EDITORIAL

Indemnity – requiring treatment?

Martin Woodrow
BDA Director of Member Services

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When former Health Secretary Jeremy Hunt announced in October 2017 a new state-backed indemnity scheme for GPs in England, the BDA's immediate reaction was 'what about us?' After all, many of the justifications for introducing the new scheme for general medical practice apply to general dental practice. In particular, the key driver was the rising cost of clinical negligence, acknowledged by the Government as a great source of concern for GPs. Indications were of something like a 50% rise in costs for GPs from 2010 to 2016, and more since. Defence organisations' own figures suggest a steeper rise, putting indemnity inflation at around 10% per annum.

Following a 2016 review, the initial Department of Health reaction was to subsidise GP indemnity costs rather than disturb the market with a new state scheme. But then crucially something changed, or rather things got worse. The GP workforce crisis had reached a point where radical action was needed. The Government was persuaded that rising business cost was a key factor, and indemnity an important part of that mix.

So that's one key difference for dentists – despite mounting evidence to the contrary, the Government is yet to be convinced that there is a dental recruitment crisis in need of fixing. There are other reasons given for not extending this state scheme beyond medicine. The mixed nature of provision, with private and NHS care provided in the same practice and often to the same patient, is given as an excuse for state indemnity being put into the 'too difficult' box. Which aspect of care would be covered by the state scheme, and which by another provider? We have argued the case for dental inclusion, but been told no, things will be kept under review. We're not holding our breath.

So what will be the impact for GPs of this unlikely Conservative nationalisation? Almost a year on from Hunt's announcement, and due to begin in April 2019, we are still awaiting much of the detail of the new scheme. A May deadline for detailed information came and went, and the indemnity providers have collectively been demanding clarity as GPs renew their existing cover. We do know that plans are afoot for a similar scheme in Wales, though not yet in Scotland or Northern Ireland. We also know that the Government does not intend this to be a freebie for GPs in England, that it expects the power of the collective state approach to reduce indemnity costs, but still to pass on those costs to doctors. That view is not necessarily shared by GP representatives and the next round of GP pay negotiations may have an interesting new dimension.

There are also likely to be legacy issues to deal with. One of the big indemnity providers has gambled by introducing a transitional scheme designed to exploit the move to state cover. A key assumption behind their switch to a lower cost 'claims-made' model (covering only claims known and reported, and occurring within the policy period), is that the Government will assume responsibility for historic claims under the state-backed deal. However, the Government has so far indicated that it doesn't intend to include 'run-off' cover for historic claims. Depending on their indemnity product, some GPs may therefore need to carry on buying extra cover separately themselves when they move to a state scheme.

Like medical (and dental) colleagues already covered by state indemnity in secondary care, GPs will also still need to go to the market for claims arising from private, non-NHS activity and crucially, GMC hearings and other matters relating to professional regulation. So what will the implications be for dentists? Apart from missing out on the possible collective cost benefit the Government anticipates, is it likely to be pretty much business as usual? Indemnity and insurance is already a volatile market, so could the development of a state scheme end up having unintended consequences? Given that the key providers of indemnity are all currently active across medical and dental sectors, will the potential loss of such a substantial chunk of business have implications?

The remaining UK clinical indemnity market will undoubtedly be much smaller, which could mean more focus on dentists and therefore welcome competition for dental business. On the other hand, there will simply be less money available for those organisations providing services at scale across the two sectors. If providers move towards a more limited 'claims-made' model for doctors on the back of the NHS scheme, then one might expect a consistent approach across medicine and dentistry across all UK countries. Choice may in fact be diminished.

'We have argued the case for dental inclusion [in the new state-backed indemnity scheme], but been told no...'

Whilst on the face of it, this state intervention for GPs may seem tangential, we would encourage all dentists in the UK (whether in general practice or employed elsewhere) now more than ever to make sure that they consider their indemnity needs carefully and keep an eye on what is likely to be an interesting developing story. ■

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