

# Consultation Document

for

1. Annual practising certificate fees for dentists and dental specialists; and
2. Disciplinary levies for dentists and dental specialists.

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## Introduction

Health practitioner annual practising certificate (APC) fees and disciplinary levies are set by health regulatory authorities under sections 130 and 131 of the Health Practitioners Competence Assurance Act 2003 (the Act).

In November 2013 Council consulted on the 2014/15 budget that allowed for a 1.4% CPI inflation adjustment. The budgetary figures have now been confirmed and closing reserves determined. Council is consulting on the dentist and dental specialist APC fee and disciplinary levy.

The purpose of this consultation document is to advise stakeholders that the Dental Council (“Council”) is proposing to gazette a revised APC fee and disciplinary levy to be effective for the recertification year commencing 1 October 2014.<sup>1</sup> It is now consulting stakeholders on the:

1. annual practising certificate (“APC”) fee for dentists and dental specialists; and
2. disciplinary levy for dentists and dental specialists.

Council is seeking stakeholder feedback on its proposals by 31 July 2014. The abridged consultation period will enable feedback to be considered by Council at their 4 August 2014 meeting, prior to giving their approval to the gazetting of the revised APC fee and disciplinary levy to be effective from 1 October 2014.

Under section 132(2) of the Act, the gazette notice giving effect to any change in APC fee and disciplinary levy, must be published at least 28 days prior to its effective date. To meet the 28 days notice period, Council must gazette the change in APC fee and disciplinary levy by 28 August 2014 at the latest.

## Background

Council abides by the good practice guidelines established by both the Office of the Auditor-General and by Treasury. In so doing, it must ensure it takes into account the principles of authority, efficiency and accountability when setting fees; as well as equity issues and likely costs.

Council is committed to ensuring that it operates in a cost effective manner and strives to maintain a balance between ensuring the efficient and effective discharge of its public safety obligations and practitioner affordability. Upon this basis, Council’s budget, and its fees and levies are calculated on a full cost recovery basis.

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<sup>1</sup> All values for fees and levies are shown in this consultation document, are exclusive of GST, unless otherwise stated.

Council is committed to ‘user pays’ and full cost recovery principles to ensure no subsidisation or cross-subsidisation occurs. This extends to ensuring full recovery for the costs associated with registration of oral health practitioners in a particular scope of practice; the costs of a competence or other programmes established for a practitioner to maintain registration; the examination of candidates to enable them to obtain a New Zealand prescribed qualification that leads to registration; and, for the costs of maintaining non-practising registrants on the register.

### Proposed 2014/15 APC Fees and Disciplinary Levies (GST exclusive)

Section 130 of the Health Practitioners Competence Assurance Act 2003 (the “Act”) provides that Council:

- (1) ...may prescribe the fees payable in respect of the following matters:
  - (a) ...
  - (b) ...
  - (c) the issue of a practising certificate;

Section 131 of the Act provides that Council:

- (1) ...may from time to time, by notice in the *Gazette*, impose on every health practitioner registered with ...[Council] a disciplinary levy of any amount that it thinks fit for the purpose of funding the costs arising out of:
  - (a) the appointment of, and any investigation by, any professional conduct committee (PCC); and,
  - (b) proceedings of the [Health Practitioners Disciplinary] Tribunal.

The following table sets out the proposed Dentist and Dental Specialist 2014/15 APC fee and disciplinary levy, compared to 2012/13 and currently 2013/14:

Dentists and Dental Specialists	2012/13	2013/14	2014/15
	\$	\$	\$
APC Fees	730.11	729.64	716.11
Disciplinary Levies	29.71	17.85	87.59
<b>Total</b>	<b>759.82</b>	<b>747.49</b>	<b>803.70</b>
<b>Total GST inclusive</b>	<b>873.79</b>	<b>859.61</b>	<b>924.26</b>

The APC fees and disciplinary levies vary across each dental profession that Council administers.<sup>2</sup> The level of APC fees and levies per practitioner depend on; the budgeted number of practitioners, each profession’s share of budgeted Council costs, direct profession income and expenditure budgets and minimum reserve levels set for each profession under Council’s Level of Reserves policy.

Appropriate operational reserve levels are maintained through prudent budgeting and forecasting, by rationing and prioritising resources and by adjusting annual practising fees to not only meet standard operational activities, but also to provide a buffer against an unknown number of competence cases, appeals or judicial reviews. In this way the financial viability of the Dental Council is sustained.

Disciplinary reserves are maintained to cover the costs of discipline cases already underway and to provide a buffer against as yet an unknown number of new discipline cases. Dentists over the past few years have had relatively low costs in relation to discipline. However in 2013/14

<sup>2</sup> Dentists & dental specialists, dental therapists, dental hygienists & orthodontic auxiliaries, and dental technicians & clinical dental technicians.

Council has incurred costs for one particular case, which is significantly in excess of normal case costs, to the tune of \$70,000. This case in particular and recent historical trends in discipline cases, have been used as the guide in determining the level of disciplinary reserves that need to be maintained and have influenced the proposed increase of \$69.74 in disciplinary levy for 2014/15.

Council after careful consideration proposes for the 2014/15 year to:

1. reduce the Dentist APC fee from \$729.64 to \$716.11 a decrease of \$13.53 per practitioner; and
2. to increase the disciplinary levy by \$69.74 per practitioner from \$17.85 to \$87.59.

## **Proposals**

Council is consulting on the gazetting of a revised APC fee and disciplinary levy as follows:

1. an annual practising certificate (“APC”) fee for dentists and dental specialists of \$716.11;
2. a disciplinary levy for dentists and dental specialists of \$87.59; and
3. a composite APC fee/disciplinary levy of \$803.70 (\$924.26 GST inclusive).

## **Conclusion**

The objective of the consultation is to gather views from stakeholders to enable Council to make a final decision on the proposals.

Council is consulting on the above proposals with all oral health practitioners, relevant associations and societies, the Ministry of Health, District Health Boards and other organisations with an interest. The proposals will also be published on the Council’s website, with a similar invitation to comment.

Council invites comments on the proposals by **31 July 2014** after which Council will consider all submissions at its next Council meeting following that date.

Responses should be sent to:

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Yours sincerely



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