



Directors of Primary Care – all Health Boards
Health Board Primary Care leads – for distribution to all NHS dental providers
British Dental Association Wales

10 March 2023

Dear Colleagues,

NHS DENTISTRY: HEALTH BOARD OPTIONS FOR MANAGING END OF YEAR RECONCILIATION AND FINANCIAL SANCTIONS

Since early January we have been trying to achieve a consistent approach to the end of year dental contract reconciliation, but it has become clear recently that is not possible. As is widely recognised, the Welsh Government cannot take a position that removes financial sanctions in their entirety as that would not stand up to scrutiny. If activity, paid for from public funds, has not been delivered it has to be accounted for and value for money demonstrated. I am grateful to Directors of Primary Care for the focus they have given this matter in recent weeks and to the British Dental Association for their time to consider the options at short notice this week. As a result of your feedback, we are offering health boards some additional flexibilities in the way you are able to manage any financial sanctions so that their effect is minimised and so that the funding is not lost to dentistry. To clarify, these flexibilities apply to practices participating in contract reform variation and those that remained on the UDA contract.

Health Boards will still need to use the end of year guidance to settle on a value of financial sanction that is applicable to any under performing contract. In deriving this value, the health board should still use the mitigation formula and adjust for any other mitigating factors the Health Board has considered. Once the Health Board has settled on a value the following options are available:

1. Underperformance, up to the value of 20% of annual contract value, can be carried into 2023/24 providing that the Health Board is assured that the contract holder has sufficient workforce in place to absorb additional activity. If this option is chosen Health Boards will need to be fully assured at the mid-year point that both the 2023/24 contract value and the carryover are on course to be delivered. If not, we would recommend an in-year reduction to ensure the risk of significant year end sanctions is minimised. This option essentially gives the provider the opportunity to earn back any 2022/23 sanctions back over a 12-



month period. It also gives the contract holder the ability to spread any repayment over the year.

2. The contract holder can elect to repay part of the value of the 2022/23 sanctions and carry some underperformance over into 2023/24. This would be done in agreement with the Health Board and under the same conditions as 1 above.
3. The contract holder can elect to pay any financial sanctions due in full.

Whilst these flexibilities are offered with the aim of enabling practices to earn back any financial sanctions resulting from underperformance there will, in some cases, still be a need for monies to be returned. I would encourage Health Boards to use these returns to focus on improving access across dental services in your area. There will no doubt be scrutiny on this so please ensure spending and outcomes are clearly documented.

This issue has clearly highlighted that contract reform poses a very different challenge for Health Boards. If we are to leave the one size fits all model of the UDA contract behind, Health Boards need to ensure that they have the capacity and capability within their dental contract teams to be able to evaluate service delivery on an individual contract basis. Hopefully this offer of additional flexibilities will provide the space for you to make that assessment in readiness for the mid-year point next year.

This year has seen the biggest change to the delivery of NHS dental services in two generations and I recognise that this change has not been easy for Health Boards or for the profession who are delivering services to patients across Wales. I am, however, clear that we do not want to be returning to a transactional model of UDAs given the benefits already being seen to a wider patient group. I hope that this positive action from the Welsh Government can be used to continue progress next year.

Yours sincerely,



Paul Casey

Diprwy Cyfarwyddwr o Gofal Sylfaenol a chymunedol
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cc:

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