

FUNDING AGENCIES

1 Introduction

1.1 In its simplest form, the transaction between a dentist and patient should involve the provision of dental services by a dentist and the direct payment to the practice of the fee. Often, however, the relationship between dentist and patient is influenced and complicated by the presence of a funding agency.

1.2 Contractual agreements exist between:

- dentists and their patients;
- some patients and funding agencies; and
- some dentists and funding agencies.

1.3 **Definitions**

1.3.1 BOARD is a Federal, State or Territory dental registration board.

1.3.2 CAPITATION SCHEME is a process by which a dentist undertakes to provide services for a fixed period for an agreed fee.

1.3.3 FUNDING AGENCIES are third parties which make contributions to the payment of the fees charged by dentists, and include:

- Statutory authorities, e.g., Department of Veterans' Affairs, State health departments, transport accident authorities, workers' compensation authorities;
- Private health organisations through –
 - a. Rebate entitlements (most funds),
 - b. Contracted dentist schemes (also known as preferred provider schemes) which have been promoted by some health funds – these involve a dentist agreeing to work for a fixed fee for service for a contracted period, or capitation schemes.

1.3.4 DERECOGNITION is the unilateral withdrawal by a funding agency of the right for patients of a particular dentist to receive rebates for treatment by that dentist.

1.3.5 CO-PAYMENT is payment made by patients in addition to the contribution of the funding agency.

1.3.6 SCHEDULE/GLOSSARY is *The Australian Schedule of Dental Services and Glossary*.

2 Principles

2.1 The guiding principle which applies is that the clinical component and financial consideration of that service should be managed as if the funding agency were non-existent (i.e., the primary relationship is between the dentist and the patient).

- 2.2 The dentist has the right to refuse to proceed with treatment if limitations which a patient or funding agency wish to impose are incompatible with sound dental practice. The patient has the concurrent right to refuse consent to treatment or some portion of it.
- 2.3 Dentists have an obligation to provide dental services in an ethical and clinically sound manner.
- 2.4 Dentists who enter into contracts with funding agencies must ensure that a patient's dental/oral welfare remains the primary concern and, to that end, must exercise best clinical judgement at all times.
- 2.5 Under no circumstances does the Australian Dental Association (ADA) condone fraudulent practice (in this context, fraudulent practice would include such behaviour as the use of item numbers for services that were not rendered).
- 2.6 Funding arrangements can include patients making co-payments.

3 Policy

- 3.1 Funding agencies must not impose barriers that prevent the dentist and the patient developing strategies which ensure optimal health outcomes.
- 3.2 A decision not to provide treatment or to receive treatment should be in accordance with relevant ethical and legal constraints.
- 3.3 Any information regarding treatment is confidential and is not supplied to a funding agency without the consent of the patient.
- 3.4 Dentists must take all reasonable steps to see that systems and stationery used for accounts and receipts are secure against theft and forgery.
- 3.5 Accounts for treatment should be rendered as detailed in the edition of Schedule/Glossary current at the time the treatment is provided.
- 3.6 Any dentist or other party requiring clarification or interpretation of the Schedule/Glossary should contact the Federal office of the ADA. In the event of a dispute regarding interpretation or clarification between a dentist and a funding agency, the ADA shall be the sole arbiter.
- 3.7 In the interest of ensuring that patients have continued access to optimal professional dental care from a dentist of their choice, third party funding agencies/schemes must:
 - Respect that the primary contract is between the dentist and the patient and not attempt to influence clinical decisions.
 - Ensure that the confidentiality of the dentist/patient relationship is respected.
 - Ensure that schemes are open to all dentists (of equal qualifications) on common dollar rebate scales (i.e., not offer preferential benefits to patients of selected dentists).
 - Create an environment in which long-term oral health is paramount.
 - Use the Schedule/Glossary as the authoritative reference for the description of services.
 - Recognise that dentists are entitled to set and vary fees for the treatments they provide.
 - Not impose an unfunded administrative burden on a practice.
 - Make use of expert advice from dentists in developing and administering schemes.
 - Maintain regular liaison with peak professional bodies.

- Ensure that comments are not made by the staff of a funding agency to its members about dentists, their fees, or their treatment.
 - Conduct significant and regular review of rebates (based on practice costs and not general economic indicators).
 - Eliminate lifetime limits on courses of care.
- 3.8 In fixed rebate systems, treatment by specialists in their area of specialisation should attract a rebate higher than the rebate paid for a similar service rendered by a general practitioner. Where rebates on certain categories of treatment or procedural groups are subject to maximum allowances, if the treatment is provided by a specialist, these limits should be higher than if provided by a general practitioner. A differential rebate system must not be established by lowering rebates available on general practitioner services.
- 3.9 Funding of schemes should include provision for patients to make a payment towards their treatment (i.e., co-payment).
- 3.10 Dentists should seek advice from their indemnity providers as to whether their indemnity cover will be compromised by entering into contracts with funding agencies before signing such contracts. If a funding agency suspects a dentist has engaged in systematic inappropriate itemisation of accounts, the following steps are recommended:
- Seek an expert opinion from a dentist where there is alleged inappropriate use of Schedule item numbers noting that there is a large variation in practice profiles and treatment philosophies within an ethical framework.
 - Develop pathways that seek to address interpretation or billing concerns in a supportive environment.
- 3.11 In the event of an approach by a health fund, ADA members should seek advice from their Branches **before** participating in any discussions with funding agencies, and should also inform their indemnity providers of any actions against them by funding agencies.
- 3.12 In the event of a formal hearing before a Criminal Court or a Board, an ADA Branch should advise the member regarding appropriate representation.
- 3.13 Derecognition of a dentist by a funding agency shall only occur with the consent of the dentist or following a conviction in a Court or a finding of unsatisfactory professional conduct by a Board.
- 3.14 Derecognition of a dentist based solely on Schedule item usage per patient (described by funds as "reasonable utilisation levels") is unacceptable.
- 3.15 Otherwise it is unacceptable for funding agencies, when advising their members of the derecognition of a dentist, to imply that such action is due to inappropriate practice by the dentist.

Policy Statement 4.5

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