

Human Services Inquiry
Productivity Commission
Locked Bag 2, Collins Street
East Melbourne VIC 8003

28 June 2017

Dear Commissioner,

Re: PRODUCTIVITY COMMISSION DRAFT REPORT OVERVIEW AND
RECOMMENDATIONS (MAY 2017)

The Australian Dental Association New South Wales Branch (ADA NSW) is the peak professional body representing dentistry in NSW and the ACT. Our vision is to achieve the best standard of oral health for our community and promoting oral health is a key part of our mission.

Thank you for another opportunity to provide feedback on the Productivity Commission Draft Report Overview and Recommendations to Reforming Human Services. We refer you to our previous submissions, ADA NSW Productivity Commission's Competition in Human services Issues Paper (August 2016) and to the ADA NSW Productivity Commission's Preliminary Findings Report (November 2016) – both attached.

The comments below are a general response to the Productivity Commission's Draft Overview and Recommendations on Public Dental Services. It will also reiterate points and recommendations made in our previous submissions.

ADA NSW believes there is clearly potential to reform public dental services and welcomes the Commission's finding that public dental services need to be reformed. ADA NSW believes the mission to reform should be to "Improve oral health status by reducing the incidence, prevalence and effects of oral disease and to reduce inequalities in oral health status across the Australian population", as per the goal of Healthy Mouths, Health Lives: Australia's National Oral Health Plan 2015-2024 prepared under the auspices of the COAG Health Council.¹

The previous two ADA NSW submissions highlighted concerns associated with the application of increased competition, contestability and informed user choice, and the extent to which these can improve outcomes in reforming public dental services.

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In its previous two submissions, ADA NSW:

- Supported the integration of efficient public-private dental service models of care to provide well-defined core dental services (including clinical prevention)
- Highlighted that a simplistic market-economy driven model of competition-contestability-user choice is but a fraction of the reform necessary
- Warned a market-economy driven model of competition-contestability-user choice, if instituted without other major funding and structural reforms, may lead to a deterioration of access to dental services by those most in need with a potential increase in expenditure on those with minimal objective oral health needs
- Provided recommendations for the Commission to consider in their analysis of reforming public dental services and improving oral health for all Australians. Please refer to the recommendations made in our previous two submissions.

In this Draft Report, the Commission notes the following evidence on public dental services:

- Public dental services do not focus on the prevention and early intervention needed to improve Australia's oral health
- Unlike some other parts of the health system, government have paid little attention to public dental services
- A third of Australia's population are eligible for public dental services
- Dental conditions were the second highest cause of acute potentially preventable hospitalisations in 2015-16
- Circumstances where competition in the market would not be effective.

ADA NSW supports the above Commission's evidence on public dental services.

The Commission then goes on to recommend that State and Territory Governments:

- Report publicly against a consistent benchmark of clinically-acceptable waiting times, split by risk-based priority levels (Recommendation 11.1)
- Establish outcomes frameworks for public dental services that focus on patient outcomes and include both clinical outcomes and patient reported measures (Recommendation 11.2)
- Develop comprehensive digital oral health records for public dental services and these systems should be incorporated within the My Health Record system (Recommendation 11.3)

- Introduce a consumer directed care approach to public dental services. Under the new approach, participating providers should be paid based on a blended payment model (Recommendations 12.1, 12.2, 12.3, 12.4)
- Should establish outcomes-based commissioning systems for public dental services (Recommendation 12.5).

General Comments

With regards to the recommendations in this report, ADA NSW provides the following general comments and observations:

- There are significant risks, complexities and complications associated with these recommendations
- Each of the proposed recommendations will involve substantial costs to implement and operate. How these costs will be funded, and from where, is opaque.
- Lack of details, clarity and evidence base for the proposed models
- The proposed models have not been implemented and evaluated in the Australian setting
- The proposed direction requires substantial system wide and structural changes
- Given the considerable variation between state/territory dental services delivery, eligibility criteria, and the accountability and reporting of their programs, a strong national stewardship is required which is currently lacking in dental policy and administration
- Requires an investment in increasing the health literacy of consumers for informed choices to be made.

Specific Comments

In addition to the above comments, we provide more specific comments relevant for the following recommendations.

Recommendation 11.2

- In order for a value based health care model to be implemented, there is a requirement to be able to effectively measure health outcomes.
- Currently there are no established and evidence based oral health outcome indicators
- Without diagnostic coding, these systems are very difficult to monitor.
- Clarity is required on how risk is to be assessed and audited.

- Significant adjustments would be required for at-risk populations who currently face significant barriers accessing dental care both in public and private sector.
- There is a need to factor in the social determinants of health.
- Improvement could be seen from a framework that does not involve excessive compliance, overhead, red tape costs or administrative burden that would encourage private practitioners to participate in the scheme.

Recommendations 12.1, 12.2, 12.3, 12.4

- The basic economics of the model proposed in the paper are unclear.
- Comparisons with overseas health systems are of strictly limited value, considering the inter-relatedness and uniqueness of the Australian system.
- Given that the population eligible for public dental care often are patients with complex or special needs, providers may opt not to enrol these patients to avoid higher levels of personal financial risk.²
- Private practitioners need to be assured that the treatment of a public patient provides the treating practitioner with the same sense of rewards (patient care, ability to make decisions and remuneration) as normally applies with a private patient.
- Without proper oversight and safeguards there are risks in the quality and effectiveness of the services provided.

Recommendation 12.5

- The usefulness of commissioning health care has been questioned.^{3 4}
- We urge caution when thinking of applying commissioning to service delivery
- Responding to tenders and ongoing contract management would create additional costs for providers.
- Administrative burden on smaller practices could be quite onerous
- There is a risk that this would benefit large, well-resourced organisations and disadvantage smaller or solo private practices
- Without proper oversight and safeguards there are risks in the quality and effectiveness of the services provided.

ADA NSW believes that, until further detail on proposed reforms is provided, it is premature to endorse any of the recommended models or recommendations. ADA NSW believes any new reform must be trialled and evaluated before being broadly implemented to avoid any type of market failure and intended consequences. ADA NSW supports the Commission's intention to establish initial test sites to evaluate these models, before a staged roll out.

ADA NSW withholds support for any of these recommendations until these models are piloted, reviewed and evaluated in the Australian setting, taking into account the significant characteristics of Australia's public dental system followed by extensive consultation with those who access public dental care, the public dental sector, and the dental profession.

In summary, the fundamentals need to be correctly ascribed in detail. Any public scheme involving private sector dentists needs to be well structured, adequately and fairly policed, incentivised, promoted with integrity and bereft of bureaucracy before it would attract participation of private sector dentists.

We hope that the Commission will take into account the matters we have highlighted in this submission and we look forward to examining the Commission's more detailed proposals arising from the inquiry as they emerge.

ADA NSW looks forward to continued involvement in this Inquiry and welcomes the opportunity to appear at the Hearing to further discuss these issues.

Yours Sincerely,

Dr Sabrina Manickam

President

References

1. COAG Health Council 2015. Healthy Mouths, Healthy Lives: Australia's National Oral Health Plan 2015–2024. Available http://www.coaghealthcouncil.gov.au/Portals/0/Australia%27s%20National%20Oral%20Health%20Plan%202015-2024_uploaded%20170216.pdf
2. Goodson J, Bierman A et. al (2015). The Future of capitation. The Physician Role in Managing Change in Practice. Available at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1495203/>
3. Smith J, Porter A et al. The work of commissioning: a multisite case study of healthcare commissioning in England's NHS. Available at: <http://bmjopen.bmj.com/content/3/9/e003341>
4. Dickson. Helen Commissioning public services: the definition and aims matter. Available at: <http://www.themandarin.com.au/18604-commissioning-public-services-definition-aims-matter/>