From soaring costs to plummeting morale – Trying to make ends meet in HS dentistry

It is well documented that inflation is at its highest peak in 40 years (at 9%), that rising costs are impacting all areas of society and the economy. However, in terms of health services in Northern Ireland, dentistry is being impacted from all angles, at an unprecedented scale – not least as it desperately tries to recover from the effects of the pandemic - to the point where the existence of health service dentistry is on the precipice.

This is not hyperbole – this paper is intended to provide evidence and examples of where the existing SDR (Statement of Dental Remuneration) does not cover even the most basic costs. Indeed for certain treatments associates can be working below minimum wage, a poor situation considering training to be a dentist involves five years of intensive, expensive higher education, while strapped to a contract created over thirty years ago (1990). It is now clearly outdated and no longer fit for purpose.

There is no government accepted measure of operating cost per surgery per day (OCPSPD). There is no dental inflation indicator in existence.

Unlike the primary and secondary care sectors – whereby escalating utility and supplier costs are covered and absorbed by government funds, dentists are independent, autonomous health practitioners. They are health service contractors running businesses that are battling to cover basic overheads, pay staff enough to retain their skills and expertise, meet stringent rules and regulations, and earn enough each month to cover their own rising living expenses.

There persists a misguided perception that NHS dentistry is a lucrative and rewarding profession. The stark reality in Northern Ireland in 2022 is that health service dentistry is seriously underfunded and as a direct result, in crisis. The creeping demise of health service dentistry in recent years has without doubt been accelerated by the pandemic to a point where it is on a cliff edge, where the remuneration doesn't even cover costs for several treatments – in particular dentures, bridges, crowns, extractions and simple fillings (the attached appendices provide evidence).

While the BDA and DoH are in the early stages of contract reform negotiations, a move welcomed by the BDA in the spirit of co-production and co-design, it is essential that the "here and now" crisis is addressed with immediate effect.

Crisis of confidence:

We need steps to be taken that address the systemic factors behind this. We must transform General Dental Services into an attractive and aspirational option for dental practitioners.

Rising Costs:

The costs associated with delivering HS dentistry in 2022 due to dental and wider inflationary pressures - e.g. materials, lab fees, staffing costs - are soaring at a rapid pace. As we have previously stated, there is currently no mechanism in place to adequately offset these rising expenses and the detrimental impact they are having on independent contractors, a situation which is compounded further by delays in DDRB uplifts being implemented in NI.

We are extremely concerned about the current and future impact such continued exposure to high rates of inflation will have on independent contractors, particularly if the contract reform process is likely to take time to materialise. There is an onus on DoH to find a way to address these rising costs under rebuilding of GDS, until the reform process around the new contract can be put in place.

How to quantify?

The varied nature of dental practices make it difficult to quantify in precise terms – however the appendices (spreadsheets attached) are intended to demonstrate the impact of escalating lab and material costs on the provision of core HS dentistry such as provision of dentures (often for the frail elderly), bridges, crowns and routine fillings

There is no set figure for operating cost per day for each and every dental practice. Operating costs, per surgery, per day will vary according to size, location, equipment, material selection and useage, staffing levels etc making it difficult to precisely quantify Dental business advisors estimate OCPCPD at around £50 per hour and rising to £75 for NHS and hybrid practices, purely private practices have an even higher OCPSPD. This makes it necessary for associates to generate around £110 per hour for the practice to break even.

Appendices 1 and 2 illustrates examples of unacceptably low earnings of associates and effective losses for practices. Higher cost items like crowns and bridges have margins squeezed to impossible limits.-Extractions, root canals and basic fillings – mainstays of the practice - are unviable for practices.

Appendix 3 provides examples of how highly qualified, experienced and skilled practitioners – associates and principals - are expected to provide certain services for 'less than a tenner' – at costs that no self-respecting barber, hairdresser, beautician, mechanic, plumber, electrician, or carpenter would consider.

Add to this the underlying problem that sometimes there is no treatment code and therefore no payment for a patient when they attend the surgery for assessment and advice outside their normal check-up. It is anticipated that the capitation or continuing care payment received for that patient per month will cover this time. For an adult, the average continuing care payment is 93p (less than a bag of crisps). It is no wonder highly skilled professional are turning away from NHS dentistry.

Recruitment and retention

The sector is also facing a recruitment and retention crisis. Committed health service practices are finding it impossible to recruit associates (who do most of the HS work in a practice). Early career dentists understandably are seeking to work where they can do more private work (as they are themselves burdened with repaying their student loans).

Every dentist needs a nurse and a receptionist and these practice staff must be fairly remunerated for their skills and qualifications. At this time they are also carrying the burden of the cost of living crisis. Finding and recruiting qualified, experienced dental nurses is like looking for hen's teeth.

There are multiple costs each month for every practice – staff costs, lab costs, heating, lighting, materials insurance and every one of these costs is rising. In hospitals, these costs from the pressures of inflation would be absorbed by the government, in all non-government-run business, these costs would be passed on to the customer. In the business of NHS dentistry, the government sets the price annually, (usually one year behind) at a rate that does not take into account of the costs to provide the care **and this makes the business of health service dentistry in the current economic climate impossible.** Practices are increasingly being forced to turn to the private sector to balance the books.

Health inequalities

If nothing is done to address these issues, health inequalities will be exacerbated. The most vulnerable will be impacted most, especially in areas of higher deprivation – as indicated in the Department's own recent Health Inequalities report for 2022[1]. Oral health is one of the key indicators of health inequalities, and the current situation does nothing to improve or reverse that trend.

Associates, principals and practice owners want to provide health service dentistry – but they are being 'priced out' by these escalating costs and fundamental market forces. No business should be forced to operate at a loss in order to fulfil their contractual obligations and regulations.

Bleak picture

While the appendices are aimed at providing quantitative evidence of the impact of rising costs and the impossible margins for practices, we hear anecdotal evidence on a daily basis of that reality at the 'coalface' of HS dentistry.

One member said "*It's a really bleak picture when you look at how much we, as professionals dentists, get paid for the treatment and it really shows that if you're providing NHS dentistry it's really out of duty to your patients and not for profit."*

Another recently told BDA "*Staff are dealing with greater numbers of patients that are unhappy with the delays now being placed on NHS work by labs. There is now a two-week turnaround on all stages of NHS denture provision, meaning a minimum of eight weeks from start to finish on a simple case. We do our best to communicate the reasons to our patient base but on many occasions its simply not enough."*

A respondent to a recent BDA survey said *"I'm currently embarrassed having the accountant knowing how little we earn. I feel totally crushed by expenses. It's shameful how little we are paid for how hard we have to work in such stressful conditions."*

This reflects the level of frustration being felt by our members.

The dental contract and inadequate fees in the SDR put practitioners in an impossible position. No wonder many are re-considering their future in health service dentistry altogether.

Summary:

In summary, we have compiled this paper to demonstrate how out of touch the SDR as a whole has become with cost of delivering modern dental care. Lay people are generally shocked if and when

[1] https://www.health-ni.gov.uk/sites/default/files/publications/health/hscims-report-2022.pdf Pages 32-35

they learn of IoS (Item of Service) fee codes in the SDR such as £9.52 per examination, £10.16 for a one surface filling per tooth, and £16.61 for an extraction.

It is unreasonable and unsustainable to tie dentists into archaic HS contracts which neither rewards their unique skills nor covers the costs to provide care.

Dentists want to continue to provide quality care to health service patients, but this is not possible with the current SDR.

'The triple whammy':

Dentists face a 'triple whammy':

- a decade of declining earnings (dentists are more than 40% worse off in real terms since 2008/09);
- the massive impact of COVID-19 on dentistry/dentists and their staff;
- high inflation/soaring costs to deliver HS dentistry with no mechanism to offset these, combined. This places intolerable pressures on independent contractors.

This paper is intended to draw immediate and urgent attention to the realities facing GDS (General Dental Services) practitioners in Northern Ireland.

BDA is of the view that a Dental Inflation Indicator needs to be built into the system (and the new contract). It's the only fair way that the fees can keep pace with rising costs across all aspects of providing health service dentistry.

BDA is of the opinion that independent research should be commissioned by the Department to analyse the actual costs of delivering health service dentistry to the population in Northern Ireland, and how it should be recompensed to reflect the complexities of running a practice in the 21st century. The existing model belongs to the last century and is no longer fit for purpose. A detailed examination by skilled health economists is required to enable the new contract to be designed, modelled, priced and ultimately implemented – to protect the oral health of 1.9m people.

16th June 2022

A Note on Methodology:

This paper is intended to provide an overview of the impact of rising costs on General Dental Services – both practice owners and associates. BDA NI was receiving extensive anecdotal evidence on the impact of rising costs and inflation on day to day operations - in particular, the increase in laboratory costs which are a mainstay of general dental services. BDA NI asked our NIDPC members to provide us with evidence of rising costs and the impact on financially sustaining a practice.

The three appendices/spreadsheets have been compiled to provide quantitative evidence, in particular showing the practice revenue net of costs, and the hourly rates for associates (compared to other professions and roles). These spreadsheets demonstrate the costs versus remuneration for the main/priority SDR codes. Costs are then analysed to indicate the associate/practice owner split, the hourly earnings of the associate, and the equivalent hourly practice revenue.

Appendices

- **Appendix 1** – Common SDR Code statistics:
    - Sheet 1 Shows net fee, gross hourly rate, associate hourly rate, practice hourly rate – and the Practice revenue net of costs
    - **Sheet 2** – Associate Gross Revenue compared to Adjusted Practice revenue
- **Appendix 2** - Hourly Rate 100% NHS Full Spectrum Dental Care Based on 12 day average – a breakdown of four associates in a practice providing HS dentistry – and the associate hourly rate.
- **Appendix 3** – Hourly rate comparisons/bar charts – other professions/roles