SADA Communique

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Perceptions as to SADA's involvement in the funding environment vary from those who believe that SADA betrays the profession by even talking to Medical Schemes, to those who believe that SADA should not do anything other than negotiating with Medical Schemes.

With such extreme views on either end of the continuum, every decision made in respect of SADA's involvement in the dental funding environment is bound to upset a certain sector of the membership.

Perceptions are, however, often influenced by a limited understanding of the content of such discussions (or lack thereof) with Schemes. I therefore, in a moment of bravery, thought it a good idea to open the hornet's nest with an explanation of our thinking and some of the fundamental principles which determine our approach to matters of money in the Dental Profession.

It is unreasonable to expect from all members a commitment to "contract out" of Medical Schemes

Having done extensive studies into dental practice a few years ago, we have a thorough understanding of the overhead costs, consumables and laboratory costs impacting on the affordability of dental procedures, and we are acutely aware of the fact that Dentistry is expensive. The fact that the Rand/Dollar exchange rate has weakened by more than 60% over the past three years further exacerbates an already dire situation.

In a recent article in the Mail & Guardian, Discovery reported that their claims history over the past four years indicates a "5% increase in the number of unique practices claiming" from the Scheme. This can only mean one thing - that patients are increasingly battling to afford Dentistry without the assistance of a medical scheme.

Therefore, for those who have been so fortunate to "make it" in a non-medical scheme environment, it is important to note that it is the minority of the population who can afford good dental care at private rates without the assistance of a Medical Scheme. However inadequate the reimbursement rates may be, the Medical Schemes do still provide the biggest source of funding towards Dentistry in the country and, as such, SADA needs to be actively engaged with them to protect whatever we can of the funds available.

We understand members' concerns with regards to managed care contracts, and we advise members on matters to be considered in signing such contracts, but ultimately the commercial considerations related to signing or not signing are specific to every individual practice. And, regardless of SADA's position, or any other individual's position regarding managed care, when it makes business sense to an individual practitioner, such contracts will be signed.

SADA does not "negotiate" with schemes around reimbursement rates for procedures

Some members blame SADA for "negotiating" with schemes, whereas other blame us for not "negotiating" enough. Fact is that SADA does not negotiate at all in respect of reimbursement rates for procedures. The finding by the North Gauteng High Court in the NHRPL case, was that such negotiation was anti-competitive.

While it has taken time for members to become used to the fact that SADA is no longer allowed to produce a "fee schedule", it has also become clear that the ruling does in fact provide significant opportunities for those who understand the business principles in dentistry.

There are compelling economic arguments to suggest that tariff regulation results in an increase in healthcare pricing, not a decrease. In order to improve access to oral health services, we need to consider constructive exploitation of free market principles as an alternative to the micro-management approach of tariff regulation. Every practice is different and, in the context of the findings of the court, practices can now determine their own fee schedules based on the cost dynamics and target market for that practice.

We do, however, in our discussions with Schemes, make it clear that reimbursement rates are wholly inadequate in the context of the cost pressures in dentistry and, in our regular discussions with Schemes, we advocate for the following:

- Acknowledgement of new codes (procedures) in the practice of Dentistry (whether funded or not)
- An overall increase in the total amount of funding available to Dentistry (given the long term general health benefits available to individuals with good oral health)
- Split billing and balanced billing, - we argue for the ideal of the legalisation of split billing (given that Schemes cannot adequately fund Dentistry at reasonable rates), but, recognising the context of the political climate, we motivate for at least the acceptance of balanced billing, with payment to the practitioner as opposed to the patient.

It is irresponsible to expect that SADA should focus its attention wholly on extracting funding from Schemes

With only 20% of the population currently accessing healthcare through Medical Schemes, it is clear that the potential market for dental services is not limited to individuals on such schemes. There is a huge untapped market in a sector of the population that needs assistance with funding their

dental requirements, but not through the mechanisms of Medical Schemes.

This means that SADA cannot only focus on schemes as funding mechanisms. Increasingly, alternative funding options will be available for Dentistry and we should be proactive in our investigations and support of such options.

For instance, on one end of the wealth continuum, NHI will be a source of funding. As such, we need to ensure that the profession is adequately positioned to have a constructive discussion with government as to the value that we can bring to NHI, and the required funding required in the NHI model to ensure sustainability for those Dentists who choose to serve this market.

On the other end of the scale, dental insurance will play a significant role. While there are such products already commercially available in South Africa, the aggressive roll-out thereof is impacted by discussions related to the demarcation regulations. Elsewhere in this Journal, however, Prof Alex van den Heever makes a very compelling case in support of opportunities for Dentistry to be excluded from demarcation regulations and, as SADA, we need to pursue such opportunities.

And, somewhere at the centre of the wealth continuum, products such as dental capitation, dental savings plans, dental credit plans and reward schemes, need to provide individual consumers with the required access to cash to fund their dental requirements.

In order to be responsive to market dynamics and relevant to the needs of members, SADA needs to actively investigate all such alternative funding opportunities, in addition to its discussions with Schemes.

Members need to expand their thinking beyond Medical Schemes

Just as modern Dentistry has so many more choices to offer patients, so are there increasing numbers of alternatives for the patient to secure funding for their dental care. The 2015 SADA Congress will include planning sessions detailing such options. How critical for the profession to be cognisant of the possibilities and how relevant that we inform our patients.

Whatever the source, the more funding, the more secure the future of Dentistry.

"Money is only a tool. It will take you *wherever you wish, but it will not replace you as the driver.*" - Ayn Rand

SADA
Annual General Meeting (AGM)

SADA
THE SOUTH AFRICAN DENTAL ASSOCIATION

Notice is hereby given that the Annual General Meeting (AGM) of The South African Dental Association (SADA) NPC will be held on

Thursday 12 March 2015 at 18:00

Sunnyside Park Hotel, Parktown, Johannesburg

Agenda for the meeting will be posted on the SADA website.

SADA is your Association and your voice counts.