



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

Primary, Community & Continuing Care Directorate
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Ms Carol Boate,
Manager
Advocacy Division
The Competition Authority
Parnell House
14 Parnell Square
Dublin 1

Re: Competition in Professional Services – Preliminary Reports on Dentists and Optometrists

Dear Ms Boate

I refer to your letter of 15th December 2005 to Professor Brendan Drumm, CEO, HSE. Professor Drumm asked that I consider the documents which you forwarded and respond directly to you with any observations.

Dentists:

The Health Service Executive contracts private dentists to provide a range of Dental Services to persons 16 years and over who have full eligibility for Health Services as well as holders of Health Amendment Act, 1996 Cards (Hep.C).

There are some 1,340 Dentists who hold contracts under the Dental Treatment Services Scheme (DTSS) with the Health Service Executive. In excess of 1,000,000 treatment items at a cost of €53m (approx) are reimbursed under the scheme on an annual basis. The method of remunerating contractors is by way of an approved schedule of fees for services/treatments provided.

The report highlights a number of areas in which Dental Services exhibit unnecessarily restrictive tendencies and competition is considered not to be working well for consumers.

I would concur with the broad thrust of the recommendations in the Preliminary Report.

Restrictions on Dental Services need to be tackled and I would agree with the recommendations in relation to Dental Hygienists, Dental Technicians and Clinical

Dental Technicians. However these recommendations to be effected will, as I understand it, require amending legislation.

Recommendation Number 11 which suggests that dentists be allowed offer their services as Limited Companies would provide alternative options for the H.S. E, particularly in areas where there are difficulties in getting private contractors to establish practices. (E.g. rural isolated and urban deprived areas).

At the other end of this spectrum however, the corporatisation of services could lead to other restrictive tendencies and perhaps a reduction in consumer choice. I think further and more in-depth consideration of this issue is required.

I agree with recommendations 12 and 13 in relation to altering and broadening the composition of the Dental Council in terms of stakeholder representation as well as reframing its role and functions.

Optometrists

In a similar fashion to Dental Services the Health Service Executive contracts with Optometrists to deliver Community Optometric Services to persons aged 16 years and over with full eligibility for Health Services as well as holders of Health Amendment Act 1996, Cards (i.e. Hep C)

There are currently some 490 Optometrists contracted by the Health Service Executive under the Community Optometric Services Scheme. In excess of 415,000 treatments at a cost of €16 m (approx) are provided under the scheme on an annual basis. As with the Dental Treatment Services Scheme the method of remuneration is by way of an approval scale of fees for services/ treatments provided.

The Preliminary Report suggests that the Health Service Executive should use Optometrists to provide state funded eye tests for qualifying children. In my view this recommendation has merit as long as it is given effect within the context of defined clinical parameters and is underpinned by appropriate clinical guidelines and pathways.

I would concur with recommendations 3, 4 and 5 of the Preliminary Report in relation to changing the role, functions and composition of the Opticians Board.

General Observations

The above observations are specific to the two professional services which were the focus of the Competition Authority's Reports. I would also make the following general observations. General Medical Services and Pharmacy Services for eligible persons are provided through contracts for services with General Practitioners and Community Pharmacists. Of the four professional Groups these two groups would between them consume by far the greatest share of expenditure on primary care schemes. In this regard a report on these two professions would be very timely and informative from the H.S.E's perspective. The level of State intervention in supporting the delivery of services by professional groups, which is currently more relevant to General Practitioner and Pharmacy Services and its impact on maintaining or detracting from the operation of a healthy competitive market is an issue that

requires analysis and consideration. For example, to what extent does the payment of subsidies for practice support staff, who are in the employment of a private contractor, enhance or reduce the level of competition operating in a particular market.

Increasingly professions are seeking to have the benefits of National Pay round and bench-marking increases applied to them notwithstanding their independent contractor status. A trend has emerged over the past decade or so in which General Practitioners have acquired some elements of a “quasi employee” status in areas such as sick leave, maternity leave and annual leave benefits, and I suspect it is only a matter of time before other professions seek to acquire similar type benefits.

In the context of an expanding Primary Care Sector and the Corporatisation of service delivering arrangements increasingly different professions will enter into joint business ventures to provide infrastructure (e.g. Medi- Centres/ one stop shops) etc. The impact of the above trends (some of which have already become manifest) individually and collectively on maintaining a healthy competitive dynamic in professional services requires detailed analysis and consideration.

All of the services alluded to above are in the main delivered through contractual arrangements which have their origins in and continue to be influenced by collective bargaining processes.

The extent to which this traditional approach as opposed to say competitive tendering produces competitive service delivery arrangements is another issue requiring further consideration in respect of which the insights and perspectives of the Competition Authority would be welcome.

I hope the above comments and observations are helpful.

Yours sincerely



Aidan Browne
National Director
Primary, Community & Continuing Care