

Summary

The 2008 dental care reform – does everyone benefit? (RiR 2012:12)



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The Swedish NAO has audited whether the Government's objectives for the dental reform implemented in 2008 have been achieved and whether central government measures were effective in achieving the objectives.

The Dental Care Act states that the overall objectives for dental care should be good dental health and dental care on equal terms for the entire population. The purpose of the 2008 reform was to contribute to the overall objectives of good dental health throughout the population by extending preventive work and giving people in greater need of dental care an opportunity to receive dental treatment at a reasonable cost. To achieve the objectives a general dental care subsidy was introduced, to increase the frequency of visits, as well as a high-cost threshold.

The Swedish NAO's overall conclusion is that the frequency of visits has not increased to the extent the Government hoped and that it is doubtful if the high-cost threshold reaches all the patients that are in great need of dental care. In the opinion of the Swedish NAO one explanation for the objectives of the reform not being achieved yet is that a large proportion of the population neither knows about the high-cost threshold nor about the general dental care subsidy.

The Swedish NAO notes that the patient's position as dental care consumer has not been strengthened. Since the price comparison service has not functioned and since patients do not know that there are reference prices, they have no price information and therefore no reference data for selecting a dentist on the basis of price.

Reasons: A new dental care reform came into force on 1 July 2008. The goals of the reform are to retain good dental health among people with no or small dental care needs, as well as making it possible for people with extensive dental care needs to receive care at a reasonable cost. To achieve the objective of retained dental health the frequency of visits should increase and therefore a general dental care subsidy was introduced for preventive dental care. To achieve the objective of dental care at reasonable cost the Government introduced the high-cost threshold system regulated through a reference price list. Furthermore, the patient's position was to be strengthened by creating more transparency in pricing. This would take place with the help of a price comparison portal and fixed reference prices.

There are indications that the objectives of the dental reform have not been achieved. There are signs that the general dental care subsidy has not led to increased frequency of visits and that the high-cost threshold system does not benefit all patients whose needs are great.

Purpose: The purpose of the audit is to investigate whether the objectives of the dental care reform have been achieved and whether central government measures are effective to achieve the objectives. The audit focuses on the two main objectives of the reform. The audit aims to seek explanations for any changes in frequency of visits and prices and analyse whether any changes are due to the central government measures within the framework of the dental care reform.



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Administration costs were not in focus during the audit. However, in the course of the audit the Swedish NAO received indications that administrative costs have increased. Consequently, this is described briefly in the report.

Implementation: The audit findings and conclusions are based on statistical material, questionnaires to the population, interviews, preparatory legislative and other public material.

Audit findings

The dental care subsidy has a limited effect on frequency of visits

The audit shows that the frequency of visits for most age groups has increased little since the reform. The increase is 2 percentage points for the population as a whole. However, for the age group that the reform specifically targets, the 20-29 age group, the frequency of visits has increased to a greater extent than for the population as a whole. In looking further at this age group the Swedish NAO can see that above all in the age group 20-24 the frequency of visits increased most, by 13 percentage points. The Government calculated that 67 per cent of the population would visit dental care services in one year. The frequency of visits in the population at the end of 2011 was 59 per cent per year. Since the frequency of visits has only increased to a limited extent since 2008 and has not reached the volume the Government estimated, the Swedish NAO assesses that the objective has only partly been achieved.

The Swedish NAO's overall assessment is that the general dental care subsidy has not yet been an effective means of achieving the objective of preventive dental care through high frequency of visits. The audit shows that the majority visiting dental care services do so for reasons other than the dental care subsidy. At the same time there is a group that do not consider that they can afford dental care and who may possibly increase their frequency of visits with the help of the general dental care subsidy. A large percentage of that group do not know about the subsidy, however.

The high-cost threshold system does not benefit everyone with major dental care needs.

The high-cost threshold comes into play when dental costs exceed SEK 3 000, if the treatment is covered. This means that parts of the patient's costs are subsidised by the State. The Swedish NAO's audit shows that the high-cost threshold system is not used by everyone with major dental care needs. A questionnaire to a sample of the population conducted by the Swedish NAO shows that even after the reform there is a group of people with major dental care needs who still consider that they cannot afford the dental care they need. This group includes young people, people on a low income and people with poor dental health. The fact that since the reform took place there has been an increase in the percentage stating that they do not go to the dentist despite needing to is a sign that the high-cost threshold system has not fully succeeded.

The Swedish NAO has found two main explanations for why the high-cost threshold system has not reached everyone with major dental care needs. One explanation may be that knowledge of the



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high-cost threshold system is still low. Another explanation for the high-cost threshold system not fully succeeding may be that the qualifying level of SEK 3 000 is too high for people in great need of dental care who have low incomes. Since the high-cost threshold system is constructed so that patients always have to pay some part of the cost themselves, extensive treatment will be costly for the patient despite the high-cost threshold. It may be expensive for patients, since some measures are not reimbursable under the reference price list, and because dentists charge a higher price than the reference prices, meaning that patients have to pay a lot themselves.

The Swedish NAO's overall assessment is that the high-cost threshold is not a fully effective means to achieve the objective of better dental health for people with major dental care needs. The different purposes of the high-cost threshold system have only been possible to achieve in part during the time the reform has been in force.

The reference price system does not work as intended

The reference price list has two purposes: Keeping down central government costs and making it easier for patients to compare care providers' prices, thus creating downward pressure on prices for dental care services. The reference price list has worked in the first sense, keeping central government expenditure down. Since the reform was introduced the appropriation has not been fully utilised in any year. In 2011 the appropriation was about SEK 6.7 billion, but only SEK 5 billion was used.

On the other hand, the reference price list has not had a price-reducing effect; on the contrary, there are signs that the reference prices exert upward pressure. The audit shows that when the reference prices are increased the care providers follow suit and increase their prices. The reference prices thus risk creating a pricing floor.

The Swedish NAO notes that the Dental and Pharmaceutical Benefits Agency (TLV) has a complicated task in regulating how the high-cost threshold system is to be designed and at the same time being responsible for a system of reference prices that do not function fully in all respects. The Swedish NAO considers that the reference price system has not contributed to a better position for patients as consumers and that the system risks affecting pricing in a way that in the long term may undermine the high-cost threshold system.

The position of the patient still needs to be strengthened

Through the reform the Government wanted to strengthen the patient's position with the help of a price portal and reference prices. The Government also considered that in order to achieve the objectives of the reform it is necessary to have easily-understood information on the dental care subsidy and high-cost threshold as well as information campaigns. The audit shows that the Government's initiatives have not functioned adequately.

A large part of the population does not know about the dental care subsidy or the high-cost threshold. The Swedish NAO notes that the Government has not given the Swedish Social



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Insurance Agency any specific remit concerning information about the dental care subsidy. The Swedish Social Insurance Agency has decided to provide information in the first instance to those already using dental care services.

The price portal has not functioned for most of the period since the reform was implemented. A new price comparison portal was opened in January 2012. The Swedish NAO considers that there is a risk that the new price portal will not function either. This is in part due to the fact that dentists have no incentive to enter prices in the portal and that many patients do not know about the portal and thus cannot use it.

Reference prices were also intended to act as comparative prices. The failure of the price portal has made it more difficult for patients to use the reference prices. If the patients do not know what their dentist charges it is difficult to know how the dentist's prices relate to the reference prices. In addition few patients know that there are reference prices.

The Swedish National Audit Office's recommendations

The Dental Care Act states that the overall objectives for dental care should be good dental health and dental care on equal terms for the entire population. The 2008 dental care reform is based on these objectives and is aimed to extend preventive dental care and enable individuals with major dental care needs to receive dental care at a reasonable cost. The Swedish NAO's audit shows that the reform is still not functioning fully and that the objectives of the reform have only been achieved in part. The audit shows that the general dental care subsidy is not so well known or designed in itself to lead to visits for preventive dental care. Since 2008 about SEK 2 billion has been paid out in general dental care subsidies. The Swedish NAO's opinion is that the Government should consider whether the resources in the dental care subsidy could be used more effectively.

It is true that the high-cost threshold often provides good protection against high costs, but the high degree of self-financing lead to people on low incomes and with major dental care needs still having difficulty in making use of the protection. A weakness in the system is that information about the different parts of the subsidy do not reach people who might use it.

The Swedish NAO notes that the system of reference prices risks affecting prices in the wrong way and that the price portal does not provide the information that patients need. The Government should therefore consider whether the price portal functions as intended and how a system that ensures correct information to patients to enable them to choose dental care at the right price should be designed. The Government should also consider whether the system of reference prices can be designed to work as intended by making it easier for patients to compare prices.



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Recommendations to the Government:

- The Government should evaluate whether the general dental care subsidy and high-cost threshold are correctly designed and whether they each reach the right target groups and are effective means of achieving the objective of the Dental Care Act concerning good dental care.
- The Government should evaluate the conditions that exist for a functioning price portal.
- The Government should evaluate how the reference price system affects the patient's costs and whether it is an effective means of giving patients the correct information to enable them to choose dental care at the right price.
- The Government should consider the need for giving one agency the overall responsibility for ensuring that patients receive the right information at the right time and what information should be given to strengthen the position of the patient.

