AUSTRALIAN DENTAL ASSOCIATION

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Budget Policy Division
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Via email: PreBudgetSubmissions@treasury.gov.au

2023-24 Pre-Budget submission

Thank you for providing the Australian Dental Association (ADA) an opportunity to share our views regarding priorities for the 2023-24 Budget.

Oral health is at the foundation of overall health, happiness, and quality of life. People who have a healthy mouth can eat, speak, and interact with others without experiencing discomfort or shame. Despite advancements in recent decades, more Australians have poor dental health than we would like.

Initiatives discussed herein would involve the investment of public funds, as with any Budget initiative. However, investment in oral health care can be offset by reductions in health care costs elsewhere. For example, around 68,000 potentially preventable hospitalisations occur each year due to dental conditions in Australia.[1]

This submission focuses on:

- creating a Senior Dental Benefits Scheme
- enhancing the Child Dental Benefit Schedule
- adjusting Public Dental Services for Adults funding arrangements
- considering the introduction of Health Savings Accounts.

About us

The ADA is the peak representative body for dentists in Australia. Our 17,000 members include dentists who work across the public and private sectors, in 14 specialty areas of practice, education and research roles, and dental students currently completing their entry-to-practice qualification.

The ADA also supports the Australian Dental Health Foundation, which seeks to improve the dental health of Australians who cannot easily access or afford dental care.

The ADA, in conjunction with the Australian Dental Industry Association, also supports the Australian Dental Research Foundation, which supports dental research that translates to better patient care and community health, and dental innovation on the pathway from laboratory to the marketplace.

[1] Oral health and dental care in Australia, Hospitalisations - Australian Institute of Health and Welfare (2023). Available at: https://www.aihw.gov.au/reports/dental-oral-health/oral-health-and-dental-care-in-australia/contents/hospitalisations (Accessed: 25 January 2023). Analysis applied.

Establish a Senior Dental Benefits Scheme

The Royal Commission into Residential Aged Care heard evidence of the appalling dental and oral health of residents in care. The words "rotting teeth" were read into evidence to describe the dire situation. The system is failing frail and vulnerable Australians.

Recommendation 60 of the Royal Commission into Aged Care Quality and Safety is to Establish a Senior Dental Benefits Scheme[2] (SDBS). The Government Response to the Royal Commission report indicates that this recommendation is subject to further consideration by 2023.[3]

In its submissions to the Royal Commission, the ADA outlined the need for a Senior Dental Benefits Scheme and its benefits relative to other models. The ADA is pleased the Royal Commission agreed with its proposed alternative to funding oral care for certain seniors, and hopes this recommendation will be followed through. It is worth noting that the introduction of such a scheme has the support of all stakeholders including the National Oral Health Alliance[4], the Council of the Ageing,[5] Consumers Health Forum[6] and National Seniors Australia.[7]

Countervailing effects of this intervention relate to the cost of poor oral health for older Australians, which has been put at more than $750 million per annum.[8] Older people are over-represented amongst potentially avoidable hospital admissions[9], and untreated oral health conditions are often the cause or causal factors in those admissions.

The ADA believes that a phased approached to introduction of a SDBS would allow Government to control expenditure. Key features of the scheme would include:

1. Provide individual residents with access to $1,052 of oral and dental care over two years.

The SDBS should be established under the *Dental Benefits Act 2008* so that the rules that exist under the Child Dental Benefits Schedule (CDBS) can be applied. Public and private dental services are now very familiar with the requirements of the CDBS and could therefore introduce services to this vulnerable population more easily. It would also assist Government to apply the same compliance measure that currently exist under the CDBS.

2. Limited to residential aged care with option to extend in future years

Many residents in aged care are eligible to access public dental services however waiting lists render this access virtually useless. Many residents will not survive long enough to get the care they need. The SDBS must provide for access to public and private services to maximise the services of the existing workforce of which 85% work in the private sector.

If limited to residential aged care initially, We estimate the cost of a scheme to be around $95m per year based on the current numbers of aged care residents and full utilisation - approximately 0.5% of the $1.8b aged care budget. Even at 65% uptake, the cost to government would be $61m per annum. An insignificant cost relevant to the size and impact of the issue, and less than Australia spends on things like ant eradication.

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[2] Royal Commission into Aged Care Quality and Safety. Final Report – Care, Dignity and Respect. Volume 1 Summary and Recommendations. Canberra: Royal Commission into Aged Care Quality and Safety; 2021. 249p

[3] Australian Government response to the final report of the Royal Commission into Aged Care Quality and Safety. Commonwealth of Australia (Department of Health) 2021;p 42.

[4] https://www.oralhealth.asn.au/

[5] https://www.cota.org.au/

[6] https://chf.org.au/

[7] https://nationalseniors.com.au/

[8] Lewis et al, op. cit; Welsh S. (2014). 'Caring for smiles: improving the oral health of residents', Dental Nursing, 10 (4), pp.224-228.

[9] Admissions that could have been prevented by preventive oral hygiene care and/or early detection and treatment of disease.

3. Limited schedule of services

The ADA has identified a schedule of services that would be covered under the SDBS, which is available on request. It does not include all dental services that would generally be available to consumers but rather focuses on the delivery of treatments that would ensure a baseline of oral health is maintained such that residents can maintain eating, drinking and general health.

Supporting residential aged care staff

Introduction of a SDBS must also be supported with efforts to increase the oral health literacy of care staff. This can be achieved by:

1. Including mandatory oral health units of study in the Certificate III in Aged Care

Personal care staff are the backbone of care in residential facilities and are the front line of defence in avoiding oral and dental issues. They require education and skills to ensure they manage oral health and can identify problems early, before the rot sets in.

Educational units already exist so no additional work is needed to embed them in the training package, and the ADA will work in partnership to deliver any additional education required to staff who already have a Certificate III in Aged Care qualification at no cost to the sector. It's our contribution to make an overall improvement in standards of care.

Teledentistry

The ADA is also proposing a complementary telehealth solution that would ensure additional support for care staff.

Through the use of a small medical device that collects images/videos of resident's mouths, the ADA will support staff who believe there is a dental issue impacting the resident's ability to eat or drink. Through an online platform, the digital image/video (encrypted) will be sent to a dentist for review and the identification of treatment needs determined.

The facility will then be alerted to the need to refer to a dentist for further investigation with the cost of dental being discussed with the resident, aged care provider and family and potentially claimable through private health funds or the SDBS if established. The collection of images/videos should take less than 10 minutes per resident. The device will remain the property of the Residential Aged Care Facility for ongoing use and works with any mobile phone.

Further costings are available should the Treasury or Department of Health wish to discuss this proposal further.

Enhance the Child Dental Benefit Schedule

The CDBS is an Australian Government program that provides access to up to $1,052 in benefits over a relevant two calendar year period for basic dental services for eligible children.

Services can be provided in a public or private setting. Benefits are not available for orthodontic or cosmetic dental work and cannot be paid for any services provided in a hospital.

The limit is sufficient to cover the cost of a regular examination and recall program, which promotes a preventative approach to oral health. However, it is not sufficient to cover the cost of treatment for children with more extensive treatment requirements. The ADA would therefore support consideration of increasing the CDBS limit for high-risk children.

Include hospital treatment

For children with extensive treatment needs or who cannot tolerate treatment while awake, dental treatment may need to be performed under general anaesthesia (GA). This treatment is carried out in both public and private hospitals.

Those attending private hospitals face substantial costs – covering hospital stay costs, anaesthetist fees and dental fees. While hospital and GA fees may be covered in part or fully by a combination of Medicare and private health insurance (if patients have it), dental fees in this scenario cannot be covered or subsidised.

Enabling the CDBS to be used for in-hospital dental services, would broaden access to these services. We recommend extending the CDBS to cover the dental component of in-hospital services. The cost to the Budget of the CDBS contributing to in-hospital dental treatment costs is likely to be incremental, because we expect these services would occur within the entitlement limit. However, the expanded availability might increase utilisation.

Include fabricated mouthguards

Mouthguards are essential for children who engage in sporting and other leisure activities that involve heightened risk of oral trauma. The CDBS does not allow patients to access funding to fabricate mouthguards. We recommend the provision of custom-fitted mouthguards be included in the CDBS.

The cost to the Budget of allowing patients to access funding to fabricate mouthguards is likely to be incremental, because we expect this service would occur within the entitlement limit. However, the expanded availability might increase utilisation.

Enhance access

The CDBS attracted relatively low uptake following its initial establishment—around 30% in the 2014 and 2015 calendar years—as compared to Health's projections, resulting in a significant underspend of allocated funding. The Australian National Audit Office recommended a focus on improved communication with the target population.[10]

We understand this figure has improved to about 40% more recently, and consider the CDBS could be better promoted. It currently relies on dental practitioners, peak bodies and oral health services for its promotion. It is not widely advertised, and potential recipients may need help understanding it.

The ADA would like to see more promotional activities such as going into schools, and exploring the areas most in need. Public funding would likely be required to achieve this.

Adjust Public Dental Services for Adults funding arrangements

For many years, states and territories have relied on additional funding to support public dental care. This funding, made available by the Commonwealth under a National Partnership Agreement has been subject to annual extensions, which provides limited assurance to states and territories when planning services.

Feedback we have received suggests this practice tends to negatively affect recruitment and retention of skilled staff, particularly in rural and remote areas, because the temporary funding means jobs are not ongoing, which reduces job security, impacts staff eligibility for home loans, etc.

[10] Administration of the Child Dental Benefits Schedule: Australian National Audit Office (ANAO) https://www.anao.gov.au/work/performance-audit/administration-child-dental-benefits-schedule

We are aware that steps are underway to develop a Federal Funding Agreement for oral health which will bring some stability to the funding agreements but the delay in finalising such an agreement continues to limit the capacity of states and territories to provide services to those who rely on public dental care.

The ADA respectfully requests that this negotiation should be urgently completed so that multi-year arrangements, covering at a minimum the forward estimates period, are established.

Consider introducing Health Savings Accounts

The ADA released a report in 2018 titled *Saving for Ones' Care – Understanding how Health Savings Accounts can help fund the health of Australians*[11], to provide fresh impetus for Government to re-examine how health policy is delivered in Australia.

Commissioned from the Centre for International Economics, the report proposes tax incentives which would allow Australians to save for their own dental and other allied[12] health care.

By using tax incentives to encourage community-wide saving for extras health care needs, Australians would be rewarded for proactively managing their health in a way that overcomes the limitations of extras cover and retains their freedom of choice in the practitioner they use.

It is expected that an average of $1,226 would be saved annually by Australians because of the savings incentives on offer. The cost to the Australian Government of incentives designed for the purposes of the review is estimated to be $157 million in the first year.

The ADA wishes to work with the Government to develop sustainable measures to ensure populations with poor oral health have access to screening, prevention, and treatment. We believe that by developing affordable and sustainable oral health care models, the Government can play a significant role in supporting states and territories in the provision of oral health services.

Should you wish to discuss further any matters raised in this submission, please contact Mr Damian Mitsch, Chief Executive Officer at ceo@ada.org.au.

Yours sincerely

Dr Stephen Liew
President

11 The Centre for International Economics, Savings for one's care, 2018. Available from https://www.ada.org.au/Assets/Publications/Final-Report_ADA_Saving-for-ones-care-23-Feb-2018.aspx

12 such as physiotherapy and optical