



National Health Service in Scotland
Management Executive

St. Andrew's House
Edinburgh EH1 3DG

Dear Colleague

REMUNERATION OF GENERAL DENTAL
PRACTITIONERS (GDPs)

Summary

1. The Secretary of State for Health announced on 2 June proposals to reduce the present dental fee scale by 7% with effect from 8 July 1992. It is also proposed to reduce to £200 the ceiling at which courses of treatment require approval from the Scottish Dental Practice Board.

Action

2. The Government recognise that there are longer term problems on dental remuneration which is why they have agreed to a fundamental review of the issue. Meantime our responsibility is to work together in managing the NHS dental services properly.

3. The Government are committed to maintaining an effective NHS dental service and we must do all we can to help achieve this aim.

4. I will keep you in touch with further developments but meantime I attach at Annex A a copy of Mrs Bottomley's statement which explains the Government's proposals in detail. I also attach at Annex B, background briefing on the proposals which you may find helpful.

Yours sincerely

DON CRUICKSHANK

4 June 1992

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For the future, the Government remains committed to a fundamental review of dental remuneration. I look to that review to develop a system which more effectively and fairly remunerates all dentists for the important work they do.

2 June 1992

Q & A BRIEFING

1. What is the problem?

Last year, dentists received on average about £12,000 more than the level of pay agreed by the Government following the recommendation of the DDRB. This year, unless action is taken now, the overpayments will continue. For 1992/93 the Government have accepted the DDRB recommendation that dentists' pay should increase by 8.5%. What we need to do now is to make sure that dentists get that - but not an uncovenanted substantial windfall in excess.

2. Why was action necessary?

To bring dentists pay closer towards what the DDRB recommended.

3. What about the patients who have been 'overcharged' then, before this action? Will you reimburse them?

No, because patients have not been overcharged. They paid the level of charges properly then in force. But new patients will benefit from a fee reduction.

4. But haven't dentists worked harder? Don't they deserve the extra money?

We are not in this reduction trying to claw back any overpayment to dentists made last year. That is a matter for the balancing mechanism in 3 years hence. What we are seeking to do now is to ensure that, for 1992/93, fees are set at a level which will pay dentists closer to the amount recommended by the DDRB and accepted in full by the Government. The DDRB took into account forecasts of the work done by dentists.

5. What will be the effect of a 7% fee cut

The effect will be to bring the average dentist's pay more into line with the level the independent review body recommended. In practice, dentists will continue to receive rather more than the DDRB recommended.

6. Won't dentists leave the NHS?

All dentists are independent contractors; they always have been. It has also always been true that some dentists do little or no NHS work. But the vast majority do; and significant levels of private practice are unusual outside the South East.

No dentist should have any reason to stop NHS work today more than any other day. All we are proposing to do is bring their pay more into line with their Review Body's recommendation.

Dentists will be paid more in line with the Review Body's recommendations. They have no more reason to leave now than they did when the Review Body recommended that level of pay which, remember, was 8.5% - a generous settlement in the current low inflationary climate.

Any patient who had difficulty finding an NHS dentist should contact their local health board who will be able to help them.

7. Isn't it a pay cut/How would you feel if you had a 7% cut in pay?

In fact dentists will continue to receive rather more than the 8.5% pay rise we have already agreed.

The action we propose is intended to bring dentists' pay more into line with what their independent Review Body recommended and the Government agreed. We propose to adjust the fees to deliver that level of pay. This was set to take into account an increased workload and was, much higher than other settlements in the economy - most people would be very happy with an 8.5% pay rise in the current climate. We will have more than delivered that pay rise after today's proposed action.

8. What contingency plans do you have if they do resign en masse?

We remain committed to a full NHS dentistry service. We will act to protect it if need be. We wrote to the managers of the NHS dental service informing them of our proposal. If they experience difficulties securing NHS care for their local residents they can employ salaried dentists to provide NHS services.

But there is no reason to expect this. Dentists are very well paid. About 35% of them in 1991/92 grossed over £100,000 from the NHS alone - excluding any payment they get from private work. Well over a billion pounds is spent on the provision of general dental services. It would be a spectacular occurrence to see dentists forfeit their claim to £1.4 billion (GB) and the standard of living working for the NHS gives them.

9. Why didn't you opt for full 23% fee cut - isn't it abuse of public purse?

I took my decision in light of all available evidence. We won't know full facts for 3 years when we have all the data. But the magnitude of the problem shows to me that the problem is real, even with a significant margin for error. I proposed action today to arrest that problem before it got worse; I limited its scope because we don't have the full picture yet and I didn't want to make a larger reduction whilst we await real data. It is not in the interest of the General Dental Services to have too great a change too suddenly in fee levels.

10. So will there be more cuts to follow?

I hope not. I hope my proposal will control it and if need be the usual balancing mechanisms would deal with it.

11. But do you rule out more cuts?

We are involved in a very complex situation. The way dentists' pay is delivered is extremely complex. In-year, it is difficult to know exactly where we are. The action I proposed today was intended to bring it back under proper financial control.

I would hope any remaining imbalance would be dealt with by the usual balancing mechanisms. The fundamental review we announced recently should address any long term problems.

12. How can you be sure that this is an overpayment? What about the BDA's claim that expenses are much higher?

It is in the profession's interests to argue that expenses are high - they do so every year. In each of the last 3 years for which data are available [1987/88, 1988/89 and 1989/90], the DRSG was persuaded by the profession's arguments and, in fact, over-estimated the amount of dentists' practice-related expenses by a significant amount. There must, nonetheless, be some uncertainty about the level of practice expenses in 1992/93 and this has contributed to my judgement that a fee reduction of 7%, rather than 23%, is the right course for this year.

13. Why have you identified prior approval as one of the means of controlling payments to dentists?

It is only reasonable that, when spending taxpayers' money on expensive courses of treatment, dentists are required to share their plans with the Dental Practice Boards. Under the new (1990) dental contract, the requirement to seek prior approval was greatly reduced. This may have been a contributory factor to the 1991/92 level of payments. It is only sensible to re-introduce a greater measure of control here. Even at the lower (£200) level, this will only apply to some 3% of courses of treatment carried out.

14. What will be the effect of a fee cut on patient charges?

They will fall.

15. Are you not using the dentists as scapegoats for what is, in reality, simply a case of the Department making huge forecasting errors?

No. We are simply trying to ensure that, in 1992/93, dentists are paid at a level rather closer to what DDRB and the Government intended. Any forecasting errors are the responsibility of the Dental Rates Study Group on which the Health Departments and the profession are equally represented and which has an independent Chairman. Their forecasts were made on the best available information at that time and in good faith.