



Are Dental Capitation companies essential?

On being asked this question a short while ago my first response was a firm and unhesitant “NO”. My enquirer was so taken aback that I felt obliged to justify my view and to focus on my reasoning. This led me to seriously look at the concepts for and against dental capitation companies and just how essential they were in the past and are for dentists today.

Having done this I have come to recognise the many benefits that have followed on from their introduction, but equally question their relevance today. Time has moved on for many of you.

Let us consider the exact nature and function of such companies.

This question has been asked many times and in essence their role is a very simple one; they collect and distribute money for a fee.

They collect a predetermined monthly fee from your patients, hold on to it for several weeks deduct their administration fee and (in the vast majority of cases) deduct an accident and emergency insurance premium before paying the balance to you the dentist.

As I write I can hear protest from the companies. What about the support we give the dentist? They cry. Well yes, some do have regional ‘consultants’ who offer support and details of developments within dentistry. However, I question how the practices would be affected if these visits stopped. Other companies do not offer such a service and one does question the real role of them at all.

I’m sure the views of dentists using such schemes vary and that in many cases the support is appreciated and valued in what can be an insular life, professionally speaking, in which dentists work without the input from colleagues such as lawyers or accountants etc.

However I still return to my basic premise, which is, are such companies essential or have they outlived their usefulness.

Such schemes are limiting. A capitation company allows you to offer their scheme and no other, their administration procedures, accident and emergency cover their terms and conditions, notwithstanding local

considerations and needs. What may well be ideal in Esher would not necessarily work to the advantage of neither the dentist nor the patient in the valleys of South Wales. If you introduce your own plan, independently of the capitation companies, you are in control of all these things but you are alone.

Moreover capitation companies are in control of how much administration charges you pay, they can increase or decrease them as they see fit. Whilst you may cancel your agreement if you wish the inconvenience is overwhelming. To my knowledge few other ventures enjoy such control. If you introduce your own plan admin charges are reduced to a bare minimum.

Nor does it rest there. Most are in control over the service you offer your patients, over the insurance cover and most importantly themselves. They can and do a 'sell out', merge with another company, take over others and even possibly go bust. Where does this leave you? If you introduce your own plan these concerns do not exist.

However, in fairness they have introduced a new method of practicing dentistry to the UK independent of the Health Service. This was seen by some dentists as more patient friendly than the 'fee per item' world of private dentistry. It is fair to say that the initial introduction of the capitation system was seen as an excellent one for the dentists by way of regulating their income and providing A&E insurance cover to patients for a moderate sum. They have relieved dentists of an uneven cash flow and encouraged better practices by encouraging preventative rather than restorative dentistry. It is true that ten years ago the direct debit systems were not available to dentists as they are today. The A&E insurance is still not available to individual practices, however there are companies who will offer this service for a single fee. There are companies who will support you through the design and introduction process, again for a single fee. By using these companies it frees you from any on-going administration charges incurred when you join a capitation company and enables you to introduce the exact service you wish into your practice. However, there is not the continual support offered by these companies but support is available on an hourly basis from them if and when you feel you need it.

The question is 'can you deliver the same benefits whilst avoiding the drawbacks of a one scheme fits all approach'? Today I think you can. I accept that it does involve the dentist in a more hands on involvement in the administration of what would be their individual scheme but the financial benefits are apparent.

So on balance I think the true answer to the initial question is 'No they are not essential but different horses favour different courses' and one needs to consider carefully the course best suited for you.

In my opinion capitation companies are essential if a dentist feels they are an advantage and benefit to his practice. They, too, are essential if the dentist is convinced he cannot achieve the same quality of service without them. They

are essential if it means that the dentist is going to lose something, which he feels, is essential to his practice if he introduces his own payment plan.

However, if the dentist doesn't feel this way, they are not essential providing the dentist is prepared to do some research into becoming independent from the capitation companies. They are not essential if the dentist has a good managed practice with a supportive team. Independent direct debiting system and accident & emergency insurance cover are available if you are prepared to look for them. At the end of the day the choice is yours, after all, whose practice is it?

Lyndsay Lucocq BSc (Hons) May 2002

01792 510112 / 07721 622 765

lyndsay@libranmanagement.com

www.libranmanagement.com