

Position Summary

Funding agencies must avoid interfering with the relationship between a dentist and a patient and provide transparent and easy to understand policies. Funding agencies should provide the same rebate for the same service covered by the same policy. Private health insurers should not provide dental services directly to patients to avoid conflicts of interest.

1. Background

- 1.1. The relationship between dentist and patient is often influenced and complicated by the presence of a funding agency.
- 1.2. Contractual agreements exist between:
 - 1.2.1. dentists and their patients;
 - 1.2.2. some patients and funding agencies; and
 - 1.2.3. some dentists and funding agencies
- 1.3. The vast proportion of dental expenditure is funded by individuals. Nevertheless, a significant proportion of total spending is provided by government and private health insurers (PHIs).
- 1.4. Some health funds have restructured from Mutual organisations to for-profit companies.
- 1.5. A handful of for-profit PHIs dominate the market.
- 1.6. Some PHIs provide dental services directly to patients via dental practices that either contract with dentists in private practices or within their own clinics.
- 1.7. A conflict of interest exists if the PHI is the supplier of dental services.
- 1.8. PHIs and Health Care Providers are subject to patient privacy laws.
- 1.9. 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.
- 1.10. Funding arrangements can include patients making co-payments.
- 1.11. The Government currently provides assistance to the public to take out private health insurance cover.
- 1.12. Each practice is unique and there is a large variation in practice profiles and treatment philosophies within an ethical framework.

Definition

- 1.13. BOARD is the Dental Board of Australia.
- 1.14. CO-PAYMENT is payment made by patients in addition to the contribution of the funding agency.
- 1.15. DERECOGNITION is the unilateral withdrawal by a funding agency of the right for patients of a particular dentist to receive rebates for treatment provided by that dentist.
- 1.16. FUNDING AGENCIES are third parties which make contributions to the payment of the fees charged by dentists, and include:
- statutory authorities, e.g., Commonwealth and state health departments, transport accident authorities, workers' compensation authorities;
 - PHIs (for-profits and mutuals) through –
 - (a) Rebate entitlements (most health funds); and
 - (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.
- 1.17. A MUTUAL is an organisation owned by its members. (modified definition)
- 1.18. SCHEDULE/GLOSSARY is The Australian Schedule of Dental Services and Glossary.

2. Position

- 2.1. The clinical component and financial consideration for a treatment service should be managed independently of any third-party funding agency arrangements (i.e., the primary relationship is between the dentist and the patient).
- 2.2. PHIs and their staff must not interfere with the professional or business relationships between dentist and patient.
- 2.3. All dental treatment items included in the Australian Schedule and Glossary of Dental Services should be recognised and attract a benefit by funding agencies.
- 2.1. PHIs should have an obligation to provide clear and easy to understand policies.
- 2.2. PHIs should not provide dental services directly to patients to avoid conflicts of interest.
- 2.3. Funding agencies should provide the same rebate to their members irrespective of their contractual relationship with the dental practitioner.
- 2.4. PHIs must provide the same rebate to the patient for the same service for the same policy. However, treatment by specialists in their area of specialisation should attract a rebate higher than the rebate paid for a similar service rendered.
- 2.5. Dentists should have a right to natural justice and procedural fairness if a dispute arises with a funding agency
- 2.6. PHIs should abide by the ADA's Funding Agencies Code of Conduct (see Appendix).
- 2.7. Governments that provide financial assistance to PHIs should ensure they are properly held accountable.

- 2.8. Funding of schemes should include provision for patients to make a co-payment towards their treatment.
- 2.9. PHIs should not recommend that a patient attends another dentist based upon whether the dentist is contracted or not to the PHI.
- 2.10. Any information regarding treatment is confidential and under privacy principles should not be supplied to a funding agency without the specific consent of the patient.
- 2.11. Any dentist, patient or funding agency 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.
- 2.12. Any funding agency developing a new scheme should consult the ADA in the design and administration of the scheme.
- 2.13. Derecognition of a dentist by a funding agency based solely on Schedule/Glossary item usage is unacceptable unless proven evidence of fraud is presented.
- 2.14. When advising their members that a practitioner is no longer recognised for the purpose of a rebate, funding agencies must not imply that such action is due to inappropriate practice by the dentist.
- 2.15. All PHIs should be not-for-profit Mutuals.

Policy Statement 5.5

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Amended by ADA Federal Council, April 6/7, 2017.

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Amended by ADA Federal Council, November 20, 2020

Amended by ADA Federal Council, April 23, 2021.

Appendix to PS 5.5

Australian Dental Association

Funding Agencies Code of Conduct

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 including PHIs must:

- Not impose barriers that prevent the dentist and the patient developing treatment strategies which ensure optimal health outcomes
- 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 patient personal information is not used unfairly against the insured
- Ensure that schemes are open to all general dentists using the same rebate scales (i.e., not offer preferential benefits to patients of selected dentists)
- Ensure intelligible, clear, timely and accurate information is available on scope and restrictions of benefits, level of benefit and eligibility
- Not introduce unilateral adverse changes to terms and conditions without mutual agreement of the parties
- Create an environment in which long-term oral health is paramount
- Use the Australian Schedule and Glossary of Dental Services as the authoritative reference for the description of item numbers and 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
- Ensure that comments are not made by the staff of a funding agency to its members about dentists, their fees, or their treatment
- Apply indexation increases to rebates based on practice costs and general economic indicators
- Set premiums fairly and proportionate to actuarial value
- Process claims in a timely and accurate manner, providing clear explanations for alterations in payment levels
- Eliminate lifetime limits on courses of care
- Make use of expert advice from dentists in developing and administering schemes

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- Maintain regular liaison with peak professional bodies
 - Ensure provider profiling is adjusted to match practice profile and account for variations in severity of conditions treated, patient compliance, practice location and other mitigating factors
 - Ensure providers are given meaningful opportunity to review and challenge insurer profiling and are afforded process to remedy incorrect profiles.
 - Ensure any review processes adhere to natural justice.