6. Options

The latest forecast data for 2016-17 suggests health board patient charges revenue to be in the region of £33.2m. 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 health boards and the dental profession to help protect, grow and improve NHS dental services.

**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: 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.

#### 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 NHS dental 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

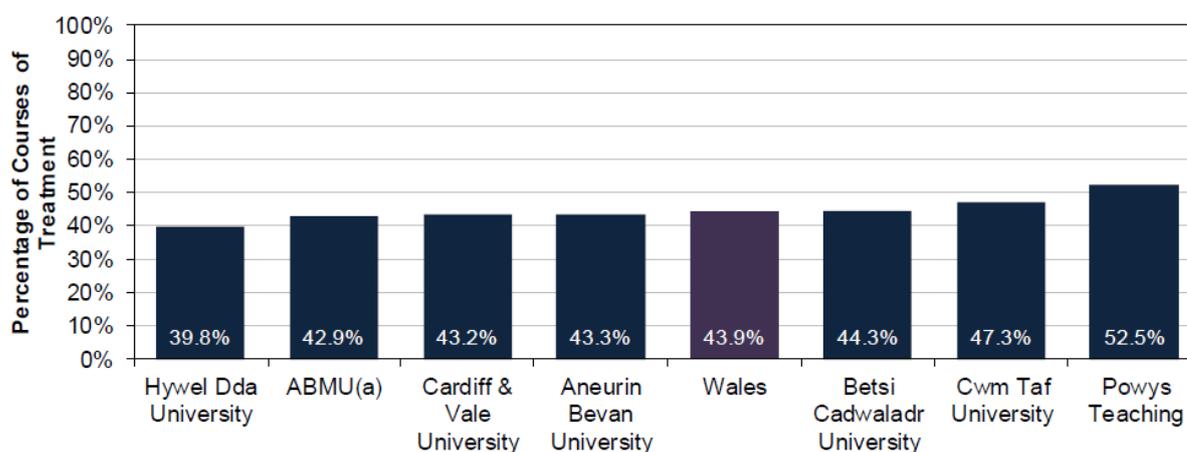
patients do not have to pay for their NHS dental treatment. The main groups of non-charge paying patients are children (aged under 18); 18 year olds in full time education; pregnant women and nursing mothers; adults on low income or in receipt of certain benefits and patients treated in hospital.

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 six year freeze in charges and subsequent below inflation increases, a patient's contribution in Wales has fallen to around 63% of the cost.

Overall in 2015–16 there were 1,027,500 (rounded to the nearest hundred) adult courses of treatments which were chargeable, an increase of 1.3 per cent compared with 2014-15. The total patient charge for these patients amounted to £33.2 million, an increase of 5.2 per cent compared with 2014-15. There were 728,900 (rounded to nearest hundred) treatments for adults that were exempt from charge and 570,400 (rounded to nearest hundred) treatments for children in 2015–16 that were also exempt from any charges, which is a decrease of 5.0 per cent for adults and an increase of 1.2 per cent for children from 2014-15.

### Percentage of Total Courses of Treatment for chargeable adults, by Health Board between 1 April 2015 and 31 March 2016

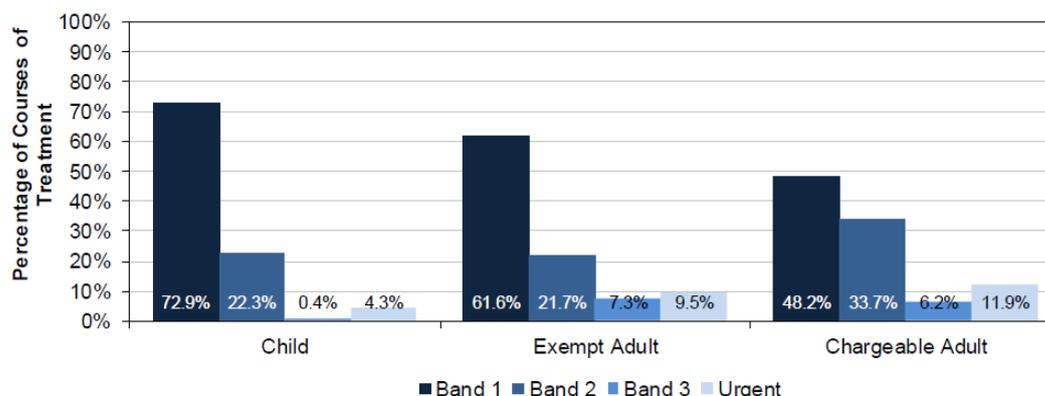


(a) Abertawe Bro Morgannwg University

Source: NHS Dental Services

43.9 per cent of all courses of treatment were for paying adults in 2015–16 compared to 42.7 per cent in 2014–15. 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 2015 and 31 March 2016 (a)

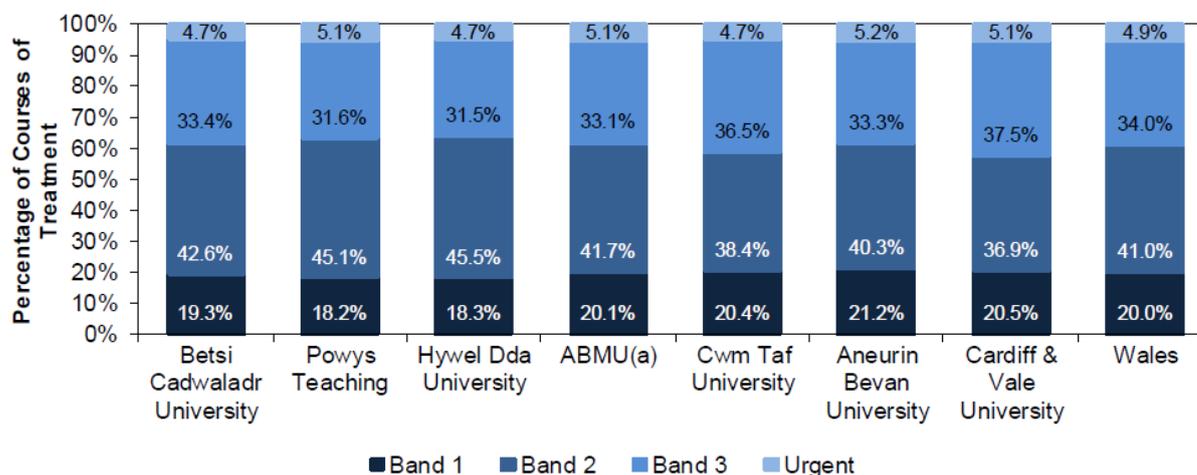


Source: NHS Dental Services

(a) 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 treatment in each treatment band for each patient type. In 2015–16, Band 1 courses of treatment accounted for 48.2 per cent of treatments for chargeable adults, 61.6 per cent of treatments for exempt adults and 72.9 per cent of treatments for children. Band 2 treatments for each patient type ranged from 21.7 per cent (Exempt Adult) to 33.7 per cent (Chargeable Adult). Chargeable adults had the highest proportion of urgent courses of treatment at 11.9 per cent.

## Proportion of patient charges by Health Board and band, between 1 April 2015 and 31 March 2016



Source: NHS Dental Services

(a) Abertawe Bro Morgannwg University

Although Band 1 treatments made up 48.2 per cent of chargeable treatments they attracted only 20.0 per cent of the patient charge. The more complex and expensive Band 3 payments, accounted for only 6.2 per cent of chargeable treatments, attracted 34.0 per cent of the total patient charge. Band 2 patient charges, attracted the most charge overall and accounted for between 36.9 per cent and 45.5 per cent of total patient charges for each health board.

Band 1 charges for Wales in the year 2015-16 amounted to £6,637,800 (to the nearest 100) which was 20.0 per cent of the total charges. Band 2 charges were 41.0 per cent of the Wales total at £13,637,500 and Band 3 charges accounted for 34.0 per cent of the Wales total with £11,310,000. Urgent accounted for 4.9 per cent of the Wales total with £1,641,800.

### **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 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.

## **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. So when patient charges are increased this will generate more charge income for health boards 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 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, and also the views of health boards 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 broadly content with the principle of the proposed increases in charges.

The decision to increase the Band 1 dental charge from £13.50 to £14.00, the Band 2 charge from £43.00 to £44.00 and the Band 3 charge from £185.00 to £190.00 from 1 April 2017 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.