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Via email: PreBudgetSubmissions@treasury.gov.au

## 2024–25 Pre-Budget submission

Thank you for providing the Australian Dental Association (ADA) an opportunity to share our views regarding priorities for the 2024–25 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 proposal. However, investment in oral health care is offset by reductions in health care costs elsewhere. For example, *in 2021–22, about 78,800 hospitalisations for dental conditions could potentially have been prevented with earlier treatment*.[1]

This submission focuses on opportunities to:

- create a senior dental benefits scheme;
- enhance the child dental benefit scheme;
- adjust public dental services for adults funding arrangements; and
- consider the introduction of health savings accounts.

## About us

The ADA is the peak representative body for dentists in Australia. Our 17,000-plus members operate more than 7,500 small businesses. They include highly trained professionals who work across the public and private sectors, in general dental practice, or in one of 13 areas of dental specialisation, in education and research roles, as well as dentistry students currently completing their entry-to-practice qualification.

The primary objectives of the ADA are to encourage improvement of the oral and general health of the public, promote the ethics, art and science of dentistry, and support members to provide safe, high-quality professional oral care.

Dentists are vital contributors to Australian public health. The importance lies in their ability to treat and prevent oral diseases and enhance overall well-being. By providing essential care and services, dentists help their patients maintain healthy teeth and gums, empowering them to eat, speak, and smile with confidence. They are crucial in diagnosing and treating oral diseases, which, if left untreated, can lead to severe health issues and increase the

[1] Oral health and dental care in Australia, Potentially preventable hospitalisations Australian Institute of Health and Welfare. Available at: https://www.aihw.gov.au/reports/dental-oral-health/oral-health-and-dental-care-in-australia/contents/hospitalisations/potentially-preventable-hospitalisations (Accessed: 15 January 2024).

burden on Australia's hospital system. Dentists also contribute to aesthetics by enhancing smiles and boosting self-esteem.

## Select Committee into the Provision of and Access to Dental Services in Australia

The recent publication of the Select Committee into the Provision of and Access to Dental Services in Australia's final report presents an opportunity for the Government to carefully consider that report's recommendations and look afresh at the most promising interventions to support the oral health of all Australians.

The ADA supports several recommendations in the Select Committee's final report. We are always available to advise on the areas in which we believe public investment will be most impactful.

Please find following brief discussion of key initiatives that could be achieved with the support of the Australian Government.

## Establish a Senior Dental Benefits Scheme

The cost of poor oral health for older Australians has been put at more than $750 million per annum.[2] Those aged over 65 years accounted for around 13,791 potentially preventable hospitalisations due to dental conditions in 2021-22.[3]

Recommendation 60 of the Royal Commission into Aged Care Quality and Safety is to Establish a Senior Dental Benefits Scheme (SDBS).[4] The Government Response to the Royal Commission report indicates that this recommendation was subject to further consideration by 2023.[5]

In its submissions to the Royal Commission, the ADA outlined the need for a SDBS 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. The introduction of such a scheme is supported by stakeholders including the National Oral Health Alliance, the Council of the Ageing, Consumers Health Forum, and National Seniors Australia.

A phased approach to introduction of a SDBS would allow the Government to control expenditure. Key features of the scheme would include:

- *Provide individual aged care residents with access to oral and dental care up to set limits.*

The SDBS should be established under the *Dental Benefits Act 2008* so that rules existing under the Child Dental Benefits Schedule (CDBS) can be applied. Public and private dental service providers are familiar with the requirements of the CDBS and could therefore introduce services to this new cohort efficiently. Compliance measures existing under the CDBS could likewise be applied / extended efficiently by Government.

- *Support residential aged care staff.*

Introduction of a SDBS should be supported by efforts to increase the oral health literacy of care staff. This can be achieved by including mandatory oral health units of study in the Certificate III in Aged Care.

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

[3] Oral health and dental care in Australia, Potentially preventable hospitalisations Australian Institute of Health and Welfare. Available at: https://www.aihw.gov.au/reports/dental-oral-health/oral-health-and-dental-care-in-australia/contents/hospitalisations/potentially-preventable-hospitalisations (Accessed: 15 January 2024).

[4] 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

[5] 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.

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

Educational units already exist so no additional work is needed to develop them. The ADA could work in partnership to deliver any additional education required by staff who already have a Certificate III in Aged Care qualification.

- *Teledentistry opportunities.*

The ADA also proposes a telehealth solution that would ensure additional support for care staff. Using a small medical device that collects images/videos of resident's mouths, the ADA could support staff who believe there is a dental issue impacting a resident's ability to eat or drink. Through an online platform, the digital image/video (encrypted) could 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 insurance, or the SDBS (if established). The collection of images/videos should take less than 10 minutes per resident. The device would remain the property of the residential aged care facility for ongoing use and work with any mobile phone.

The ADA can supply details around cost to Treasury or the Department of Health on request.

## Enhance the Child Dental Benefit Schedule

The CDBS limit of up to $1,095 in benefits over a relevant two calendar year period for basic dental services for eligible children is generally 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 assessing the costs and benefits of increasing the CDBS limit for high-risk children.

- *Include hospital treatment.*

CDBS benefits cannot be paid for any services provided in a hospital. 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.

- *Include custom 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.

- *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.[6]

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 decision makers in some eligible families may not understand it. We would value more promotional activities such as promotion through schools and focus on geographies where eligibility is underutilised.

## 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, the ad hoc nature of which offers limited assurance to delivery arms.

Feedback we have received suggests this practice tends to negatively affect recruitment and retention of clinical and administrative 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.

We understand 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. We'd encourage this negotiation be concluded expeditiously so that multi-year arrangements can be established.

Further, the Government should consider increasing the quantum of funding so that more eligible Australians can receive care without needing being put on a waiting list for extended periods of time.

## Consider enabling 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*[7], to provide fresh impetus for Government to re-examine how health policy is delivered in Australia. Commissioned by the ADA and prepared by the Centre for International Economics, the report proposes tax incentives which would allow Australians to save for their own future dental and other health care spending.

By utilising tax deductibility to incentivise individuals to save for their future ancillary health care spending, Australians could be rewarded for proactively managing their health care funding in a way that overcomes the limitations of extras cover and retains their freedom of choice in which practitioner they see.

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

It would be possible to tailor the tax incentive rate, for example, to focus on helping those with income that may disqualify them from receiving public dental care, but who may find it difficult to afford some treatment in the private system.

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[6] 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

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

This might also encourage private health insurers to offer better value for money, to compete with the alternative of health savings accounts.

## Conclusion

The ADA remains available to advise the Government on sustainable measures to ensure our population has access to appropriate oral health screening, prevention, and treatment. By developing affordable and sustainable oral health care models, the Australian Government can play a vital role in supporting the nation's oral health.

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


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Australian Dental Association Inc.