

Thank you for your e mail dated 3rd October 2018 regarding the enquiry into Dentistry in Wales being carried out by the Health, Social Care and Sport Committee.

The Health Board procures primary care dental services for Hywel Dda residents by entering into contracts with dental Contractors for the delivery of units of dental activity (treatments). In doing this the Health Board follows a national contracting framework known as the Dental Contract.

If the dental Contractor does not deliver the contracted activity levels (actual units of dental activity delivered are less than the contracted level of activity) then any overpayments that have been made to the dental Contractor during the year will need to be reviewed and recovered if appropriate. This is enacted in accordance with the nationally agreed Dental Contract and demonstrates appropriate governance, value for money, and Contract monitoring.

The Health Board is required under the national Dental Contract to recover money non-recurrently from the Contractor to reflect the fact that they have not met their contractual obligations for a specific financial year. To emphasise the point, this is not a punitive action, but merely reflects the agreed Contractual process and ensures that dental Contractors are paid for the actual activity they deliver in a particular year.

However, in 2015/16, 2016/17 and 2017/18 the Health Board saw an unprecedented level of unplanned underperformance against dental Contracts. In both years a significant proportion of the underperformance (in excess of 80%) related to a specific corporate provider.

The underperformance seen in Hywel Dda Health Board in the financial years 2015/16, 2016/17 and 2017/18 is shown in the table below.


Contractual Underperformance	
	£m
2015/16	0.279
2016/17	1.455
2017/18	0.838

Generally, and with the agreement of the dental Contractor, the Health Board would not seek to recover any small amounts of underperformance from contractors in return for the contractor agreeing to make good the underperformance in the subsequent financial year. However, where underperformance is of the levels seen over the past three financial years, recovery by the Health Board is expected in line with the Contractual process.

Whilst reinvestment of all of the underperformance recovered into Primary Care General Dental Services is always desirable, this is not practically possible in year, as dental Contractors do not always have the workforce capacity to undertake large amounts of non-recurrent General Dental Services activity in any particular financial year. In addition to this the Hywel Dda area is experiencing recruitment and retention issues for existing Practices to either increase capacity within existing contracts or to set up new NHS businesses. As an example the Health Board has tried to attract a new Dental Practice into South Ceredigion on two previous occasions and there have been no expressions of interest received despite increasing the financial value of the contract available to the dental Contractor.

There are other issues that impact on the ability to reinvest funding in a timely manner. Under performance is not normally quantified until the second half of any particular financial year. To reinvest the level of underperformance experienced in Hywel Dda in the years in question there would need to a tender process enacted, in accordance with the SFI and Dental Contract, which can take up to six months. In this sort of time frame it is challenging to re-invest the funding in year and comply with NHS Accounting rules that do not allow the roll forward of resource allocation into subsequent financial years.

In order to mitigate against these occurrences in future, Hywel Dda University Health Board has developed a four year investment plan with the agreement of the Chief Dental Officer for Wales, to cover a period encompassing the years 2017/18 to 2020/21, which ensures that at the end of this period the Health Board will spend the entire ring fenced allocation on sustainable General Dental Services for its population. As stated this plan has been endorsed to by both the Health Board, and Welsh Government through the Chief Dental Officer for Wales.

  
  
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