



IMPROVED DENTAL AND ALLIED HEALTH

This budget measure is a reform package to improve dental and allied health services for the veteran community. The reform package has four main elements:

1. Technical adjustments to the fee schedules.
2. New treatment cycle initiative.
3. Trials of funding models.
4. Schedule upgrades to meet future needs.

WHY IS THIS IMPORTANT?

This reform package re-balances the Department of Veterans' Affairs (DVA) arrangements for purchasing dental and allied health services. The package delivers on the Australian Government's commitment for DVA to review its dental and allied health care arrangements. This package will be implemented in a phased approach.

The aim of this initiative is to strengthen the quality of care for DVA cardholders by increasing general practitioner (GP) engagement and assessment. It is also expected this reform will ensure only clinically necessary allied health services are provided.

1. Technical adjustments to the fee schedules

From 1 November 2018, DVA will implement a number of technical adjustments to the dental and allied health fee schedules. The aim of these changes is to upgrade the schedules to a more contemporary industry standard. For instance, DVA plans a number of technical changes to the dental fees schedule to align the dental fees schedule more closely to the industry standard in dental care. DVA will consult with affected professional associations before implementation of these changes. These technical changes will not have any increased cost over current budget estimates.

2. New Treatment Cycle initiative

In July 2019, DVA will begin a new initiative building on existing GP referrals for veteran allied health services. Under this new treatment cycle, the GP may make a referral for up to 12 sessions of allied health service delivery if it is clinically required for the patient. The patient will then undertake the treatment provided by the allied health practitioner. This new referral method will apply to all DVA allied health services, excluding dental and optical services. See Figure 1 attached.

At the end of the treatment cycle, the allied health provider will provide a report back to the GP. If the GP assesses that further allied health treatment is clinically required, then the GP will refer the patient for a further treatment cycle of up to 12 sessions. A client may have as many treatment cycles as clinically required.

The initiative will be developed and designed in 2018-19, including consultation with allied health providers, medical associations and ex-service organisations. The treatment cycle is planned to operate from 2019-20 onwards. DVA will evaluate the implementation of the treatment cycle in its first year of operation and report back to government in 2020.

3. Trials of funding models

In consultation with relevant allied health provider associations, DVA will develop and design up to four trials of new funding approaches for allied health services. These trials will test alternative funding approaches for selected professions to see if outcomes can be improved for clients. They will be evaluated with a report back to government. The design of the trials will be developed during 2019-20 and the trials will be implemented from February 2021 until 2022.

4. Upgrades to meet future needs

In February 2021, DVA plans to update key parts of the allied health schedules to help meet future health needs. Proposed changes include addressing:

- Use of new technologies. For instance, there is promising evidence that online video counselling is at least as effective as traditional face-to-face counselling in terms of clinical outcomes, therapeutic alliance and satisfaction ratings.
- Growing evidence on the clinical benefit of certain therapeutic techniques to address health problems. For instance, this includes physiotherapy to assist with incontinence, neurological and vestibular (balance) issues.
- Consistency with industry standards in order to ensure that DVA's fees schedules are up to date and to help reduce red tape for providers.
- Opportunities to make improvements for complex care management, for those at risk of suicide, those who are homeless and those discharging from hospital.

These upgrades will be made subject to the success of the new treatment cycle in ensuring only clinically necessary service provision.

WHO WILL BENEFIT?

140,000 DVA cardholders who access DVA dental and allied health services will benefit from this package through improved communication between GPs and allied health service providers; access to an expanded range of services delivered through emerging technologies, for example, telehealth arrangements via telephone or video; and opportunities for enhanced complex care management for our most vulnerable clients.

DATE OF EFFECT

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
1. Technical adjustments	Consultation after budget	1 November start			
2. New Treatment Cycle		Consultation & design	Start 1 July Evaluation after first year of operation	Continues after February 2021 subject to evaluation & Cabinet consideration	
3. Trials of new funding methods			Consultation & design	Proposed start in February 2021	
4. Upgrade to schedules			Consultation & design	Proposed start in February 2021	
Report back to Government				Report for consideration in December 2020	Report for consideration for 2022-23 Budget

HOW MUCH WILL THIS COST?

This measure will be introduced in a phased way over the forward estimates. The costs of the four different elements of this measure are set out below in fiscal balance terms.

The technical design changes are planned for November 2018 and will have no increased cost over current budget estimates.

The new treatment cycle will start from July 2019 and it is planned to operate from 2019-20 onwards. Before this element starts, there will be planning and development of systems costing around \$1.1 million in 2018-19. It is then expected that this element will result in average net savings of around \$18.2 million per year from 2019-20 to 2021-22.

The trial of new funding models will start in February 2021 and will have a total cost of around \$1.8 million over two years.

The planned upgrades to the dental and allied health fee schedules will start in February 2021 and will have a total cost of around \$11.1 million over the forward estimates.

Over the forward estimates, this initiative will result in a total net saving of \$40.7 million.

Figure 1: Operation of the treatment cycle

