

## Create a targeted Seniors Dental Benefits Scheme similar to the Child Dental Benefit Scheme to provide seniors with assistance to meet dental costs.

### Overview

- Older people are more likely to have poor oral health,<sup>23</sup> especially those with low socioeconomic status and those living in residential aged care settings.<sup>24</sup>
- Older people who cannot afford private dental care must rely on public dental services, which can involve being placed on lengthy wait lists.
- As people get older and increasingly frail, the ability to adhere to good oral health practices can decline dramatically.
- According to the final report of the Royal Commission into Aged Care Quality and Safety, poor oral health has many adverse consequences and interrelations:<sup>25</sup> It can:
  - affect a person's ability to speak, eat and socialise.
  - contribute to social isolation, functional impairment, pain and discomfort, ill health and even death.
  - contribute to health conditions, and is linked with other chronic conditions, such as diabetes, respiratory diseases and cerebrovascular diseases.

### WHAT ARE WE CALLING FOR?

- Establish a Seniors Dental Benefit Scheme to provide \$500 per year towards interventions to improve oral health outcomes among older people.
- The scheme would be administered in a similar fashion to the existing Child Dental Benefit Scheme (CDBS).
- Initially, it would be available to older people with limited means and to aged care residents before being expanded to include other groups.
- Initial eligibility could be set using the proposed PCC+ (see recommendation 3) or other suitable means testing arrangement and then expanded over time.
- An alternative to targeting would be to provide the scheme in a graduated form, so those most in need get access to a higher subsidy amount (see Budget impact below for details).

### Why is the policy needed?

- One-third of adults have untreated tooth decay.<sup>26</sup>
- Dental conditions rank as the second highest reason for acute potentially preventable hospitalisations.<sup>27</sup> In 2019-20, 66,809 people were admitted for acute potentially preventable hospitalisations.<sup>28</sup>
- Poor oral health outcomes are often linked to income and are exacerbated within specific populations.
- People living in rural and remote Australia experience higher rates of oral diseases, primarily due to a lack of dental practitioners. They face higher costs in accessing care or rely on hospitals for treatment.

- Access to dental care in residential care settings was identified in the Royal Commission into Aged Care Quality and Safety as problematic and resulted in the recommendation to establish a Senior Dental Benefit Scheme to address issues with oral care among older people.<sup>29</sup>
- Addressing oral health problems early will have positive impacts on the overall health and wellbeing of older people. It will also have positive impacts on the health system by reducing the incidence and cost of acute health conditions related to oral health.
- People without health insurance are twice as likely to avoid dental treatment due to cost.<sup>30</sup>
- NSA surveys show that avoiding treatment due to cost is more likely for dental than almost all other treatment types (except mental health appointments) - 24% of older people were prevented from dental treatment due to cost,<sup>31</sup> rising to 46% for people whose sole income was the Age Pension.<sup>32</sup>

### Budget Impact

---

- Given the scheme offers a maximum of \$500 per eligible person per year, it is relatively easy to estimate the cost to government once eligibility parameters are set.
- If eligibility was provided to all Age Pension Pensioner Concession Card holders and Commonwealth Seniors Health Card holders (as was recommended by the Aged Care Royal Commission) the cost to government would total \$1.54b.
- If eligibility was restricted to all Pensioner Concession Card holders the annual cost would be \$1.25b.
- If eligibility was restricted to a subset of pensioners on low means using the proposed PCC+ and approx. 500,000 pensioners were eligible for the new card, the cost to government would be only \$250m per year.<sup>33</sup>
- Alternatively, by using concession cards to differentiate payment, government could expand the coverage of the scheme. For example, providing: \$500 per year to PCC+ holders would cost \$250m; \$150 per year to the remaining PCC holders would cost \$300m; and \$100 per year to CSHC holders would cost \$50m. Therefore, the total cost would be \$500m covering three million pensioners and low-income self-funded retirees.
- Note: these estimates are based on full take-up of the scheme. It is likely the take up is less as is the case with the CDBS.
- Supporting low-income pensioners to access private dental to improve their oral health could help to ease pressure on the public dental system and on other parts of the hospital and health system, reducing government costs.