Going private?

Is going private all about raking it in, or a question of survival? How does converting to private practice affect the whole dental team?*

Shortfalls in UDAs

Since 1 April 2006 when the new NHS dental contract began, dental activity has been measured through the number of courses of treatment delivered and the number of units of dental activity (UDAs) this represents. Widespread shortfalls in the number of UDAs dentists have completed in the first year of their new contract have emerged, so dental practices are waiting to hear what their primary care trusts (PCTs) plan to do. PCTs must decide by the end of March 2008.

The two suggested ways of rectifying the shortfall in UDAs is for each dental provider to agree to catch up the missing UDAs, or to make up the difference to their PCT financially. This is called a 'clawback'.

Some practices will have reasonable grounds for demonstrating that either the test year on which the UDA quantities were based (1 April 2006 – 1 April 2007) was unusual, or that one-off occurrences during that year such as maternity leave or illness caused the shortfall in contracted UDAs. However, the majority of practices with shortfalls will not.

It is therefore inevitable that, as the new contract evolves, these practices will find themselves on a new, more fearsome treadmill than that of the old item of service NHS. A shortfall this year may be followed by another

one next year, and so on. The situation is exacerbated by both the extra resources needed to help with any catch-up and the reduction in practice revenue due to the clawback. It is highly likely that more and more dental practices will decide to **go private**.

What does moving to private practice mean?

Going private is generally not a question of dentists looking to get rich at the expense of their patients. It is almost always driven by a realisation that the structure and financial funding of NHS dentistry has started to impair the ability to provide patients with a reasonable standard of dentistry. So it isn't a question of the patient getting the same treatment, service and care from the dental team, but merely expecting them to pay even more than they are already paying under the NHS.

Instead, when patients are asked to go private by their dentists, there is a natural assumption that such a move is being suggested because it is advantageous to them. The mutually-agreed proposition in any successful conversion is that such a move restores the practice's ability to care for their patients' oral health in a satisfactory and professional manner. The move should be made on the basis that:

- more time will be allotted to each patient
- better materials used
- perhaps a re-investment in more modern equipment
- perhaps a more pleasant reception area.

A demonstrable change from the previous conditions will be noticed and understood by patients, and will serve to strengthen the explanations given to them for the change.

Then and now

In the past, converting to private practice could be very traumatic, with a huge amount of guilt involved on the part of the dentist. The public still thought that NHS dentistry was free and had no idea of the pressure on dentists to deliver. However, life has changed completely in the twenty-first century. Patients realise that they have to pay for NHS dentistry, in some cases more than for the same treatment received privately. There is a general understanding around the UK today that conversion is the way that things are going.

How can we convert to private practice?

Once a dental practice has decided to go private, its principal has to decide how to structure the funding of their private dentistry. For regular dentistry, the options are:

1. Private fee per item charges (PFPI)

This can at first seem like a sensible cost-effective option, but it has many disadvantages. Often when a move to PFPI is instigated, fee rates are under-priced, leading to a revenue shortfall at a time when satisfying patient expectations of private practice is likely to incur significantly higher practice overheads. When practices change to PFPI, they usually experience significantly reduced attendance frequency, so their anticipated cash flow from regular patients starts to fade away.

2. Patients pay regularly under private dental plans

This option, where patients pay in monthly instalments, maximises the likelihood of their regular attendance, thus optimising practice revenue.

Regular funding for private dentistry

There are two main approaches to offering dental plans as a payment option for patients:

1. Under a national consumer brand

This can have some advantages due to patient familiarity, but practices should beware of any interference in the dentist/patient relationship, which can take away patient loyalty from the practice.

2. Under the practice's own brand identity

This option leaves the practitioner in control of the arrangements, and patient loyalty generally renders them keener to sign up to the practice's own brand. They are paying for the dental care they receive from the dental team, rather than for the 'packaging' of the payment collection agent.

Each of these two dental plan option administrators will provide support through the conversion process, removing as much of the administrative burden of such a change from the dental team. Each company packages its services slightly differently, but the underlying ongoing support is similar.

How does conversion affect the dental team?

There are numerous benefits to team members of moving to private practice:

- more time is spent with each patient, reducing daily throughput
- the stress of busy waiting rooms is removed
- the stress of running behind time is removed
- the funding allows for better working conditions for the team
- the funding allows for more relaxing circumstances for the patients.

Above all, private dentistry, where regular attendance is encouraged by dental plan funding, allows each member of the team to help to build an ongoing steady relationship of trust between the practice and the patients.

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*This article is based on material written by Quentin Skinner, Chairman of DPAS, a payment collection agent and provider of dental insurance that supports practices in offering their own practice-branded plans. DPAS has a proven track record in helping NHS dentists who are coming under increasing UDA pressure. Their flexible plan options mean that practices can choose the service they, their team and their patients actually want, potentially bringing considerable savings to the practice. For more information contact DPS on 01747 870910 or visit www.dpas.co.uk.