

**GENERAL HEALTHCARE POLICY
DIRECTORATE**



To: All NI General Dental Practitioners
BY EMAIL

General Healthcare Policy
Directorate
Room C3.27
Castle Buildings
Stormont Estate
Belfast
BT4 3SQ

Email:
gdoscorrespondence@health-ni.gov.uk

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COVID-19: SUPPORT ARRANGMENTS FOR 2021/22

On 2 July 2021 I wrote to you about the plans to continue the current Financial Support Scheme (FSS) for a further two months (July & August 2020), advising that details of a revised scheme would follow.

The purpose of this letter is to outline the arrangements for FSS3 which will be introduced from the 8 September 2021 and are intended to be in place for the remainder of 2021/22.

As you know, since April 2020 the Department and the HSCB have worked to support the sustainability of practices and maintain services to patients through the FSS. The scheme has been reviewed and amended to ensure it is fairly supporting GDPs and practices during this difficult period.

As detailed in the FSS letters of 30 July 2020 and 19 August 2020, a large proportion of level 2 PPE funding has been allocated through the removal of the 20% abatement. This abatement was applied to initial FSS payments for variable costs not incurred due to unavoidable low activity levels. As highlighted in my letter sent to GDPs in March 2021, however, there was a concern regarding this funding method which, as activity starting to increase in July 2020, resulted in GDPs with the lowest activity receiving proportionality more PPE funding than GDPs with high activity.

As a corrective action, since March 2021, top-up payments have been made to practices who have received less than the average PPE funding of 50p per £1 IoS

claims. While this has worked well to *retrospectively* reimburse underfunded practices, it was only intended to be a short-term solution, until a more robust measure was introduced that more fairly and accurately compensates practices for level 2 PPE costs. Usage of level 2 PPE correlates more closely with Aerosol Generating Procedure (AGP) patient numbers, for instance, than overall IoS claims value. Therefore to ensure that PPE funding is accurate and transparent, as part of FSS3, uncoupling PPE and FSS payments is essential, as is linking it to verifiable PPE usage.

PPE Compensation under FSS3

Going forward, the Department's position is that the cost of level 2 PPE should not be a barrier to clinical activity. To that end, and to ensure that level 2 PPE funding is linked to AGP activity, under FSS3, level 2 PPE will be funded via a new item code in the Statement of Dental Remuneration (SDR), claimed by GDPs per AGP undertaken. The SDR code will be zero valued in terms of claims, with BSO multiplying the number of claims made by GDPs with the current value of the PPE pack, which will be determined by the Department.

The initial value of a PPE pack will be £12. This value has been calculated based on the current market price of 2 sets of Level 2 PPE required to perform AGPs, as outlined in the GDS Operational Guidance. In recognition of the fluctuation in PPE pricing, this value will be monitored on a monthly basis and formally reviewed on a quarterly basis and adjusted as appropriate, following consultation with the BDA.

Work on updating the SDR is underway and once approved will be issued along with an MDS providing more guidance on use of the new code.

As with the top-up payments, the intention is to make these payments at a practice level, on the understanding that, in the majority of cases, PPE costs are met by the practice owners rather than by associate dentists. Where different arrangements are in place within practices, for instance where dentists have been asked to pay a proportion of PPE costs, practice owners will wish to consider the implications of this additional payment on existing arrangements.

These PPE payments will be standalone; so they will not be considered in the calculations for monthly activity, FSS payments or practice allowances. As a practice based payment, PPE payments will not attract superannuation.

Reintroduction of the abatement

As noted above, since July 2020, PPE funding has been provided to dentists via the removal of the abatement. As we are moving to a new model of PPE funding and there are still variable costs not being incurred, in relation to pre-pandemic activity levels not being reached, this abatement will be reinstated for FSS3. This means that whilst we are introducing a new funding stream via the new SDR code, all FSS payments will be reduced by 15% in parallel. This type of abatement has been a fundamental part of the financial support arrangements in England, Scotland and

Wales since the start of the pandemic and was explicitly removed in NI to provide funding for PPE.

Whilst the former abatement from April to June 2020 had been 20%, the new FSS3 abatement will be 15%. This value has been determined following a review of the Dental Earnings and Expenses reports, relating to Northern Ireland, and consideration of the other abatement rates that apply in Britain.

It is important to note that the abatement will only be applied to FSS payments, i.e. work not being carried out and for which the variable costs are not being incurred. GDPs will, of course, continue to receive 100% value of IoS claims for treatment provided along with 100% value of capitation and continuing care payments for registered patients. The impact of the reintroduction of the abatement, in terms of its real cost, will be greatest for those GDPs who have the lowest activity levels in comparison with their 2019 Baseline Assessment Year (BAY) and will be least for those who have the highest activity levels. The higher the activity level compared with BAY, the lower the cost of the abatement to the GDP. This will help ensure that the available funding will be directed fairly towards those GDPs who have the most activity.

As you would expect, the abatement is not intended to be a saving to the Department. Rather, it will equitably allocate the available funds to GDPs for the level 2 PPE being used to provide key services to patients. In addition, support will continue to be provided on a gross basis, so will include support in relation to the significant reduction in patient contributions.

IoS Activity Thresholds

The final change to FSS3 is in relation to the activity thresholds, the introduction of which has helped direct the available financial support to GDPs in line with their activity.

Given the average activity across the sector is currently in the region of 43% of pre-pandemic levels, and that approximately 75% of GDPs are undertaking more than 30%, it is also intended that the activity thresholds will be revised as part of FSS3, with particular attention being paid to those with less than 10% activity.

There are also concerns that, given the average levels of activity, the low 15% threshold for the full financial support payment, is not appropriate. It is increasingly unfair that a GDP undertaking 15% of their BAY is compensated at the same level as the GDP undertaking 55%. Therefore under FSS3, GDPs with activity less than 10% of their BAY average will no longer qualify for FSS payments and GDPs with less than 25% activity will have FSS payments reduced in line with the table below.

IoS Activity Level	Activity Reduction Applied
25% or more	0%
Between 20% and 25%	10%
Between 15% and 20%	20%
Between 10% and 15%	50%
<10%	100%

Based on the most recent activity figures, approximately 81% of GDPs would be unaffected by this change as they are achieving at least 25% of their BAY.

As with the current arrangements, consideration will be given to those GDPs who are unable to meet the thresholds due to exceptional circumstances, but we expect these situations to be very rare.

Examples of how the new arrangement will work are included in **Annex A**.

Whilst it is intended that these arrangements will be in place until the end of the financial year, as with all pandemic related financial support, this will remain under review and is subject to change. As usual, the BDA will be consulted with in relation to any changes.

I appreciate fully that changes to financial support arrangements can lead to uncertainty within practices and we have sought as far as possible, since the outset of the pandemic, to provide as much certainty as possible in challenging circumstances. Indeed during our engagement with the BDA, they made clear that their clear preference was to keep the FSS2 arrangements in place until the end of the financial year. However, to ensure that access to level 2 PPE by dentists should not be a barrier to clinical activity and that all practices are compensated appropriately for these new costs, a change to the PPE payment method is essential. The new FSS3 is projected to sustain the overall investment in the sector at current levels, but direct funding in a fairer and more transparent way to practices.

Work is underway to revise the FSS FAQs and the HSCB will provide specific guidance in the coming weeks relevant to the new SDR PPE code.

Finally, for clarification, I can confirm that the 2020/21 pay uplift will also apply to FSS payments. As advised in my letter dated 2 July 2021, these are being calculated in August and will be paid in September 2021.

I would like to again thank you for your ongoing hard work and dedication in continuing to provide much needed dental services to patients at this extremely difficult time. Thank you for your ongoing commitment and support.

Yours sincerely

A handwritten signature in black ink, appearing to read "Michael O'Neill".

Michael O'Neill
Head of General Dental & Ophthalmic Services

Cc: Michael Donaldson, Head of Dental Services (HSCB)

Example 1

For a GDP with BAY average of £10,000 who completes £3,000 of loS treatment in a month (30% activity) the following calculation would be made.

$$£10,000 - £3,000 = £7,000$$

The £7,000 relates to work not carried out

The value of work not carried out is abated by 15% as there are no associated costs.
15% of £7,000 = £1,050

FSS payment for the month is £5,950 (BAY average – loS – Abatement)

For 30% activity the total loS and FSS = £8,950

Example 2

For a GDP with BAY average of £10,000 who completes £5,000 of loS treatment in a month (50% activity) the following calculation would be made.

$$£10,000 - £5,000 = £5,000$$

The £5,000 relates to work not carried out

The value of work not carried out is abated by 15% as there are no associated costs.
15% of £5,000 = £750

FSS payment for the month is £4250 (BAY average – loS – Abatement)

For 50% activity the total loS and FSS = £9,250

Example 3

For a GDP with BAY average of £10,000 who completes £2,000 of loS treatment in a month (20% activity) the following calculation would be made.

$$£10,000 - £2,000 = £8,000$$

The £8,000 relates to work not carried out

The value of work not carried out is abated by 15% as there are no associated costs. A further 10% abatement is applied, as activity is between 20% and 25% of BAY average.

$$25\% \text{ of } £8,000 = £2,000$$

FSS payment for the month is £6,000 (BAY average – loS – Abatement)

For 20% activity the total loS and FSS = £8,000